



Policy Focus

A bi-monthly review of major policy developments in Brussels, London and Washington, prepared for BABC member companies

July 2008

Policy Action:

Double Taxation Treaty Review

► We have formed a working group to examine the UK-US Double Taxation Treaty. The Treaty is due to be reviewed by the UK and US governments this year, believed to be after the Summer, and we are now in a position to engage in the consultation process at the earliest opportunity.

Policy Action:

Aviation Duty

► Further to the letter we sent to the Chancellor, the Rt. Hon Alistair Darling MP, outlining our profound concerns about the potential impact of proposals for a new aviation duty, we received a response from Angela Eagle MP, Exchequer Secretary to the Treasury dated May 16th. In it, she states "Your response to the consultation is appreciated and will be fully taken into account during the policy design process. This will assist us in our analysis so that we can design the duty in a way which meets all of our objectives and does not distort the market in the ways you have suggested."

London

New Rights for Temporary Workers

Business secretary John Hutton MP, has confirmed Britain's temporary workers will receive the same rights as permanent workers under new measures agreed by EU ministers. The measures will give 1.3 million temporary workers the same pay and conditions as permanent staff after 12 weeks employment.

[LINK](#)

London

CBI Predicts Slowest Growth in 17 Years for 2009

The Confederation of British Industry (CBI) has

Washington

Possible Lifting of Ban on US Offshore Drilling

US President George W. Bush has called for the lifting of the 27 year ban on offshore oil drilling in US territorial waters. The proposals could result in the opening of the Arctic National Wildlife Refuge in Alaska. President Bush also called for a lifting of the ban on oil shale drilling in the Rocky Mountain states, which has previously been deemed too expensive to exploit.

[LINK](#)

Brussels

Irish Voters Reject Lisbon Treaty

Ireland has voted 'no' in a referendum on the Lisbon treaty. The treaty, which is designed to replace the previous EU constitution that was not ratified, was rejected by 53.4% of Irish voters. It is not clear whether this spells the death knell for the treaty.

[LINK](#)

Brussels

EU Toughens Rules on Illegal Immigrants

The European Parliament has opted for stronger legislation to deal with illegal immigrants; the new measures allow detention for up to 18 months prior to deportation. The new rules focus on illegal immigrants, with visa-over-stayers being the biggest category (estimated at approx. 12 million people) but not refugees who wish to seek asylum.

[LINK](#)

Brussels

Brussels Sets New Recycling Targets

Binding targets for European countries have been passed by ministers in the European Parliament. The measures set new targets for 2020 and include the re-

predicted that UK GDP will grow at its lowest rate since 1992 next year. The rising cost of commodities and weakened consumer demand has led the CBI to lower its forecast for GDP growth in 2009, by 0.4% to 1.3%. The CBI has also suggested that inflation will remain above 3% until the last quarter of 2009.

[LINK](#)

London

UK's Largest Mortgage Lender Predicts 9% Downturn in Market

Halifax Bank of Scotland (HBOS) has said it expects UK house prices to fall by 9% in 2008 and the total number of housing transactions to fall by 45%. In a separate move HBOS has written down the value of its equity stakes in house builders by 50%, £100m, due to the deterioration in the sector.

[LINK](#)

Washington

Travellers to Register 72 Hours in Advance for Travel to the US

From next January, travellers flying to the United States on the visa waiver program will need to pre-register their details online, 72 hours in advance. US Homeland Security Secretary, Michael Chertoff, said: "Rather than relying on paper-based procedures, this system will leverage 21st century electronic means to obtain basic information about who is travelling to the US without a visa."

[LINK](#)

Washington

The US and China Negotiate Investment Treaty

The United States and China have agreed to negotiate an investment treaty in their fourth round of economic talks. The measures include the signing of a 10 year agreement to ensure the two countries have enough energy to power their economies. The talks have acknowledged the recent gains of the Renminbi against the dollar, up by 20% since 2005.

[LINK](#)

use and recycling of 50 % of waste materials such as paper, metal and glass from households, as well as 70 % of non-hazardous construction and demolition waste.

[LINK](#)

Forthcoming Events

London

► **July 8, 2008:** First Annual World Islamic Banking Conference

Liverpool

► **July 25, 2008:** ECOSS 25 - The 25th European Conference on Surface Science

Washington

► **July 15, 2008:** US Global Leadership Campaign Conference

► **July 23-24, 2008:** International Traffic in Arms Regulation (ITAR) Compliance Summit 2008

Lausanne

► **July 10, 2008:** 8th European Conference on e-Government

The BABC is grateful to MFI for its sponsorship of Policy Focus.

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