



**February 2005**

### **Bush delivers Budget to Capitol Hill Washington**

On 7 February, President Bush delivered the US Budget for FY 2006 to Capitol Hill. The Budget looks to promote economic growth - keeping taxes low, promoting new trade agreements with other nations, and protecting American businesses from litigation and over-regulation. It also supports the development of technology and innovation throughout the economy. Other key areas are: increasing funding for security; enforcing greater spending restraint across the Federal Government; and developing a Social Security reform plan.

It projects:

- Overall discretionary spending rising by 2.1 percent, lower than the rate of expected inflation.
- The deficit falling to 3.0 percent of GDP in 2006, compared with 3.5 percent in 2005; and to 1.5 percent by 2009, below the 40-year historical average of 2.3 percent.

[LINK](#)

### **Bush gives State of the Union Address Washington**

On 2 February, President Bush gave his State of the Union Address focusing mainly on the social security pension plan, immigration and the Middle East. This followed his inauguration speech on 20 January.

[STATE OF THE UNION ADDRESS  
PRESIDENT'S INAUGURAL SPEECH](#)

### **EU/US Agreement on Boeing and Airbus Brussels/Washington**

On 11 January, the EU and US agreed the terms for launching negotiations on subsidies affecting the civil aircraft sector. The negotiations aim to establish a new agreement eliminating different types of subsidies and to establish fair market-based competition between Boeing and Airbus.

[LINK](#)

### **Rice sworn in as Secretary of State Washington**

Dr. Condoleezza Rice became the 66th US Secretary of State on January 26, 2005. Her confirmation hearing speech echoed President

### **UK Presides over G8 London**

The UK assumed the Presidency of the G8 on 1 January 2005 with the annual EU Summit planned for 6-8 July. The Prime Minister outlined Africa and Climate Change as the priorities for the UK's Presidency.

[PRIME MINISTER'S G8 WELCOME SPEECH](#)

### **UK hosts Conference on Enterprise London**

On 4 February, Gordon Brown, Chancellor of the Exchequer, hosted an international conference for the world's leading finance ministers on 'Advancing Enterprise 2005'. The theme was the creation of a positive growth climate for new and existing enterprises in the context of a fast-changing global economy. Grant Aldonas, US Under Secretary of Commerce for International Trade Administration, in London for the Conference, met with BABi during his visit. [LINK](#)

### **UK launches White Paper on European Union London**

Foreign Secretary Jack Straw launched the UK's White Paper on the 'Prospects for the European Union for 2005'. The Paper discusses the need to enhance prosperity across Europe and the UK; how to tackle common threats to security; and preparations for the UK's Presidency of the EU, which begins on 1 July.

[JACK STRAW'S STATEMENT  
WHITE PAPER](#)

### **Politics at a glance**

#### **Washington:**

- ▶ **22 Feb:** President Bush to visit Brussels

#### **Brussels:**

- ▶ **1 Jan:** Luxembourg Presidency of the EU began
- ▶ **9/10 Feb:** US Secretary of State visits Luxembourg for EU/US Ministerial meeting

### **Chemicals Directive hearing at European Parliament Brussels**

The European Parliament is currently examining the proposal for REACH (Registration, Evaluation and

Bush's key themes: uniting the democratic community in building an international system based on shared values and rule of law; fighting the threat to common security; and spreading freedom and democracy throughout the world.

[CONFIRMATION HEARING SPEECH](#)

### **Barroso Addresses Europe's Progress Davos**

In January Jose Barroso, President of the European Commission, addressed the annual World Economic Forum (WEF) in Davos, Switzerland. He acknowledged Europe's disappointing growth rate – an average of 2% per year. He also acknowledged that the EU has underperformed in relation to its "Lisbon Agenda" for growth over the past five years. Barroso committed the new EU Commission to reinvigorating this growth agenda. Europe remains the largest economy in the world, the largest trading partner and the largest donor of development assistance. [LINK](#)

### **World Economic Forum: Transatlantic Workshop Davos**

The World Economic Forum's Transatlantic Workshop in late January concluded that the EU/US partnership will be instrumental in addressing security challenges and conflicts worldwide, particularly in the Middle East and on the issue of nuclear proliferation; and that the transatlantic partners need to contribute to the development of a global economic community to help alleviate world poverty. [LINK](#)

[TRANSATLANTIC BUSINESS DIALOGUE](#)

### **BABi Action**

► Jan: On the basis of its survey of its members on both sides of the Atlantic, BABi presented its key recommendations for transatlantic trade and economic policy priorities to the EU and US Governments, in response to their "invitation to comment." [LINK](#)

► Jan: BABi has established a transatlantic policy framework to guide and oversee the development of its policy program on behalf of its members. For further information, please email Sarah Sim, BABi Policy Manager at: [ssim@babinc.org](mailto:ssim@babinc.org).

Authorization of Chemicals), which will have a major, long-term impact on business. A hearing was held on 19 January with an audience of over 1000 people. Commission representatives stressed the importance of delivering health and environment improvements while safeguarding the competitiveness of European industry and SMEs, in particular. [LINK](#)

### **President Bush to visit Europe Brussels**

President Bush will travel to Europe in February for meetings with European leaders. He will hold consultations in Brussels, meeting with Allied Heads of State and Government at NATO. The President will also meet the European Council, and European Commission President Jose Manuel Barroso.

Ahead of the President's visit, Secretary of State Condoleezza Rice is traveling to eight European countries, as well as to Israel and the West Bank. Her first stop is the UK. [LINK](#)