The Commission's XXVIIIth Report on Competition Policy

Both the interest and the value of the Commission's annual reports on competition policy have shifted in the last two or three years. At one time, the primary interest lay in the comprehensive reviews of the year's case-law - decisions by the Commission and judgments by the Court - filling in many of the gaps in the month-by-month reports available in the Bulletin and elsewhere and often adding considered comments on the significance of the cases from the Commission's point of view. Now the emphasis is on discussion and statistics. This is no bad thing: the latest report offers some useful discussions of various aspects of competition, several of which have been picked up in this issue, and a lot of statistics, mostly in the form of bar-charts, pie-charts and the like. One of the most useful discussions in the report concerns the international dimension of competition policy, with particular reference to the World Trade Organisation's working party under the chairmanship of Professor Jenny. In his introduction to the report, the outgoing Commissioner, Mr Van Miert, offers some interesting views on the prospects for this working party's activities; and, in a final section of the report, there is some additional material on the subject, largely in factual form on the progress made so far.

The Irish Steel cases

Two recent judgments of the Court of First Instance, in Case T-89/96 *(British Steel plc v Commission)* and Case T-106/96 (*Wirtschaftsvereinigung Stahl v Commission*) upheld a Commission decision on aid from the Irish government to Irish Steel. The financial position of Irish Steel, a 100% State-owned steel company, deteriorated between 1990 and 1995. In 1996 the Commission authorised State aid from the Irish Government to Irish Steel for restructuring and privatisation. In its decision, the Commission did not insist on reduction of production capacity as in practice this would have forced Irish Steel's closure, since it had only one rolling mill. It did, however, impose certain conditions in return for the aid received, particularly in relation to the range of products manufactured and the volume of additional sales. British Steel, a United Kingdom company, and Wirtschaftsvereinigung Stahl, a German association, both brought proceedings for annulment of that decision. The Court of First Instance observed that, since the early 1980's, there has been a Community State aid code authorising certain categories of aid to the steel industry, which made no provision for aid for restructuring. The Court held, however, that that did not prevent the Commission from exercising its discretion under Article 95 of the ECSC Treaty to determine whether a particular form of aid not listed by the Code was nevertheless consistent with the objectives of the Treaty. The Court held that the Commission did not commit a manifest error of assessment in treating the difficult economic situation of the region concerned as a material consideration in reaching its decision; and it held that the Commission was