



Policy Focus

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

September 2008

London

UK Unemployment Level Highest since 1992

UK unemployment is now at the highest level since December 1992. Claims for unemployment benefit rose by 20,100 in June to 864,700; 2.7% of the working population.

[LINK](#)

London

Competition Commission Expected to Break Up BAA

The British Airport Authority (BAA) is expected to be broken up by the Competition Commission in the biggest shake up of British airport ownership in 20 years. They cite the interests of consumers and airlines as the main factors in their decision. Sir Nigel Rudd, Chairman of BAA, said that the break up would not be a 'disaster' and that they had already received several expressions of interest from buyers for Gatwick and Stansted.

[LINK](#)

Washington

United States and Poland Sign Defense Deal

The US and Poland have agreed to locate part of the United States missile defense system in Poland. Under the terms of the agreement, signed in August, the US will have a permanent presence of both service personnel and missiles on Polish soil. In exchange for this, the US will provide assistance to Poland in the event of an attack.

[LINK](#)

Washington

US Trade Gap Narrows with Imports and Exports Up

The US trade deficit unexpectedly narrowed in June by 4.1 percent to \$58.6bn despite concerns about

Washington

United States Challenges Russian Territorial Claim in Arctic

The US is cooperating with Canada to counter aggressive claims by Russia in the Arctic. With the melting of the ice caps, previously inaccessible reserves of oil, and other natural resources, have made territorial claims increasingly competitive with Denmark and Norway also laying claim to previously uncontested sections of the continent. The US and Canada have put aside their own contested claim to over 12,000 sq km on the Beaufort seabed to challenge the claim by Russia to the Lomonosov Ridge which lies directly under the North Pole.

[LINK](#)

Brussels

Eurozone Economies Contract

The economies of the 15 Eurozone countries shrank by 15% in the second quarter of 2008. The biggest decrease was seen in Germany where the economy shrank 0.5%, it's the first decline since 2004. This downturn has once again raised concerns of a recession within the Eurozone.

[LINK](#)

Brussels

European Report Recommends Intelligence Sharing with the United States

A report published in July by members from six European member states recommends that an anti-terrorist pact should be formed between the United States and the member states of the European Union. The 53-page report drafted by the interior and justice ministers from Germany, France, Sweden, Portugal, Slovenia, and the Czech Republic (recent, current and future EU presidency countries) argues that stronger intelligence links with the US are

rising oil prices. In the same month, US exports were up by four percent and imports were up by 1.2 percent, a rise driven by demand for oil. However, with the dollar gaining strength, exports are forecast to fall.

[LINK](#)

Brussels

EU Disappointed at Collapse of Trade Talks

EU Trade Commissioner Peter Mandelson has described the collapse of the Doha round of the World Trade talks as “heartbreaking” with European Commission President Jose Manuel Barroso calling it a “profound disappointment for the EU.” The Talks collapsed after disagreements between the United States and India regarding emergency provisions for poor farmers.

[LINK](#)

needed to boost the fight against terrorism.

[LINK](#)

Forthcoming Events

London

▶ **September 24:** London Stock Exchange Investor Relations Conference 2008

▶ **October 9:** Second Annual Collateral Management Conference

Washington

▶ **October 6-8:** US-Africa Infrastructure Conference: Connecting the Continent

Brussels

▶ **September 25-29:** European Conference on Optical Communication (ECOC) 2008

▶ **September 30 – October 2:** National Security 08: Maximizing Prevention Strategies Through The Collection, Storage And Secure Sending Of Critical Information Between Agencies

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