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### EU / External Trade

**Brussels 28/11/2000:** EU seeks consensus on WTO agenda at first regional seminar on new issues in Chile: The EU launched a new initiative to help find consensus on an agenda for WTO negotiations in Santiago, Chile (29 November-1 December). This initiative aims to enable more discussion and analysis of the potential scope and implications of WTO rules in new areas. Commenting on the initiative, European Trade Commissioner: "Our goal is to secure better understanding and support for our aims in different areas of the potential new Round. We are looking for the right level of ambition and a negotiating approach which will be acceptable to all, particularly developing countries with limited resources".

### EU / Finance

**Brussels 28/11/2000:** Euro and code of conduct should push cross-border housing finance: A code of conduct on housing finance should be ready within weeks, declared Pat O'Reilly, President of the European Mortgage Federation. This is expected to provide a spur to cross-border mortgage lending in the euro-area as borrowers will not only have transparency in mortgage pricing through use of the euro, but also in terms and conditions as a result of the code and ready access to competitive offers via the Internet and e-mail. Banking, finance and consumer associations are expected to give their formal agreement to the code in mid-December. The Commission will incorporate the information in the code in a Recommendation to give it added weight.

### EU / Taxation

**Brussels 27/11/2000:** EU ministers strike tax deal: EU finance ministers reached provisional agreement on a package of measures which will take tax co-ordination further forward. They also intended to reduce tax evasion by personal savers, particularly those in the euro-area who tend to invest in countries as Luxembourg and Switzerland which have no withholding tax on non-resident savings. The same package incorporates agreement to eliminate by end-2005 tax incentives for business which distort competition. Ministers are hopeful that the whole package, can be laid to rest by the time of the crucial Nice summit. The measures agreed include a 'code of conduct' on corporate tax revenues and a technical law designed to stop double taxation of company royalty and interest payments.

**Brussels 29/11/2000:** Fifteen give themselves until July 2001 for settling question of VAT on e-commerce: Even though the French presidency expressed its intention to reach an agreement, the Member States' opinions are still inharmonious over the issue of the place where third country operators must register and mainly the breakdown of VAT receipts they should pay. The 15 therefore entrusted their tax experts with the task of preparing an amended draft directive for approval by 30 June 2001. This aims to modify the VAT rules in force in the EU to apply the principle of taxation in the place where digital products downloaded from the Internet are consumed. It is so a question of correcting the current anomaly meaning that payments made by the third country operators to the benefit of European clients are not subject to tax while European operators must invoice the tax to their clients established in third countries.

### Enlargement

**Brussels 27/11/2000:** Verheugen against two-class EU: Enlargement Commissioner opposed the proposal of German Foreign Minister Joschka Fischer of creating a main group of Member States inside the EU. At the conference of the Herbert Quandt Foundation on Europe in the 21 century in

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Berlin, Verheugen said that Fischer's plan leads to creation of a second EU inside the existing Community. He also mentioned that Eastern European candidate countries fear that this would lead to a two-class European community. The Commissioner expressed doubt that such a core-group EU would be attractive to other member states.

### EU / Institutional Reform

**Brussels 27/11/2000:** Barnier pessimistic before Nice Summit : Commissioner Micher Barnier, responsible for institutional reform, said he was worried and pessimistic before the European Summit in Nice where an institutional reform, necessary before Union's enlargement, is to be adopted. In an interview with El País, Barnier said that the EU would not achieve a great reform in Nice, leaving out the possibility for a failure. Barnier expects the EU leaders to reach "a correct and useful agreement". He emphasized that the question of power was at stake. He defends the system of "double majority" voting and abolishment of the right of veto in the Council of Member States. He supports the idea of a "constitutional treaty" which would include citizens' rights and division of power between EU Member States, regions and institutions. Barnier is also in favour of German Foreign Minister proposal that EU citizens should elect the president of the Commission in order to increase its legitimacy

### EU / Consumer Safety

**Brussels 29/11/2000:** New EU crack down on BSE : The Commission announced recently a new restraint on preventing BSE. The proposals announced will have to be agreed by Agriculture Ministers before they can take effect. The new measures include a temporary ban on the feeding of meat and bone meal to all farm animals, a requirement that all animals over 30 months are tested for BSE to enhance consumer confidence; a 'purchase for destruction' scheme to remove from the food chain all cattle aged over 30 months unless they have been tested for BSE.

### EU / Competition

**Brussels 29/11/2000:** New EU rules concerning so-called horizontal cooperation agreements: The EU adopted new rules on co-operation agreements between company competitors as a result of a overall review of the competition law. These are subject to Community competition rules and their assessment is governed by two block exemption regulations concerning research and development agreements and the specialisation agreements. The new texts are easier to use, clearer and more widely applicable. They aim mainly to allow competitor cooperation where it contributes to welfare without creating a risk for competition. These rules will become effective on 1 January 2001

### EU / Electronic Commerce

**Brussels 1/12/2000:** Commission pleased with impact and development of e-Europe programme: In a press release the Commission considers the e-Europe initiative since its launch has had a broad impact in the Member States, European level and beyond. A growth of 55% in the use of Internet over the past 6 months was reported in EUROPE following an inquiry. The Commission is pleased with the way things have developed. The political impact is considerable and new projects have been launched. Information Society Commissioner considers such progress as encouraging but there are still challenges to face. Among others he mentions security systems in the context of the fight against cyber crime for high better cooperation at Community level is required. He advocates strengthening the international dimension of eEurope mainly through greater collaboration with the candidate countries.

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### EU / Internal Market

**Brussels 30/11/2000:** Major attack planned on EU piracy: The EU has pledged to step up the fight against counterfeiting and piracy which is costing European companies billion of euros' worth of business. The Commission plans an EU directive to harmonise national laws so as to make it easier to enforce intellectual property rights, and to extend the powers of Europol. EU businesses operating internationally are estimated to be losing between EUR 400m and EUR 800m in the single market and EUR 2bn in non-member countries because of trade involving counterfeiting and piracy.

**Brussels 27/11/2000:** European Commission notes acceleration in implementation of regulations, but some delays remain: A new edition of the Internal Market Scoreboard was released recently from the Commission. The Commission notes that despite delays in some Member States like France, Portugal and Greece, the rate of transposition of European Directives into national legislation has continued to improve. 80 actions are identified to be implemented before the end of 2000 and 44 are expected to be completed in time. This assessment is regarded as "disappointing" but also encouraging with regard to the 27 priority actions that had been identified as being susceptible of having a significant and rapid impact on the effective functioning of the single market.

The scoreboard also includes the results of a survey made with some 4.000 companies from which it appears that the functioning of the single market leads to a growing level of satisfaction in professional circles. The Internal Market Commissioner commented positively over these developments while underlining that they must not slowdown efforts as failing remain and invited the three most delayed countries to make a special effort. He notes that the existence in itself of the scoreboard lead to positive rivalry between the Member States.

### EU / Environment

**Brussels 30/11/2000:** Success of EP/Council conciliation over new regulation concerning community environmental management and audit system: In a conciliation procedure the Council and the Parliament have come closer over the new regulation concerning Community environmental management and audit system (EMAS), based on a voluntary participation of companies keen for a continuous improvement of their environmental performance. This was focused on 3 issues: a) respect for environmental legislation by organisations take part in EMAS, b) ways to facilitate access for SMEs to the system, c) public information. The agreement text aims to widen the scope of the EMAS systems and increase its contribution towards sustainable development. Among other things it extends the participation to voluntary organisations in all economic sectors, makes the system more visible through a new logo and homogenises its implementation in the Member States.

### External Trade

**Brussels 17/11/2000:** Proposal on New Round of Multilateral Trade Talks seems to be gaining Ground: Launching a new round of trade talks is becoming more favourable as the 2000 deadline approaches. The US President wants it to happen as early as possible next year. The member countries of Asia Pacific Economic Cooperation Forum (APEC) followed by agreeing that a balanced and expanded agenda for discussion should be finalised as early possible in 2001 and a round begun in 2002

EU Trade Commissioner found it strange that Geneva is starting to wonder if the Round could be launched in 2001 or 2002. He explained that too much time is spent on working out what needs to be done to get the round launched. Mr. Moore (WTO DG) on the other hand, noted that the freer trade

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coalition is “apathetic and fragmented”. He urged countries concerned to “mobilise and unite” making difficult choices among the priorities with “realism and political courage” to come to a consensus on the scale of the negotiations to come.

**Brussels 23/11/2000:** Lamy launches new trade talks with civil society : European Trade Commissioner presented a new phase in his trade talks with civil society representatives. In his presentation to a Civil Society Consultation meeting in Brussels. The objectives of the Commission were to make future trade negotiations more efficient. Lamy outlined how sustainable development objectives can be integrated into a viable trade policy, calling on civil society to play its full role in this process. He also reported on the Commission’s efforts in improving access to important medicines in developing countries. He set also out the Commission’s proposals to amend the legal basis of the EU Common Commercial Policy in the coming IGC.

**Brussels 22/11/2000:** Business Circles of both Parties call for « de-escalation » in Trade Disputes: “Trade disputes between the EU and Usa should be treated in a reasonable way, was the message of TABD-Transatlantic Business Dialogue, and this is what the Union has been doing” expressed himself Commissioner Lamy alongside Commissioner Liikanen in front of 120 multinational and SME business decision makers who met in Cincinnati (US) to finalise recommendations by the business circles to the Euro-American summit on December 18th. Around 40 questions and industrial sectors were identified this year by the TABD where improvements would allow trade and increased investment to be facilitated, including a unanimous appeal for de-escalation in transatlantic disputes.

**Brussels 22/11/2000:** In FSC Affair, American challenge Injury for European Companies while Europeans state new System is even worse than that: The US announced it will change in the proper time the assessment of damage made by the EU in the “Foreign Sales Corporation affair” (FSC). They don’t believe that the European companies have been disadvantaged by the FSC. US officials pointed out that WTO arbitration would be called for on the EU sanctions level if the Appellate Panel was right. This would delay the possibility for the Europeans to implement their threat for retaliatory measures. Washington is convinced that this confrontation should be avoided. They value though the importance of continuing negotiations with the EU to avoid any escalations of tensions. However, on the other side, the EU Trade Commissioner reaffirmed the opposite. For him the new FSC is even worse than the previous one concerning export subsidies. He views the US system as export-dependent to get a rebate on their corporate taxation.

### EU / Finance

**Brussels 21/11/2000:** Commission seeks minimum Auditor Standards: The Commission adopted a recommendation setting minimum standards for statutory audits in the EU. In a move that would require most countries to improve their monitoring of external accountants, the objective is to ensure that statutory audits are conducted in compliance with the established auditing standards and that the auditors respect “ethical rules”. The Commission says the recommendation will also improve the provision of reliable financial data by companies. This intends to give some progress towards the harmonisation of quality assurance within three years. If appropriate it will also consider the need for legislation.

### EU / Taxation

**Brussels 20/11/2000:** European Commission proposes new VAT invoicing rules, mainly electronic, to lighten burden on companies: The Commission is proposing the creation of a list of things where would be compulsory to mention all invoices and creating a common legal framework for electronic invoicing. The result is an extreme variability in national situations causing companies difficulties that

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more often have activities that may be taxed in several Member States and sometimes centralise their invoicing units in a single entity. These rules risk damaging the competitiveness of European companies and the development of the e-commerce.

### Enlargement

**Brussels 17/11/2000:** The Balkans Enlargement negotiations and Turkey at centre of Monday's Council Session: The General Affairs Council Meeting on Monday November 20th is dominated by the Balkans, enlargement and European Security and Defence Policy. The main topics of the agenda are: Preparations for the Zagreb Summit on November 24th; Cards Regulation aiming to establish a unified legal framework for assistance to the Balkans; Extension of the activities of the European Agency for Reconstruction in the FRY. Also other topics to be discussed are European Security and Defence Policy, Enlargement, Turkey's pre accession strategy, Statute of MEPs, Association Overseas Territories with the Community and the question of resumption diplomatic relations with North Korea.

### EU / Commission Reform

**Brussels 17/11/2000:** Markets below 500.000 Euro henceforth to be awarded without prior opinion of advisor committee (CCAM): The Commission has decided that markets awarded by its services of a value of less than 500.000 Euro will no longer need the prior opinion of CCAM and will eventually relieve work of CCAM. For the Commission this is a question of "placing the responsibility on the authorizing officers". Finally, this is a way of preparing for the abolition the need for all markets to gain the prior opinion of the CCAM, abolition proposed by the Commission in its proposal on the overall revision of the financial regulation. However the opinion of the Council and Parliament is needed to abandon this prior opinion of all markets.

**Brussels 20/11/2000:** Ms Fontaine recommends compromises for extending Qualified Majority Voting in due course: During the Ministerial meeting of the IGC, the Parliament's President expressed the Parliament's growing concern about the outcome of the talks in the case of Qualified Majority Voting. The approaches the Parliament is recommending do not go very far. For her, a final compromise solution would involve setting deadlines in the Treaty, while, regarding the very sensitive issues there could be a minimum number of States as a threshold for triggering the automatic switch to qualified majority voting. She recalled that the Parliament believes that all Council decisions should be backed by a simple majority of Member States representing half of the EU. The Commission's proposal presents a list of things to be mentioned on all invoices, while the Member States may provide for measures for simplifying matters for small amounts or for certain categories of trades subjected to tax (SMEs benefiting from a franchise system, etc). Those subjected to the tax would have the possibility of transmitting an invoice electronically, on condition of using a system of electronic signature guaranteeing the authenticity of the origin and integrity of the data. To be adopted, the Council will have to approve the draft unanimously.

### EU / Consumer Safety

**Brussels 23/11/2000:** Food Safety top of the Agenda in EU Consumer Talks: European Commission President Romano Prodi stressed the EU's commitment to food safety in a key speech at the opening of the annual conference of consumer associations in Europe. He said that although overall, food in Europe has probably never been safer, consumer confidence had been "deeply shaken" by recent food scares.

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### EU / Transport

**Brussels 24/11/2000:** EP and Council reach agreement allowing for opening up to Competition of Rail freight Transport on the Trans-European Network in 2003 and on all other Tracks in 2008: The Parliament and the Council agreed under a conciliation procedure framework allowing for opening up to competition of rail freight transport in 2003 on the Trans European Rail Network. The competition for opening up of passenger transport by rail is subject to Commission measures. This, according to Transport Commissioner, will allow for the creation of a better European Railway network with an objective of enhancing the attraction of rail related to road. The procedure allowed for an agreement between the Parliament's position and the Council formula adopted last December. This "rail package" provides for: Independence of organisations responsible for managing infrastructure; guaranteed access to the network for the holders of rail licences; a uniform system for allocations and fees for the use of infrastructures; technical harmonisation of the network.

### EU / Electronic Commerce

**Brussels 23/11/2000:** Criticism over Draft Revision of Brussels Convention: A group of European Industrialist joined also by the EU Committee (AMCHAM) in Belgium challenges the proposal by the Commission to review the Brussels Convention over its legal competence in civil and commercial matters. They are of the opinion that the Commission's approach could harm the development of e-commerce in Europe. They focus more in the in the consumer's place of residence, which they feel will be difficult for the seller to determine the residence of the consumers who access the web through the phone. They hope for including a possibility for the consumer to personally choose the place of jurisdiction in the contract. They note that the Commission revision could go against the future Hague Convention that predicts the determination of jurisdictional competence and considering the conditions of the contractual relationship between the seller and the consumer.

### EU / Tourism

**Brussels 22/11/2000:** Discussion of a policy of Sustainable Development for Tourism in Europe: The Tourism Ministers of the EU Member States met in Lille under the presidency of Michelle Demessine (French Minister of Tourism) and with the participation of Commissioner Likanen. Policies presented in the Commission report on "Follow up provided t the Conclusions of the Internal Market Council relating to Tourism and Employment" were discussed. About 200 participants from EU, European Economic Area and central Eastern Europe countries were present. The work was divided in 3 debate workshops: 1)sustainable tourism and tourism operators, 2)sustainable tourism and the territories, 3)sustainable tourism an d employment. The objective is to enhance the contribution and provide growth and employment in the rationale of sustainable development, creating possibilities for cooperation and better coordination of national policies.

### EU / Mediterranean

**Brussels 22/11/2000:** Business Circles denounce "Lack of Credibility" of Barcelona Process, EUROMED Trade Union Forum insists on Social and political dimension: On the tracks of the Euro-Mediterranean ministerial conference that took place in Marseilles, the industrial and trade union circles adopted a position on the development of the "Barcelona process".

Euro-Mediterranean business circles released a statement on the conditions for a successful partnership. They regret however its lack of credibility in public opinion following the results obtained. For them this partnership has to go through action of the field companies, and thus a call

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for the development of appropriate mechanisms for prior consultation of organisers followed. The Euromed Trade Union Forum adopted a declaration stressing that a “balanced Euro-Mediterranean partnership must serve economic and social development”.