

COUNCIL OF THE EUROPEAN COMMUNITIES

PRESS RELEASES

PRESIDENCY: LUXEMBROUG

JANUARY-JUNE 1991

Meetings and press releases April-May 1991

Meeting number	Subject	Date
1481 st	Economics/Finance	8 April 1991
1482 nd	General Affairs	15 April 1991
1483 rd	Fisheries	18 April 1991
1484 th	Agriculture	22-23 April 1991
1485 th	Research	24 April 1991
1486 th	Industry	29 April 1991
1487 th	General Affairs	13-14 May 1991
1488 th	No record of a meeting	
1489 th	Agriculture	21-24 May 1991
1490 th	Development Co-operation	27 May 1991
1491 st	Energy	31 May 1991

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

5590/91 (Presse 43)

1481st meeting of the Council
- Economic and Financial Affairs -

5th Ministerial Meeting of the IGC on EMU

Brussels, 8 April 1991

President: Mr Jean-Claude JUNCKER

Minister for Finance
of the Grand Duchy of Luxembourg

8. IV. 91

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Luxembourg:

Mr Jean-Claude JUNCKER

Minister for Finance

Mr Robert GOEBBELS

Minister for Economic Affairs

Netherlands:

Mr W. KOK

Minister for Finance

Mr Piet DANKERT

State Secretary for Foreign Affairs

Mr Marius van AMELSVOORT

State Secretary for Finance

Portugal:

Mr Miguel BELEZA

Minister for Finance

Mr Carlos TAVARES

State Secretary, Treasury

United Kingdom:

Mr Norman LAMONT

Chancellor of the Exchequer

Mr John REDWOOD

Minister of State,
Department of Trade and Industry

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Commission:

Mr Jacques DELORS

President

Sir Leon BRITTAN

Vice-President

Mrs Christiane SCRIVENER

Member

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8. IV. 91
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5TH MINISTERIAL MEETING OF THE INTERGOVERNMENTAL CONFERENCE ON EMU

After hearing a report from the Chairman of the Working Party of Personal Representatives on its recent discussions on EMU, the Ministers held a discussion dealing in particular with the transition on 1 January 1994 to the second stage of Economic and Monetary Union.

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MEASURES FOR CENTRAL AND EASTERN EUROPEAN COUNTRIES

The Council encouraged the Commission to continue its efforts and to submit to it for decision, in accordance with Community procedures, a proposal for a medium-term loan to Romania of an amount equivalent to the undertakings given by the other G24 countries or third countries up to a maximum amount of ECU 375 million, after a stand-by agreement had been approved by the International Monetary Fund.

8.IV.91
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ACP DEBT RELIEF

The Council held an exchange of views on the exploratory discussions being held on this subject by the responsible Council working party in co-operation with the Commission.

It emphasized the need to observe the fundamental principles of the international debt strategy in the course of discussions on the subject, namely the case-by-case approach and application of the appropriate economic conditionality.

It was agreed that the matter would be re-examined at a future meeting in the light of the conclusions reached by the working party.

FIXING OF AGRICULTURAL PRICES: APPLICATION OF BUDGETARY DISCIPLINE

The Council held a discussion on the application of budgetary discipline when fixing agricultural prices; it was agreed that the Ministers for Agriculture would be informed of the content of that discussion.

PREPARATION FOR THE SPRING MEETINGS OF THE IMF AND THE WORLD BANK

The Council instructed the Monetary Committee to draw up statements which the President of the Council would deliver on behalf of the Community at those meetings in Washington at the end of April.

8.IV.91
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COMPANY TAXATION

The Council heard a statement by Mrs SCRIVENER outlining the Commission's two proposals concerning respectively:

- the abolition of withholding tax on interest and royalty payments, i.e. arrangements comparable to those in the "parent-subsidiary" Directive of July 1990 which provides for the abolition of withholding tax on the dividends which subsidiaries distribute to parent companies;
- the taking into account by companies of the losses incurred by their permanent establishments and subsidiaries situated in other Member States in order to avoid less favourable treatment than in the case of national activities.

The Council noted that its subordinate bodies had just started examining the first proposal.

TAXATION OF ROAD TRANSPORT

Following discussions on this subject, the Presidency drew the conclusions set out below.

The Council noted the Presidency's conclusions. It undertook to press ahead with its work on this matter in the light of the conclusions adopted by the European Council held in Rome on 14 and 15 December 1990 in which, among other things, it requested the Council to reach decisions by 30 June 1991. As instructed, the Council will express a view by 30 June 1991 on the level of excise duties on diesel fuel. **(1)**

Text of the Presidency's conclusions

"1. Further to the instructions from the European Council in Rome on 14 and 15 December 1990 ^(x) and on the basis of the recent proposals submitted by the Commission ^(xx), the Council has decided in favour of a consistent Community approach with regard to the taxation of road transport, to be implemented in parallel with the process of liberalizing activities in the transport sector.

(1) The Italian delegation entered a reservation on the Presidency's text.

(x) "The European Council noted the Commission's latest proposals, which address certain aspects of the problem (excise duties on fuel, taxes, tolls). It asks the Council to reach decisions by 30 June 1991."

(xx) Amended proposal for a Directive on the charging of transport infrastructure costs to heavy goods vehicles; proposal for a Directive fixing certain rates of excise duty and certain target rates of excise duty on mineral oils.

This approach, which is in line with the objectives of completion of the internal market - and more particularly the abolition of fiscal controls at borders and the reduction of distortions of competition between hauliers - and with the objective of cover of road-transport infrastructure costs, is made up of three elements, viz.:

- approximation of excise duties on diesel fuel;
- approximation of taxes on heavy goods vehicles;
- due consideration of road tolls and the various related mechanisms.

This approach must be based wherever practicable on the principle of territoriality. Due account will need to be taken of the specific geographical considerations of certain Member States.

The specific geographical considerations are intended in particular to alleviate the effect of:

- the extra costs which could be incurred by hauliers from the outlying Member States as a result of transit through third countries;
- the economic and public funding risks to which certain Member States could be exposed owing to their small territorial size.

2. Approximation of taxation on road transport along these lines should be carried out in stages.

While covering the three components referred to in paragraph 1, the aim of the first stage to be implemented as of 1 January 1993 will primarily be to bring about conditions of competition compatible with the functioning of the internal market and with the abolition of border controls.

During a subsequent stage, the content and date of entry into force of which would be specified later, the Community will adopt a more detailed approach to charging transport infrastructure costs in order to reduce distortions of competition between the various modes of transport.

3. During the first stage, and together with the other measures in the package on the abolition of fiscal controls at frontiers, the current disparities between excise duty levels on diesel fuel (ECU 74-364 per 1 000 litres of diesel fuel) should be reduced.

To that end, the Council is adopting the principle of introducing at Community level either a minimum rate of excise duty or a band of rates fixed at a level ensuring that the variable costs of road-transport infrastructures are broadly covered. The introduction of this principle will see the end of any quantitative restriction still existing when intra-Community frontiers are crossed.

8.IV.91
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On the basis of a report to be submitted by the Commission together, where necessary, with appropriate proposals, the Council will, at the earliest two years after the entry into force of the rate(s) referred to above, re-examine them in the light in particular of the economic-policy objectives of maintaining the competitiveness of the European economy and price stability and having regard to the development noted in the relevant sectoral policies, including transport, energy and environment policies.

4. Having regard to the dual objective of reducing distortions of competition between hauliers and covering fixed infrastructure costs, the first stage will also involve the approximation of taxes on heavy goods vehicles and the introduction of Community rules governing road tolls and certain related mechanisms.

With regard to the tax on heavy goods vehicles, and notwithstanding the specific details which may be taken into consideration by the various Member States, particularly in connection with environmental policy objectives, approximation will cover both the level and the structure of the tax.

With regard to tax levels, approximation will be carried out through the introduction at Community level of a minimum tax which all Member States will have to observe.

In all the Member States the minimum tax will be based on the maximum permissible gross weight of vehicles categorized according to weight and axle number.

As regards the Community rules governing road tolls and certain related mechanisms, the Council will seek a solution ensuring that all hauliers finally have to bear the same cost and therefore operate under comparable conditions of competition.

5. As regards the rates to be applied as from 1 January 1993 for both excise duties on diesel fuel and taxes on heavy goods vehicles, the Council will express a view on their levels before 30 June 1991 in the light particularly of progress achieved in approximating VAT rates and the rates of other excise duties. In so doing, the Council will ensure that there is consistency between the level of excise duty on diesel fuel and the level of excise duty fixed for other fuels.

In this connection, the Council is already adopting the principle of interdependence as regards the two rates in question, taking account of road tolls.

6. The Council undertakes to do its utmost to ensure that Community legal instruments covering all the aspects referred to above are finalized, to enable it to adopt those texts as soon as possible and in any event before 31 December 1991."

8. IV. 91
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INVESTMENT SERVICES

The Council examined the Presidency's compromise proposal concerning, inter alia, the rule that transactions should be concentrated on regulated markets, the possibility of exemptions from that rule, and reporting and transparency requirements, access to stock exchanges for credit institutions and the inclusion of natural persons in the scope of the Directive.

The Council's discussion was based on the principle that the different market systems in the Member States should be able to co-exist.

Bearing in mind the points of agreement identified during the discussion, the Commission put forward a number of suggestions designed to reconcile the remaining differences.

The Council agreed to resume discussion at its June meeting, on the basis of the outcome of proceedings in the High-Level Working Party and the Permanent Representatives Committee.

TAKEOVER AND OTHER GENERAL BIDS

The Council noted the outcome of discussions on this matter to date and instructed the Permanent Representatives Committee to continue examining it, bearing in mind the views expressed by the various delegations.

8.IV.91
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MISCELLANEOUS DECISIONS

Trade policy

The Council adopted a Decision authorizing extension or tacit renewal of certain trade agreements concluded between Member States and third countries.

Anti-dumping

The Council adopted a Regulation imposing definitive anti-dumping duties on imports of certain welded tubes of iron or non-alloy steel originating in Turkey or in Venezuela and definitively collecting the provisional anti-dumping duties imposed on such imports.

The rate of the duty is 18,5% for products originating in Turkey (TARIC additional code: 8511) and 22,1% for products originating in Venezuela (TARIC addition code: 8513). The duty is calculated on the net, free-at-Community frontier price, before duty.

However, the duties do not apply for the products concerned exported directly to the Community by the following companies, which have given price undertakings accepted by the Commission, viz.: BORUSAN BIRLESIK BORU FABRIKALARI A.S., BORUSAN IHRACAT ITHALAT VE DAGITIM A.S., YUCEL BORU VE PROFIL ENDUSTRISI A.S., CAYIROVA BORU SANAYI VE TIGARET A.S. and those produced by YUCEL BORU IHRACAT ITHALAT VE PAZARLAMA A.S., Caracas, Venezuela and exported by CONNECTORS, New York, USA.

8.IV.91
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Relations with Hungary and Poland

The Council gave its assent to two draft Decisions in respect of the conclusion with Poland and Hungary respectively of an additional protocol on trade and commercial and economic co-operation covering steel.

Steel - external aspects 1991

The Council authorized the Commission to negotiate arrangements on steel imports from certain third countries.

Agricultural policy

The Council adopted a Decision concerning the refund to Portugal of revenue from the "accession" compensatory amounts applied to supplies of common wheat from the other Member States.

This refund covers 1991 and 1992. It is limited to revenue from compensatory amounts for 400 000 tonnes of common wheat per year.

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

5690/91 (Presse 47)

1482th Council meeting
- General Affairs -

Political co-operation meeting

Fourth ministerial meeting of the IGC on Political Union

Luxembourg, 15 April 1991

President: Mr Jacques F. POOS,
Minister for Foreign Affairs
of the Grand Duchy of Luxembourg

15.IV.91

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The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Mark EYSKENS	Minister for Foreign Affairs
Mrs A.M. LIZIN	State Secretary for Europe 1992, attached to the Minister for Foreign Trade

Denmark:

Mr Uffe ELLEMAN-JENSEN	Minister for Foreign Affairs
Mr Jørgen ØRSTRØM MØLLER	State Secretary, Ministry of Foreign Affairs

Germany:

Mr Hans-Dietrich GENSCHER	Federal Minister for Foreign Affairs
Mrs Ursula SEILER-ALBRING	Minister of State, Foreign Affairs

Greece:

Mr Georges PAPASTAMKOS	State Secretary for Foreign Affairs
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Spain:

Mr Carlos WESTENDORP	State Secretary for Relations with the European Communities
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France:

Mrs Elisabeth GUIGOU	Minister for European Affairs
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Ireland:

Mr Gerard COLLINS	Minister for Foreign Affairs
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Italy:

Mr Gianni DE MICHELIS	Minister for Foreign Affairs
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15.IV.91
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Luxembourg:

Mr Jacques F. POOS

Minister for Foreign Affairs

Netherlands:

Mr. H. VAN DEN BROEK

Minister for Foreign Affairs

Mr Piet DANKERT

State Secretary for Foreign Affairs

Portugal:

Mr João de DEUS PINHEIRO

Minister for Foreign Affairs

Mr Vitor MARTINS

State Secretary for European
Integration

United Kingdom:

Mr Tristan GAREL-JONES

Minister of State, Foreign and
Commonwealth Office

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Commission:

Mr F.H.J.J. ANDRIESSEN

Vice-President

Mr Antonio CARDOSO E CUNHA

Member

INTERGOVERNMENTAL CONFERENCE ON POLITICAL UNION

At the fourth ministerial meeting of the IGC on Political Union the Ministers examined, on the basis of drafts prepared by the Presidency, two important topics, namely common foreign and security policy and the joint European Parliament/Council legislative decision-making procedure.

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SOUTH AFRICA - REPEAL OF RESTRICTIVE COMMUNITY MEASURES

The Ministers noted that now that President DE KLERK had placed before the South African Parliament bills abolishing the last bases of apartheid the conditions laid down by the European Council meeting in Rome in December 1990 for the repeal of restrictive Community measures had been fulfilled.

Accordingly, the Council would shortly be called upon, once the procedures still in progress in certain Member States had been completed, to adopt formally

- the Regulation repealing the suspension of imports of gold coins from the Republic of South Africa;

- the Decision of the Representatives of the Governments of the Member States meeting within the Council repealing the suspension of imports of certain iron and steel products originating in the Republic of South Africa.

RELATIONS WITH THE EFTA COUNTRIES - EEA NEGOTIATIONS

On the basis of a report by Vice-President ANDRIESEN on the progress of the negotiations with the EFTA countries on the creation of a European Economic Area the Council reviewed the problems still outstanding in the various areas of the negotiations.

It confirmed the importance it attached to the conclusion of the negotiations within the time planned, i.e. before the Summer break, so that the EEA agreement could enter into force on 1 January 1993.

In particular, the Council examined in detail the position to be adopted by the Community on agriculture, fisheries and certain institutional aspects. On the conclusion of its discussions the Council instructed the Permanent Representatives Committee to proceed rapidly with the finalization of the Community's positions.

RELATIONS WITH THE COUNTRIES OF CENTRAL AND EASTERN EUROPE

- Progress of the negotiations for Association Agreements with Poland, Czechoslovakia and Hungary

The Council heard a statement by the Commission, taking stock of the situation following the three negotiation meetings that had been held with Hungary, Poland and Czechoslovakia. It took note of the progress made in these negotiations and of the major difficulties that had arisen.

15.IV.91
art/HM/mjm

The Council confirmed the Community's political will to continue the negotiations at a sustained pace and to complete them successfully in the shortest possible time.

At a time when these countries are confronted with economic restructuring difficulties and considerable changes in their traditional economic relations the Council stated that it was ready to display the necessary flexibility for the continuation of the negotiations, in particular in the field of market access, in order to step up even further the contribution which the Community intended to make to the solution of these countries' problems. The Council laid down guidelines for the continuation of the negotiations.

The Council pointed out that the European agreements were intended to confirm these three countries' membership of a democratic Europe and to accompany and facilitate their processes of reform.

The Council welcomed the inauguration the same day in London of the EBRD and looked forward to its starting work without delay.

The Council considered that it would make a major contribution to the process of economic adjustment and development in the countries of Central and Eastern Europe and in the Soviet Union.

RELATIONS WITH JAPAN

The Presidency submitted to the Council a draft joint statement on relations between the European Community and its Member States and Japan, concerning both the political and the economic aspects. It held an exchange of views which gave delegations the opportunity to comment on the various aspects of the Presidency draft.

The Council invited the Permanent Representatives Committee to rapidly finalize the draft which was intended to serve as a basis for the negotiations with the Japanese authorities.

EUROPEAN ENERGY CHARTER

Further to the conclusions of the European Council meeting in Rome in December 1990 on the initiative by Mr LUBBERS, the Netherlands Prime Minister, regarding the institution of long-term co-operation in Europe in the field of energy, the Council took stock of preparations for the organization in 1991 (probably in July) of an international conference for the drawing up of a pan-European energy charter.

In view of the short time available the Council agreed that internal proceedings should be carried on in parallel with external contacts. It was considered desirable for the Community, represented by the Troïka, to make preliminary contacts with the third countries concerned as soon as possible so that, it could make its intentions known and ascertain their reactions. Contacts with the Soviet Union were particularly urgent because of the uncertainties regarding the Soviet Union's position.

The Council will decide which countries to invite to the conference at its meeting on 13 and 14 May 1991.

15.IV.91

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FAMINE IN SUB-SAHARAN AFRICA

The Council discussed the famine in certain parts of Africa and voiced its serious concern at the extreme gravity of the situation developing in several regions south of the Sahara. It recognized the need for an increase in emergency food aid for 1991 for sub-Saharan Africa.

The Council instructed the Commission to submit as quickly as possible a concrete proposal for an increase in aid, part of which will be charged to the Community budget.

The Council instructed the Permanent Representatives Committee to examine the proposal in accordance with the usual procedures.

MISCELLANEOUS DECISIONS

Humanitarian aid for the Iraqi peoples of Kurdish origin

Further to the political decision of 8 April 1991 to grant the Iraqi peoples of Kurdish origin humanitarian aid of ECU 150 million - of which ECU 100 million is to be charged to the Community budget and ECU 50 million is to be borne by the Member States - the Council:

- instructed its President to obtain the agreement of the European Parliament and the Commission, at the European Parliament's part-session beginning on 15 April 1991, to the amendment of the financial perspective necessary to allow the Commission to mobilize this emergency aid (ECU 100 million);
- noted that the cost of the additional contribution of ECU 50 million by the Member States, to be co-ordinated by the Commission, would be shared between the Member States in accordance with the scale applied to the fourth resource under the 1991 budget, i.e. GNP.

Annual adaptation of the financial perspective for the financial year 1992

The Council took note of the Commission communication regarding the technical adjustment of the financial perspective (financial year 1992) to GNP trends and prices carried out by the Commission (Article 9 of the Interinstitutional Agreement).

The Council agreed to the adaptation of the financial perspective (financial year 1992) in the light of the execution of the budget for the financial year 1990, giving rise to transfers of commitment appropriations to the financial year 1992, with ECU 350 million for structural measures and ECU 115 million for multi-annual policies (Articles 10 and 11 of the Interinstitutional Agreement).

Textiles

The Council adopted Decisions on the provisional application of the agreed minutes amending the Agreements between the European Economic Community, and

- Malaysia,
- the Republic of Indonesia

on trade in textiles.

GATT

The Council adopted a Decision concerning the conclusion of the Agreement in the form of Agreed Minutes between the European Economic Community and Australia relating to certain agricultural products negotiated under Article XXVIII of GATT.

The Agreement was negotiated by the Commission with Australia following Australia's statement of its intention of rectifying or withdrawing tariff concessions for certain agricultural products for which the Community is its main supplier or has initial negotiator rights.

COUNCIL OF THE EUROPEAN COMMUNITIES

1483rd meeting of the Council

- Fisheries -

Brussels, 18 April 1991

The official press release was unavailable. The agenda for the meeting has been reproduced from the Bulletin of the European Communities, No. 4-1991.

1483rd meeting

1.7.4. Fisheries (Brussels, 18 April).

- **Previous meeting:** Bull. EC 12-1990, point 1.8.19

President: Mr Steichen, Luxembourg Minister for Agriculture.

Commission: Mr Marín.

Main items

Common fisheries policy: discussed in detail.

Data on landings of fishery products in the Member States: conclusions adopted.

Conservation measures — 10th amendment: general discussion.

Technical conservation measures — 11th amendment: general discussion.

Bull. EC 4-1991

PRESS RELEASE

5694/91 (Presse 51)

1484th Council meeting
- Agriculture -
Luxembourg, 22 and 23 April 1991

President:

Mr René STEICHEN

Minister for Agriculture
of the Grand Duchy of
Luxembourg

FARM PRICES AND RELATED MEASURES (1991/1992)

The Council continued examining the Commission's proposals on the prices for agricultural products and on related measures for 1991/1992.

After a briefing from the Presidency on the discussions held by the ECO/FIN Council on 8 April 1991 on the financial and budgetary aspects of the farm price package, the Council concentrated on a number of key sectors which it had already examined at its last meeting and which the Special Committee on Agriculture had examined further in the meantime, with particular reference to cereals, in the light of the Commission proposal on an annual set-aside measure.

To prepare for the Council's discussions at its May meeting, when the European Parliament's Opinion would also be available, the President of the Council and the Commission agreed to continue talks with the various delegations on Tuesday 23 April 1991.

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The Council extended the current marketing years for milk and milk products and for beef and veal until 26 May 1991.

22/23.IV.91

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ADJUSTMENT OF THE MILK QUOTA SCHEME (SLOM 2)

The Council examined the Commission proposal aimed at finding a solution to the problem of awarding milk quotas to "SLOM 2" producers in order to comply with the judgments handed down by the Court of Justice on the matter in December 1990.

It discussed in particular the question of where the necessary extra quantities of milk to meet these producers' requests should come from: from "national quotas" or from an increase in the "Community quota". Delegations remained divided on this issue for the time being.

Noting that further technical examination of other aspects of this matter was necessary, the Council instructed the Special Committee on Agriculture to continue its work on the subject and report back to the next Council meeting.

URUGUAY ROUND: AGRICULTURAL ASPECTS

The Council took note of a Commission summary of the state of play in the Uruguay Round negotiations in Geneva. The Commission stated in particular that the technical negotiations in which it was taking part, in accordance with the position defined by the Community, were still going on and it was too early to say anything about the continuation of negotiations at political level. In the meantime the Council confirmed its support for the Commission in the continuation of the negotiations.

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MISCELLANEOUS DECISIONS

Other decisions in the area of the common agricultural policy

The Council adopted the following Regulations:

- amending Regulation No 1208/81 determining the Community scale for the classification of carcasses of adult bovine animals.

This involves adapting the Community scale by adding a conformation class S which is superior to the five existing classes.

- fixing for the 1990/1991 and 1991/1992 milk years the guideline figure for the fat content of standardized whole milk imported into Ireland and the United Kingdom. The figure was fixed:

- = for Ireland at 3,50% for both milk years
- = for the United Kingdom at 3,90% for 1990/1991
at 4% for 1991/1992.

- amending Regulation No 1336/86 fixing compensation for the definitive discontinuation of milk production.

This amendment authorizes the German authorities to introduce a compulsory, across-the-board reduction of 3% in milk quotas in the territory of the former GDR instead of having a voluntary programme for buying in quotas.

- amending for the thirteenth time Regulation No 351/79 concerning the addition of alcohol to products in the wine sector.

This involves extending the existing provisions on the addition of alcohol to such products until the end of 1991.

- amending Regulation No 1191/89 derogating from Regulation No 797/85 as regards certain investment aids in the pig production sector.

The amendment extends by one year the derogation from the general rule whereby the granting of investment aid for pig production is subject to the requirement that at least 35% of the quantity of feed consumed by the pigs can be produced on the holding.

The Council also adopted:

- the Decision amending the Seventh Decision, 85/355/EEC, on the equivalence of field inspections carried out in third countries on seed producing crops and the Seventh Decision, 85/356/EEC, on the equivalence of seed produced in third countries.

The amendment extends until 30 June 1995 the period of equivalence applicable in Austria for all seeds other than maize. In the case of maize, the extension is valid for one year, i.e. until 31 March 1992

- the Directive amending Directive 83/396/EEC on indications or marks identifying the lot to which a foodstuff belongs.

This amendment introduces a new exception (for ice-cream in individual portions) to the rule on the identification of lots, provided that the lot is indicated on the combined package.

EEC-Andorra relations

The Council approved guidelines for the position to be adopted by the Community on the various matters to be dealt with at the first meeting of the EEC-Andorra Joint Committee (Andorre-La-Vieille, 24 and 25 April 1991); the EEC-Andorra Agreement in the form of an exchange of letters, signed on 28 June 1990, entered into force on 1 January 1991.

Generalized system of references

The Council adopted the Regulation applying supplementary generalized tariff preferences in respect of certain industrial products originating in countries benefiting from generalized preferences and sold at the Berlin "Partners in Progress" Fair.

Anti-dumping

The Council adopted the Regulation extending (for a maximum of two months) the provisional anti-dumping duty on imports of espadrilles originating in the People's Republic of China.

Appointments

The Council replaced a full member of the Administrative Board of the European Foundation for the Improvement of Living and Working Conditions who had resigned.

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

5810/91 (Presse 53)

1485th Council meeting

- RESEARCH -

Luxembourg, 24 April 1991

President: Mr René STEICHEN

Minister responsible for Scientific
Research and Technology
of the Grand Duchy of Luxembourg

24. IV. 91

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Italy:

Mr Antonio RUBERTI

Minister for Universities,
Scientific Research
and Technology

Luxembourg:

Mr René STEICHEN

Minister responsible for
Scientific Research

Netherlands:

Mr Koos ANDRIESEN

Minister for Economic Affairs

Portugal:

Mr Luis VALENTE DE OLIVEIRA

Minister for Planning and Territorial
Administration

Mr José Pedro SUCENA PAIVA

State Secretary for Science
and Technology

United Kingdom:

Lord HESKETH

Minister for Industry and Enterprise

Commission:

Mr Filippo Maria PANDOLFI

Vice-President

24.IV.91

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IMPLEMENTATION OF THE FRAMEWORK PROGRAMME ON RESEARCH AND
TECHNOLOGICAL DEVELOPMENT (1990-1994)

- INTERINSTITUTIONAL COMPROMISE ON THE SPECIFIC PROGRAMMES

The Council endorsed the interinstitutional political compromise signed in Strasbourg on 17 April 1991 by the Presidents of the European Parliament, the Council and the Commission to resolve the differences between the institutions which had emerged during the co-operation procedure on the specific research programmes in the following areas:

- marine science and technology
- environment
- life sciences and technologies for developing countries
- development of telematics systems
- communications technologies.

During the discussion, Vice-President PANDOLFI also stated that the Commission accepted the agreement. The European Parliament is expected to state its position formally on this matter at its May part-session. It should therefore be possible to adopt the five programmes in the near future.

The provisions of the interinstitutional agreement will be incorporated by the Council in the five specific programmes mentioned above.

These aspects will also be taken into account in the five programmes discussed at this meeting.

Lastly, the provisions to be adopted for the other specific programmes still to be decided upon pursuant to the third framework programme should also be based on the provisions of the interinstitutional agreement.

24.IV.91

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- COMMON POSITIONS FOR A SECOND SERIES OF SPECIFIC PROGRAMMES

Continuing the implementation of the third RDT framework programme for 1990-1994, specifying the activities to be pursued for developing the scientific knowledge and technical know-how needed by the Community, the Council discussed 5 common positions concerning specific programmes covering the following areas:

- Information technologies
- Biomedicine and health
- Non-nuclear energy
- Industrial and materials technologies
- Agriculture and agro-industry

The Council adopted common positions on the first two programmes.

As regards the other three, the Council reached agreement on the substance, and the common positions will be adopted shortly, once the texts have been finalized.

The common positions will be forwarded to the European Parliament for its part-session from 13 to 17 May.

The programmes involve an amount of ECU 2 618,55 million out of a total of ECU 5 700 million in the framework programme and have a number of characteristics in common, some of which are covered by the interinstitutional agreement.

Thus, as regards administration of the programmes by the Commission, the agreement specifies that the committees to assist the Commission will be type I (i.e. consultative) for non-nuclear energy, biomedicine and health and type III A (regulatory committees) for industrial technologies and materials and for agriculture and agro-industry; for information technologies the

24. IV. 91

ain/HM/jrb

procedure will be type III A, except for the preparation of the work programme, which will follow the ESPRIT II model.

As regards relations with third countries, the Commission is authorized to negotiate, in accordance with Article 130n of the Treaty, agreements with third countries which are COST members, particularly the EFTA countries and the countries of Central and Eastern Europe, with the aim of associating them with all or part of the programmes ⁽¹⁾.

The Commission is required to assess the economic and social impact and possible technological risks in the context of all the specific research programmes.

- Specific programme on information technologies

The amount deemed necessary to implement the programme is ECU 1 338,48 million, including ECU 94 million for administrative and staff expenditure.

The programme's key objectives are given below, with an indicative breakdown of the amount involved:

Area 1: Micro-electronics, with three main strategic actions: ECU 388 million

- strengthening of a European technology base on which manufacturing capability of leading edge ICs can be based
- strengthening capabilities with respect to the chain of designing, manufacturing, testing and applying advanced and reliable integrated circuits
- drawing on all the resources available, ensuring wide participation of the largest

(1) As regards Area 3 (Human genome analysis) of the specific programme on biomedicine and health, the Commission is also authorized to negotiate with other third countries and international organizations.

24.IV.91

ain/HM/jrb

number of potential actors (large and small industries, both producers and users, universities and research centres).

Area 2: Information processing systems and software,
with the following main lines of action: ECU 335 million

- exploiting potential technological breakthroughs in concurrent architectures
- providing better interfaces to satisfy the needs of end-users
- promoting the take up of new software production technologies.

Area 3: Advanced business and home systems:
Peripherals ECU 227,48 million

Advanced Business and Home Systems will aim for function integration in the business environment as well as in and with the home environment with especially high priority being given to prenormative work.

Area 4: Computer-integrated manufacturing
and engineering ECU 254 million

The activities aim at providing the technology base for open systems, multivendor systems and distributed operations in engineering and manufacturing environments as well as to contribute to better integration of advanced IT systems components in engineering industries.

24.IV.91

ain/HM/mmk

Area 5: Basic research

ECU 134 million

Projects in this area will be selected on the basis of their potential to produce future breakthroughs or important advances even if they have no immediately visible application; their ability to benefit from the added value which co-operation on a European scale provides; their positioning clearly upstream of R&D efforts, while contributing to the overall aims of the programme; the reinforcement of interdisciplinary links.

TOTAL ⁽¹⁾ ECU 1 338,48 million

- Specific programme on biomedicine and health

The amount deemed necessary to implement the programme is ECU 131,67 million, including ECU 13 million for administrative and staff expenditure.

The programme's key objectives are given below, with an indicative breakdown of the amount involved:

Area 1: Prevention, care and health systems ECU 28 million

This area covers the harmonization of methodologies and protocols in epidemiological, biological, clinical and technological research.

Area 2: Major health problems and diseases of great socio-economic impact ECU 72 million

(a) AIDS (ECU 22 million)

The research will take into account the activities already developed by the Community and will be spread over five main sectors:

- disease prevention
- basic research
- clinical research
- the development of a European Vaccine against AIDS (EVA)
- trials of Antiviral Drugs in AIDS Management (ADAM).

(1) A sum of ECU 13,52 million, not included in the ECU 1 338,48 million, will be earmarked for the centralized scheme for the dissemination and exploitation of the results of this programme.

24.IV.91

ain/HM/mmk

(b) Cancer

Epidemiology and basic research on genomic and phenotypic changes in cancer cells (invasion and metastasis) and immune surveillance will be extended.

(c) Cardiovascular disease

The various forms of heart and circulatory disease will be studied, focusing on research where coherent broadly-based clinical and epidemiological surveys are most useful.

(d) Mental illness and neurological disease

The aim of such studies will be to improve understanding of the causes of mental illness and also the evolution from pathology to disability and social disadvantage, and to develop new methods of prevention and care.

(e) The ageing process, and age-related health problems and handicaps

Comparative research will be carried out on perinatal illnesses (including study of the consequences of prenatal diagnosis) and paediatric illnesses and on the effectiveness of prophylactic and therapeutic measures.

The overall target of research in the field of ageing will be centred on preventing and coping with dependency.

Area 3: Human genome analysis

ECU 28 million

Emphasis will be placed on medical applications which contribute to the well-being of patients, in co-ordination with other elements of the specific programme, to ensure that advances in genetics are used to enhance human health.

Area 4: Research on biomedical ethics

ECU 3,67 million

24.IV.91

ain/HM/mmk

Work will deal with:

- evaluation of questions of biomedical ethics linked with the present programme
- evaluation of the social impact of the programme and the risks (including the technological risks) which might be associated with it.

TOTAL ⁽¹⁾ ECU 131,67 million

- Specific programme on non-nuclear energy

The amount deemed necessary to implement the programme is ECU 155,43 million, including ECU 18 million for administrative and staff expenditure.

The programme's key objectives are given below, with an indicative breakdown of the amount involved:

Area 1: Analysis of strategies and modelling ECU 9 million

The aim of these activities is to define energy R&D strategies and to analyse national or Community policies dealing with energy and the environment.

Area 2: Minimum emission power production from fossil sources ECU 36 million

With the development and extension of projects already carried out pursuant to the JOULE programme, this research aims at optimizing energy production from fossil sources and reducing the adverse effects on the environment of the widespread use of fossil fuels.

Area 3: Renewable energy sources, with the following particular objectives: ECU 57,43 million

- to increase the conversion efficiency of solar, wind, mini-hydraulic, wave, tidal, biomass and geothermal systems,

(1) A sum of ECU 1,33 million, not included in the ECU 131,67 million, will be earmarked for the centralized scheme for the dissemination and exploitation of the results of this programme.

24.IV.91

ain/HM/mmk

- to decrease their costs and improve their attractiveness to developers, industry and consumers.

Area 4: Energy utilization and conservation
with the following objectives:

ECU 53 million

- to develop highly efficient and clean electrochemical energy conversion systems for electricity generation, cogeneration, hydrogen and methanol production, transport and industrial electrochemical reactors.
- to develop and improve technologies and modelling tools which are expected to have a major impact on heat and electricity savings and on reducing pollution.

TOTAL ⁽¹⁾ ECU 155,43 million

- Specific programme on industrial and materials technologies

The amount deemed necessary to implement the programme is ECU 663,3 million, including ECU 35 million for administrative and staff expenditure.

The programme's key objectives are given below, with an indicative breakdown of the amount involved:

Area 1: Materials - raw materials

- raw materials and recycling ECU 80 million
- materials ECU 228,8 million

The objective is to contribute to improving the performance of materials at a cost which permits competitive industrial exploitation over a broad range of applications not restricted to a few high-performance items.

As regards raw materials, research will seek to improve the technologies necessary to ensure the supply of resources, including technologies to locate and extract deposits, processing and treatment by economic means that are safe and environmentally acceptable.

(1) A sum of ECU 1,57 million, not included in the ECU 155,43 million, will be earmarked for the centralized scheme for the dissemination and exploitation of the results of this programme.

24.IV.91

ain/HM/ae

Area 2: Design and manufacturing

The objective is to improve the capability of industry to design and manufacture products which are, at the same time, of high quality, easy to maintain, highly competitive and environmentally and socially acceptable. ECU 301,5 million

Area 3: Aeronautics research with the following objectives: ECU 53 million

- to contribute to strengthening the technology base of the European aeronautical industry
- to contribute to the knowledge base which supports actions to minimize environmental impact
- to enhance the safety and efficiency of aircraft operations
- to promote further co-operation between large high-technology companies and smaller companies, SMUs and research institutions/universities throughout the Community.

TOTAL ⁽¹⁾ ECU 663,3 million

- Specific programme on agriculture and agro-industry

The amount deemed necessary to implement the programme is ECU 329,67 million, including ECU 20 million for administrative and staff expenditure.

The programme's key objectives are given below, with an indicative breakdown of the amount involved:

Area 1: Primary production in agriculture, horticulture, forestry, fisheries and aquaculture ECU 100 million

Work under this heading aims at adapting primary production

(1) A sum of ECU 6,7 million, not included in the ECU 663,3 million, will be earmarked for the centralized scheme for the dissemination and exploitation of the results of this programme.

24.IV.91

ain/HM/ae

to the quantitative and qualitative demands of the market and the consumers. Account will be taken of Community policies and the need for their evolution, including those for agriculture and fisheries, having regard to the internal market.

Area 2: Inputs to agriculture, horticulture, forestry, fisheries and aquaculture ECU 65 million

Work under this heading will contribute to the competitiveness and viability of undertakings in agriculture, forestry, fisheries and aquaculture through better control of inputs and a reduction in production costs. Specific attention will be paid to the needs of less-favoured and marginal rural and coastal areas.

Area 3: Processing of biological raw materials from agriculture, horticulture, forestry, fisheries and aquaculture ECU 100 million

The aim is to provide, through precompetitive R&D, the basis for processes (including transport and storage) for new or improved, competitive products in the food, non-food and energy sectors.

Area 4: End use and final products ECU 64,67 million

The objective is to generate a better knowledge of the characteristics, as needed by users and consumers, with particular reference to public health and the environment, of final products derived from biological materials (food and non-food, including energy, forest and horticultural products).

TOTAL ⁽¹⁾ ECU 329,67 million

(1) A sum of ECU 3,33 million, not included in the ECU 329,67 million, will be earmarked for the centralized scheme for the dissemination and exploitation of the results of this programme.

24.IV.91

ain/HM/ae

Of this total ECU 45 million will be earmarked for demonstration projects of relevance to the four areas the aim of which will be to demonstrate, on a scale close to reality, the technical reliability and economic viability of a new product and/or new technology which has been proved feasible on a small scale.

24.IV.91
ain/HM/jrb

MISCELLANEOUS DECISION

EEC-Mexico relations

The Council decided to sign, subject to conclusion, the framework agreement for co-operation between the European Economic Community and the United Mexican States. Signature will take place in Luxembourg on 26 April 1991 (13.15) on the occasion of the first institutionalized ministerial meeting between the Community and the Rio Group.

The Council also decided to consult the European Parliament on this agreement.



29.IV.91

ill/MM/dvw

Italy

Mr Guido BODRATO

Minister for Industry

Luxembourg

Mr Robert GOEBBELS

Minister for Economic Affairs

Mr Fernand BODEN

Minister for Small and Medium-sized
Businesses and the Self-Employed

Netherlands

Mr A. OOSTRA

Deputy Permanent Representative

Portugal

Mr Luis MIRA AMARAL

Minister for Industry and Energy

United Kingdom

Lord HESKETH

Minister of State, Department of Trade and
Industry

o

o o

Commission

Mr Martin BANGEMANN

Vice-President

Mr Filippo Maria PANDOLFI

Vice-President

Mr Antonio CARDOSO E CUNHA

Member

29. IV. 91

ill/MM/dvw

THE EUROPEAN ELECTRONICS AND INFORMATION TECHNOLOGY INDUSTRY - THE COUNCIL'S
CONCLUSIONS

1. The Council received with great interest the communication from the Commission on the European Electronics and Information Technology Industry. In particular, it emphasized the importance of this industry from an economic and industrial and from an employment viewpoint, as well as with regard to its competitiveness.

2. The Council emphasized, in particular, the following points:
 - the effect that completion of the internal market, particularly with regard to standardizing and opening up public contracts, would have on demand and conditions of competition;

 - access to markets and technologies by European undertakings, including SMEs in the sector;

 - the need to take user interests into account;

 - the creation of equal conditions of competition between European undertakings and their main competitors and hence the need to ensure that markets operate competitively at world level. With this in view and with the aim of maintaining an open world market, the Council asked the Commission for in-depth studies to be carried out rapidly on the risks of distortion of competition on international markets, including the conditions of access to technology, investments and distribution networks;

 - conditions allowing increased co-operation between European undertakings, particularly as regards technology, by further implementing targeted

29.IV.91

ill/MM/dvw

pre-competitive R&D programmes and projects, while maintaining a high degree of competition;

- the need for and responsibility of undertakings to take the necessary initiatives and measures in order to benefit from past or future Community efforts.
3. The Council asked the Commission, in close consultation with a high-level working party, to deepen its analysis, to continue the dialogue with industrialists, users and investors and, on the basis of these, propose to the Council as rapidly as possible specific initiatives and measures which may be taken, while complying with the principles for Community industrial policy adopted by the Council at its meeting on 26 November 1990.

TEXTILE AND CLOTHING INDUSTRY

The Council agreed to examine in detail at its next meeting the recently submitted annual Commission report on the textile and clothing industry.

29.IV.91

ill/MM/dvw

BIOTECHNOLOGY

The Council heard a statement by Vice-President BANGEMANN presenting the Commission communication on the competitiveness of industries in the field of biotechnology in the Community.

That communication, whose purpose is to examine the development prospects for competitive biotechnology in the Community, defines a Community framework for industrial activities in this area and lists a series of measures deemed necessary to encourage the competitiveness of the industries using biotechnology.

The Council held a preliminary exchange of views on the communication, at the end of which it agreed to return to the matter at a future meeting.

FUTURE OF THE ECSC TREATY

The Council heard a statement by Vice-President BANGEMANN setting out the Commission's political position on the matter, viz. to allow the ECSC Treaty to expire as scheduled in 2002, while ensuring that the coal and steel sectors are gradually taken over by the EEC Treaty.

Following an exchange of views the Council took note of the Commission communication. While appreciating the openness of the communication, it stressed the importance of consultation which was as broad as possible, involving contributions by all bodies directly concerned. The Council intends to resume examination of the issue once those consultations have been completed.

29.IV.91

ill/MM/dvw

SMALL AND MEDIUM-SIZED ENTERPRISES

Revision of the action programme for SMEs

Following a discussion on the revision of the programme for the improvement of the business environment the Council confirmed the principle of a favourable position on releasing the addition ECU 25 million ⁽¹⁾ for the action programme for small and medium-sized enterprises.

However, as some delegations wanted greater emphasis placed on craft industry enterprises and SMEs in the programme proposed by the Commission, the Council called upon the latter to provide the information desired in time for a Council meeting in June 1991 at which the decision on the ECU 25 million could be ratified.

Council Resolution on the action programme for small and medium-sized enterprises, including craft industry enterprises

"THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Considering the objectives of integrating and completing the internal market;

Considering the need to promote the development of small and medium-sized enterprises in the Community;

Considering Decision 89/490/EEC on the improvement of the business environment and the promotion of the development of enterprises, and in particular small and medium-sized enterprises, in the Community, and the actions already carried out on the basis of the funds allotted;

(1) In addition to the ECU 110 million already earmarked for this programme.

29.IV.91

ill/MM/dvw

Whereas small and medium-sized enterprises are to a large extent able to benefit from the positive effects of the opening-up of the Community's internal borders, but whereas more account must be taken of their constraints and special characteristics in Community legislation as in the case of the programmes implemented in order to contribute towards economic and social cohesion in the Community,

HEREBY ADOPTS THIS RESOLUTION:

The Council:

1. Reaffirms the common will to make substantial and effective progress in the area of policies to promote SMEs.
2. Notes the continuing relevance of vocational qualifications and stresses the importance of continuing to develop initial and in-service vocational training and management training through existing Community programmes, with particular emphasis on preparation for the internal market, including linked work and training involving periods of vocational training in the enterprise.
3. Emphasizes the need to continue and intensify the reduction of administrative burdens and the simplification of formalities for enterprises, taking into account various initiatives, in particular in the fields of consumer policy, tax law, competition law, social legislation and environment policy.

29.IV.91

ill/MM/dvw

4. Would like the impact assessment sheet that accompanies draft Community texts likely to affect the organization, employment situation and profitability of enterprises, in particular SMEs, to be prepared accordingly.
5. Stresses the importance of improving the provision of information to, and consultation of, SMEs including craft industry SMEs, in particular through increased use of the trade organizations in the sectors concerned at the stage of the drawing up of programmes, directives, decisions and resolutions relating directly to their respective sectors.

In this context, calls upon the Commission to take account of the specific characteristics of certain occupations.

6. Would like co-operation between enterprises to be developed through optimum use of the existing instruments in order to facilitate access to new markets and new technologies.
7. Emphasizes the need to take into account the final recommendations of the Community Conference on the craft industry and small enterprises held in Avignon on 12 and 13 October 1990.
8. Emphasizes the importance of maintaining consistency between the various Community policies which have a direct or indirect effect on the interests of SMEs, including craft industry SMEs, and of avoiding any procedure or formality liable to impede their development.

The Council invites the Commission and where appropriate the Member States to take this Resolution into consideration."

29.IV.91

ill/MM/ih

MESCELLANEOUS DECISIONS

Anti-dumping

The Council adopted the Regulation imposing definitive anti-dumping duties in connection with the review of anti-dumping measures concerning imports of ferro-silicon containing between 10% and 96% of silicon by weight, originating in Brazil.

The duty, expressed as a percentage of the net free-at-Community-frontier price of the product before duty, is 39%, with the following exceptions:

- 12,2% is deemed adequate for products of the firm Rima Eletrometalurgia S.A., Belo Horizonte;
- exemption for the products of the following Brazilian firms, which have offered price undertakings accepted by the Commission:
Companhia Brasileira Carbureto de Calcio, Rio de Janeiro; Companhia de Cimento Portland Maringa, Sao Paulo; Companhia de Ferroligas da Bahia - Ferbasa, Pojuca; Companhia Ferroligas Minas Gerais - Minas Ligas, Contagem; Companhia Italmagnesio S.A., Sao Paulo; Companhia Ferroligas Piracicaba Ltda, Sao Paulo; Companhia Paulista de Ferroligas, Sao Paulo.

Occupied Territories

The Council adopted the Regulation on the tariff arrangements applicable to imports into the Community of products originating in the Occupied Territories.

The purpose of the Regulation is to improve the preferential treatment which the Community has granted since 1986 to the territories of the West Bank of the River Jordan and the Gaza Strip; it contains measures rapidly to improve access to the

29.IV.91

ill/MM/ih

Community market for agricultural products - especially fruit and vegetables - from those Occupied Territories.

The Regulation provides inter alia - for certain periods - for the elimination in two equal instalments - on 1 January 1992 and 1 January 1993 - of customs duties on imports of the agricultural products covered by the Regulation, within the limit, as regards strawberries, of a tariff quota of 1 200 tonnes. Reference quantities are laid down for other agricultural products. Reduced customs duties, initially set in accordance with Regulation No 3363/86, still apply to volumes imported in excess of the tariff quotas.

Mediterranean countries

The Council adopted:

- the Regulation amending - as regards dried onions originating in Egypt - Regulation (EEC) No 3729/90 opening and providing for the administration of Community tariff quotas for certain agricultural products originating in Algeria, Morocco, Tunisia or Egypt;
- the Decision concerning the conclusion of the EEC-Malta Protocol extending the first stage of the EEC-Malta Association Agreement, signed at Brussels on 20 December 1990.

It will be recalled that this Protocol provides for the extension of the first stage of the Agreement up to 31 December 1991 and for subsequent automatic extensions from year to year unless it is denounced before 1 July of any year.

29.IV.91

111/MM/ih

Telecommunications terminal equipment

After completing the co-operation procedure with the European Parliament, the Council adopted the Directive on the approximation of the laws of the Member States concerning telecommunications terminal equipment, including the mutual recognition of their conformity. The purpose of the Directive is to create the conditions for an open and unified market in a vital part of the telecommunications industry, which is one of the industrial mainstays of the economy in the Community.

The aim of the Directive is threefold:

- to execute the final stage in the implementation of the single market in telecommunications terminal equipment on the basis of the essential requirements defined in Directive 86/361/EEC;
- to apply, in the framework of the procedure for the placing on the market of terminal equipment, harmonized procedures in respect of certification, testing, marking, ensuring product quality and product control in order to ensure compliance with the abovementioned essential requirements;
- to ensure the right to connect terminal equipment lawfully placed on the market to public telecommunications networks without any additional procedure.

According to the Directive terminal equipment means equipment intended to be connected to public telecommunications networks, i.e.:

- to be connected directly to the termination of a public telecommunications network
- or

29.IV.91

111/MM/ih

- to interwork with a public telecommunications network being connected directly or indirectly to the termination of a public telecommunications network

in order to send, process or receive information.

Terminal equipment will have to satisfy the following essential requirements, where relevant:

- user safety, insofar as this requirement is not covered by Directive 73/23/EEC;
- safety of employees of public telecommunications networks operators, insofar as this requirement is not covered by Directive 73/23/EEC;
- electromagnetic compatibility requirements insofar as they are specific to terminal equipment;
- protection of the public telecommunications network from harm;
- effective use of the radio frequency spectrum, where appropriate;
- interworking of terminal equipment with public telecommunications network equipment for the purpose of establishing, modifying, charging for, holding and clearing real or virtual connection;
- interworking of terminal equipment via the public telecommunications network, in justified cases.

29.IV.91

ill/MM/ih

Draft supplementary and amending budget No 1/91 of the European Communities

The Council acted in second reading on draft supplementary and amending budget No 1/91 of the European Communities for 1991 with the European Parliament's amendments and proposed modifications on 17 April 1991.

It will be recalled that the draft mainly concerns Commission requests for additional administrative appropriations and budgetary guarantees for measures to assist certain third countries.

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COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT



PRESS RELEASE

6004/91 (Presse 60)

1487th Council meeting

- General Affairs -

Fifth ministerial meeting of the IGC on Political Union

Brussels: 13 and 14 May 1991

President: Mr Jacques F. POOS
Minister for Foreign Affairs
of the Grand Duchy of Luxembourg

13/14.V.91

ngs/LG/bzb

The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Mark EYSKENS	Minister for Foreign Affairs
Mr Paul DE KEERSMAEKER	State Secretary for European Affairs
Mrs A.M. LIZIN	State Secretary for Europe 1992, attached to the Minister for Foreign Trade

Denmark:

Mr Uffe ELLEMANN-JENSEN	Minister for Foreign Affairs
Mr Jørgen ØRSTRØM MØLLER	State Secretary for Foreign Affairs

Germany:

Mrs Ursula SEILER-ALBRING	Minister of State, Foreign Affairs
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Greece:

Mr Georges PAPASTAMKOS	State Secretary for Foreign Affairs
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Spain:

Mr Francisco FERNANDEZ ORDÓÑEZ	Minister for Foreign Affairs
Mr Carlos WESTENDORP	State Secretary for Relations with the European Communities

France:

Mr Roland DUMAS	Ministre d'Etat, Minister for Foreign Affairs
Mrs Elisabeth GUIGOU	Minister for European Affairs

Ireland:

Mr Gerard Collins	Minister for Foreign Affairs
Mr Sean CALLEARY	Minister of State at the Department of Foreign Affairs with special responsibility for Overseas Aid

13/14.V.91
ngs/LG/pj

INTERGOVERNMENTAL CONFERENCE ON POLITICAL UNION

At the fifth ministerial meeting of the IGC on Political Union the Ministers examined, on second reading and on the basis of drafts prepared by the Presidency, social policy, European citizenship and economic and social cohesion.

The Presidency indicated in this context that it intended to continue discussions so that the June European Council could be a decisive stage in the Conference's work.

With this in view, it wished to continue the current discussions at an active pace, arranging extra meetings if need be, so as to allow of a full second reading, and in some cases a third reading, of the texts on the table before the European Council.

It also drew attention to the task of the Ministers for Foreign Affairs to ensure the necessary consistency between the work of the two Conferences on PU and EMU. To that end, the Personal Representatives would soon be examining the institutional aspects of the text on Economic and Monetary Union, so as to report back to the Ministers at the meeting on 17 and 18 June 1991. At that meeting, the President of the ECOFIN Council would also give a progress report to the General Affairs Council on the work of the IGC on EMU.

The General Affairs Council would then hold a detailed discussion on the dossier as a whole, and the Presidency was intending to complete preparations for the European Council's discussions, perhaps during a conclave of the Ministers for Foreign Affairs immediately preceding the European Council meeting.

13/14.V.91

ngs/LG/pj

AID TO BANGLADESH - COUNCIL CONCLUSIONS

The Member States, meeting within the Council, decided, on the basis of a proposal from the Commission and within the framework of a Community action, to grant Bangladesh special aid of ECU 60 million.

The amount will be apportioned among the Member States according to the GNP scale.

The aid will be incorporated in the Community's general action for Bangladesh.

The aid will be supplied either directly by the Member States or via an account administered by the Commission.

The Commission will see to overall co-ordination of the special aid of ECU 60 million.

RELATIONS WITH THE EFTA COUNTRIES

The Council prepared for the EEC-EFTA ministerial meeting which took place in the evening of Monday 13 May 1991 (see Press Release No 6006/91 (Presse 62) containing the joint declaration).

RELATIONS WITH ISRAEL

The Council prepared the position to be adopted by the Community at the 9th meeting of the EEC-Israel Co-operation Council, which was held in the late morning of Tuesday 14 May 1991.

RELATIONS WITH TURKEY

The Council discussed relations with Turkey, and then instructed the Permanent Representatives Committee to continue discussions on this matter on the basis of the Commission's proposals with a view to the Council resuming work on this issue at its July meeting.

The Greek delegation did not support this conclusion; it reiterated its basic position and said that the examination by the Permanent Representatives Committee was without prejudice to the outcome of that examination.

EXTERNAL ROLE OF THE EUROPEAN INVESTMENT BANK

The Council held a wide-ranging discussion on the Commission's report, from which emerged an approach considerably in favour of a limited extension of the EIB's external activities to countries or regions to be defined which do not yet benefit from it and which are linked to the Community by co-operation agreements, on the basis of case-by-case authorization of specific projects.

The various elements, in particular the guarantee, enabling this approach to be put into practice, remain to be specified on the basis of the technical data contained in the EIB's letter.

This approach will be submitted to the ECOFIN Council for appraisal at its next meeting.

13/14.V.91

ngs/LG/pj

EUROPEAN ENERGY CHARTER

The Council held a detailed discussion on the issue of participation in the Conference on the European Energy Charter. It will return to this question at its next meeting on 17 and 18 June.

The preparatory work for the Conference will continue in the meantime.

RELATIONS WITH THE OCT

Discussion of this item was held over to the next Council meeting.

MISCELLANEOUS DECISIONS

Anti-dumping

The Council adopted Regulations:

- imposing a definitive anti-dumping duty on imports of audio tapes in cassettes falling within CN code ex 8523 11 00 originating in Japan and the Republic of Korea and terminating the proceeding concerning Hong Kong.

The rate of the duty applicable to the net free-at-Community-frontier price has been set as follows:

- = 25,5% for audio tapes in cassettes originating in Japan, with the exception of imports manufactured and sold for export to the Community by the Sony, Maxell, Denon and Fuji companies, in respect of which the rate has been set at 23,4, 21,8, 18,7 and 15,2% respectively;
- = 9,2% for audio tapes originating in the Republic of Korea, with the exception of imports manufactured and sold for export to the Community by the company Sunkyong Magnetics Ltd., in respect of which the rate is 2,6%; these duties do not apply to imports of the products manufactured and sold by the Korean companies Saehan Media Co., Sunnam Electronics Co. Ltd. and Keum Sahn Electronics Co. Ltd.;
- extending, for a maximum period of two months, the provisional anti-dumping duty on imports of small-screen colour television receivers originating in Hong Kong and the People's Republic of China.

13/14.V.91

ngs/LG/ae

Textiles

The Council approved the directives for the Commission with a view to the negotiations, within the GATT Textiles Committee, on the maintenance in force of the Arrangement regarding international trade in textiles (MFA), the 1986 Protocol extending it and an extension of the bilateral agreements negotiated under it.

The MFA expires on 31 July 1991 and a legal vacuum should be avoided pending a result within the Uruguay Round on the future multilateral arrangements for textiles.

Relations with the East European countries

The Council adopted a Decision extending to Czechoslovakia, Bulgaria and Romania a guarantee under the Community budget for European Investment Bank loans to these countries.

On 25 February 1991, the Council invited the EIB to grant loans from its own resources for investment projects in those three countries, and the Bank's Board of Governors has decided to respond favourably.

Amendment of the Euratom/Canada Co-operation Agreement

The Council adopted a Decision approving the conclusion by the Commission of an Exchange of Letters amending the Agreement between the European Atomic Energy Community (EURATOM) and the Government of Canada for co-operation in the peaceful uses of atomic energy of 6 October 1959.

The purpose of the Decision, which is based on the second paragraph of Article 101 of the EURATOM Treaty, is to include in the Agreement tritium, tritium separation equipment and tritium separated therefrom, intended for the Community's fusion programme.

Financial perspective and letter of amendment to the supplementary budget

The Council agreed on the text of a Decision amending the financial perspective annexed to the Interinstitutional Agreement of 29 June 1988 which will be signed during the European Parliament's part-session from 13 to 17 May 1991, and on the texts of the joint declaration which will be annexed to it and of the Council statements communicated to the Parliament.

The Decision comprises 4 sections:

- Technical assistance to the USSR (up to an amount of ECU 400 million);
- Financial assistance to Israel and the Occupied Territories (amounting to ECU 87,5 million);
- Humanitarian aid for the Iraqi population of Kurdish origin (amounting to ECU 100 million);
- A special food aid programme for Africa (amounting to ECU 140 million).

The Council also drafted letter of amendment No 2 to draft supplementary and amending budget No 1 for 1991, which is essentially the translation into the budget of the Decision on the financial perspective. The letter of amendment was forwarded immediately to the European Parliament for its part-session from 13 to 17 May 1991.

Environment

The Council:

- adopted the common position on the Council Directive amending the 1988 Directive on the reduction of pollutant emissions from diesel engines for use in commercial vehicles (see Press Release 5199/91 (Presse 34) of 18 and 19 March 1991);

- authorized the Commission to participate, as regards matters falling within Community competence, in the negotiations on the framework Convention on the protection of the Alps and the Protocols thereto.

Signing of the framework Convention is scheduled for the next Conference at ministerial level of the Alpine countries, to be held in Vienna during the fourth quarter of 1991.

Air transport

The Council adopted the amendment to Regulation (EEC) No 3975/87 laying down the procedure for the application of the rules on competition to undertakings in the air transport sector.

This amendment will enable the Commission urgently to take provisional measures regarding tariffs and other predatory practices in this sector.

Legal protection of computer programs

Following the co-operation procedure with the European Parliament, the Council adopted a Directive relating to the legal protection of computer programs.

The purpose of the Directive is to ensure that Member States protect computer programs under copyright law as literary works within the meaning of the Berne Convention. The text approved by the Council corresponds for the most part to that of its common position (see Press Release 10685/90 (Presse 26) of 13 December 1990).

Fisheries policy

The Council adopted a Regulation on the conclusion of the Protocol establishing, for the period from 1 June 1990 to 31 May 1993, the fishing rights and financial compensation provided for in the Agreement between the European Economic Community and the Government of the Democratic Republic of Sao Tome and Principe.

Under the Protocol, the fishing rights off Sao Tome and Principe have been fixed for the period in question at 46 freezer tuna seiners and 5 pole-and-line wet tuna vessels.

The financial compensation laid down is ECU 1 650 000, payable in three equal annual instalments.

In addition, the Community will contribute the sum of ECU 150 000 towards the financing of scientific and technical programmes to improve fishery and biological information as regards the exclusive economic zone of Sao Tome and Principe.

ECSC

The Council gave its assent, in accordance with Article 54, second paragraph, of the ECSC Treaty, for the granting of a global loan to the ICLE S.p.A. (Istituto nazionale di credito per il lavoro italiano all'estero).

Appointments

On a proposal from the German Government, the Council appointed Mr Alexander von SCHWERIN a Member of the Economic and Social Committee in place of Mr Heinz-Adolf HÖRSKEN, Member, who has resigned, for the remainder of the latter's term of office, which runs until 20 September 1994.

The Council also replaced a member of the ECSC Consultative Committee.

COUNCIL OF THE EUROPEAN COMMUNITIES

No record of a 1488th meeting.

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

6216/91 (Presse 69)

1489th Council meeting
- Agriculture -
Brussels, 21, 22, 23 and 24 May 1991

President:

Mr René STEICHEN

Minister for Agriculture
of the Grand Duchy of
Luxembourg

21/22/23/24.V.91

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FARM PRICES AND RELATED MEASURES 1991/1992

Following a week of intensive, in-depth negotiation, the Council reached agreement, by a qualified majority, on the prices and related measures for the 1991/1992 farm year with the exception of two proposals regarding the fixing of the prices applicable in the cereal sector and aid in the nut and locust bean sector on which it will take a decision at a later stage once the European Parliament's Opinion, scheduled for June, has been received.

The agreement reached, which also covers a number of other questions on the agenda for this meeting (SLOM 2, ACP sugar, ewe premiums), was achieved on the basis of a compromise submitted by the Presidency and endorsed by the Commission.

The essential features of this compromise, which constitutes amendments to the original Commission proposal, are given below:

Unless otherwise mentioned, the Commission proposals are accepted ⁽¹⁾

I. CEREALS

1. Co-responsibility levy and land set-aside premium

- The co-responsibility levy is set at 5% and the national contributions to the set-aside premium are optional up to a maximum of the national premium under the existing five-year scheme.

2. Set-aside

- The special land set-aside scheme for 1991/1992 is seen as an interim measure leading to the new arrangements which will be drawn up in the context of the reform of the CAP.

(1) The Council will decide on proposal No 3 (Council Regulation (EEC) No fixing the prices applicable to cereals) and proposal No 52 (Council Regulation amending Regulation (EEC) No 790/89 as regards aid in the nut and locust bean sector) after it receives the European Parliament's Opinion scheduled for its June 1991 part-session. At the same time it will decide on the level of aid for durum wheat.

21/22/23/24.V.91

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- The areas covered by this special land set-aside scheme will therefore be eligible for the new arrangements which will follow thereupon.
- For farmers involved in the five-year scheme, reimbursement of that part of the basic co-responsibility levy which exceeds the rate applied in 1990/1991.
- For regions legally exempt from the five-year scheme, setting of a ceiling of 20% of the area per holding for participation in the land set-aside scheme.
- Two possibilities are open for participation in the land set-aside scheme:
 - (a) either submission of the crop plan before 31 July 1991, subsequently followed by a request for participation in the scheme
 - (b) or submission of the 1991 crop plan at the same time as a request for participation in the scheme before 15 December 1991.

The monitoring procedures (Commission competence) will include, with a view to targeting on-the-spot monitoring, use of remote sensing equipment and/or a plausibility check on the basis of binding administrative documents already available in national administrations.

As a consequence of the change of the date mentioned under (a), the Commission may, for control reasons, exclude certain minor crops from the system.

- To preserve the environment, farmers should be required to maintain vegetative cover. For the farmers who do not wish to accept or do not comply with this condition, the set-aside aid should be abated by 10%. Member States shall also apply other environmental rules appropriate to their individual circumstances.

The environmental requirements that land set aside should have vegetative cover is replaced in regions where, for climatic reasons, this is impracticable, by other more appropriate measures in line with those envisaged for the five-year set-aside scheme under Article 4 of Regulation (EEC) No 1272/88, adapted as appropriate for the conditions of a one-year scheme. The regions concerned shall be determined by the Commission under the Management Committee procedure.

Set-aside in the five new German Länder

Subject to satisfactory verification, land which has been included in the national set-aside scheme in the new German Länder and which has been used for products which are supported by the common organization of the market may be included in the one-year set-aside scheme.

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- Durum wheat

The Commission will study the question of whether this year's exceptional harvest conditions in Greece for durum wheat justify a special measure under Article 8 of Regulation 2727/75.

II. RICE

- Intervention price: retention of the current price
- The STM for Portugal is applicable for the whole season
- Given the transitional problems in Portugal, the Council asked the Commission to submit a proposal providing for the opening of intervention in Portugal as from the beginning of the 1991/1992 marketing year.

III. SUGAR

1. Prices

- The proposed price reduction is cancelled.
- As a consequence, the proposed dismantling amount for the basic price for sugar beet in Spain is set at 2 070 ECT/t in 1991/1992 with no change in the amount originally proposed for the following year.
- Amend Article 8 of the Commission proposal concerning Spain by including in that Article the conditions for calculating the accession compensatory amount during the next two marketing years.

The Commission will further examine the problems confronting the Spanish sugar industry and, if appropriate, will submit proposals to complete or replace the transitional flat-rate element by a suitable structural scheme.

- #### 2. ACP sugar (establishment, for the 1989/1990, 1990/1991 and 1991/1992 marketing years, of general rules for marketing preferential sugar in the Community)

In approving the proposal for a Regulation submitted by the Commission (8342/90), the Council confirms its fundamental position, reiterated on several occasions, that compliance must be ensured with the strict parallelism between Community sugar prices and the guaranteed prices for preferential sugar imported into the Community from ACP producer countries and India.

21/22/23/24.V.91

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It stresses the exceptional nature of the financing of the structural measures thus adopted and adds that in future it will no longer be able to agree to expenditure of this nature being charged to the EAGGF-Guarantee Section.

IV. OILSEEDS

1. Prices and bonuses

- The proposed price reductions of 3% are reduced to 1,5%
- The double zero bonus is retained at half its current level and the proposed malus is eliminated.

2. Future arrangements

- With a view to reforming the present oilseed arrangements, in particular in order to bring them into line with the GATT Panel's conclusions, the Commission undertakes to submit its proposals before 31 July 1991 and the Council pledges to take a decision by 31 October 1991.

21/22/23/24.V.91

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- The Council notes the Commission's commitment to the effect that the interim measures which the Commission will take, if necessary, in the context of the powers for which provision is made in Article 4 of the Regulation amending Regulation No 136/66/EEC (rapeseed and sunflower seed) and Article 4 of the Regulation amending Regulation (EEC) No 1491/85 (soya beans) will be limited to what is strictly necessary to prevent disturbance of the market and that these interim measures will be without prejudice to the Council decisions on the future arrangements.

3. Intervention opening dates for sunflower seed: maintenance of the dates currently applicable, the Commission having specified that the beginning of payments will be calculated as from 1 November.

4. Methods of rapeseed analysis

The Council notes that the Commission intends to update its approach for the analysis of glucosinolates in the light of the most recent available results for analysis methods.

As already announced, the Community reference method will be the HPLC method provided for in Regulation No 1864/90.

However, batches of rapeseed which have been analysed by approved XRF establishments and which achieve a level of 30 micromoles or less will be considered to be of 00 quality; batches that do not achieve this level may be checked again using the HPLC method.

21/22/23/24.V.91

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5. Definition of 00 rapeseed

The Council calls on the Commission to make its position clear before 30 July 1991 on the quality rule applicable to 00 rapeseed from 1992/1993.

6. High erucic acid rapeseed

High erucic acid rapeseed grown under contract for industrial use will continue to receive the same aid as single-zero rapeseed.

7. Soya beans

Aid: retention of the present system (deletion of the proposed amendment to Article 2(2) of Regulation No 1491/85 and Article 2(1) of Regulation No 2194/85).

The Council agrees that, within the limits of traditional plantings (i.e. areas planted under contract in 1990), the level of support for soya beans in Spain for 1991/1992 should be the same as in the rest of the Community.

V. PROTEIN CROPS

Peas and field beans

- The proposed price reductions of 3% are reduced to 1,5%
- Retention of the monthly increases for minimum prices

Dried fodder

- The 20% aid reduction is to be made over two years, with a 10% reduction in 1991/1992.
- The Commission will examine the possibility of aligning the Spanish price on the Community price and will, if appropriate, submit a proposal accordingly.

21/22/23/24.V.91

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VI. TEXTILES

1. Textile flax and hemp

- No change in aid levels.

2. Cotton

The Council calls on the Commission, in the context of the upcoming revision of the stabilizer for cotton, to see what measures would be appropriate for protecting producers against the very substantial price fluctuations between one season and the next, without thereby jeopardizing the economic effectiveness of the system.

21/22/23/24.V.91

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VII. WINE

1. The amendments made by the Special Committee on Agriculture are confirmed.
2. The "support" distillation price is kept at 82% of the guide price for wine of type A1.
3. Extension until 31 December 1991 of the derogation for the total acidity content of Spanish wines (Commission competence).
4. Eiswein: The Council calls on the Commission to propose the inclusion of wine described as "Eiswein" in the category of wine admitted with a maximum SO₂ content of 400 mg/litre.
5. Examination of the measures appropriate for making the intervention arrangements applicable to Portugal as from 1 September 1991 will be actively pursued in the Management Committee, without prejudice to such definitive arrangements as may be adopted subsequently in the context of the wine sector reform.

In this connection the Commission stated that it intended to introduce simplified management of the wine market in Portugal. The essential measures would involve voluntary distillation at the same price in ecus as had applied during the 1990/1991 marketing year, together with appropriate application of the measures to improve quality.

6. Grubbing-up arrangements in Portugal

The grubbing-up arrangements for which provision is made in Regulation (EEC) No 1422/88 are extended to Portugal as from the 1991/1992 marketing year, on the understanding that the abandonment premium will be the same as that presently granted in Portugal in accordance with Regulation No 2239/86.

7. Storage contract arrangements for wine:

Possibility for the 1990/1991 marketing year of a partial release of the quantity under contract before the end of the nine-month period. With a view to defining the arrangements for long-term storage contracts for the 1991/1992 marketing year, the Commission will re-assess the operation of this derogation.

8. Interspecific varieties (varieties not covered by the species "vitis vinifera"):

In the context of the wine sector reform, the Commission will study the possibility of including interspecific varieties in the list of varieties declared suitable for production of quality wines psr.

VIII. FRUIT AND VEGETABLES

- Inter-trade arrangements: the Council calls on the Commission to submit to it a proposal on inter-trade arrangements in the fruit and vegetables sector before 31 December 1991.

IX. TOBACCO

1. Prices and premiums

The proposed reductions in prices and premiums are reduced by 4 percentage points.

2. Inter-trade arrangements

The Council considers that a system of inter-trade agreements, including in particular the possibility of extension of the rules of these agreements to all operators in the raw tobacco sector, represents an essential factor for ensuring proper management of the tobacco sector.

It calls on the Commission to study this matter with the greatest care with a view to submitting an appropriate proposal to the Council as soon as possible, and no later than 30 September 1991.

X. SEEDS

- Inclusion of "Festulolium" seed on the list of species eligible for Community aid.

XI. PIGMEAT

The Commission is looking at the possibility of introducing arrangements in the pigmeat sector that would allow, on a non-discriminatory basis, more selective application of the private storage aid system when market conditions so justify.

XII. SHEEPMEAT

The Council and the Commission confirm that the definition of eligible ewe will be decided on in the context of the reform of the sheepmeat arrangements which the Commission intends to propose as soon as possible. If the Council is unable to take a decision on the reform proposal by 1 October 1991, the present definition of eligible ewe will continue to apply to the premiums to be paid under the 1992 marketing year.

XIII. MILK

The following suggestions are submitted assuming the quota arrangements are to be extended.

1. SLOM

The Council adopts the Regulation given in the Annex to 6222/91.

2. Reduction in the milk quotas and SLOM

For the 1991/1992 period

- (a) a 2% reduction in the global guaranteed quantities.
- (b) appropriate management at the level of individual reference quantities in order to ensure compliance with the global guaranteed quantities thus reduced and, where necessary, to make provision for reference quantities for SLOM producers.
- (c) Simultaneous introduction of a voluntary buying-up scheme. The quantities bought under this scheme will pass into national reserves. This increase in the national reserves will be available for the purpose of returning in whole or in part to individual producers such quantities as may have been reduced pursuant to subparagraph (b) above, in order to resolve the SLOM problem and, where possible, to help resolve the specific problems of priority producers, in particular producers in the less-favoured areas and small producers.

- (d) The cost of a quota buying-up scheme up to a level of 3% of the global guaranteed quantities in each Member State would be financed by the Community at a rate of ECU 0,10/kg over a period of 5 years payable as from the 1993 budget (i.e. as from Autumn 1992). Member States which can buy up 3% at a lower rate may set this lower rate and employ the saving to buy up more than 3% and to use the additional quantity to feed their national reserves.
- (e) The compensation of ECU 0,10/kg with Community funding is paid for reductions in individual reference quantities in 1991/1992. In Member States where the full 3% purchase is not reached, the saving may be used to compensate producers whose individual reference quantities remain reduced for a further 4 years.
- (f) The arrangements set out above comprise the Community contribution to the solution of the SLOM problem. If necessary, Member States may at their own expense purchase additional quantities, compensate for additional linear reductions and supplement the ECU 0,10/kg.

The Council noted the Commission's intention of allocating the quantity available for SLOM producers in the Community reserve in accordance with the same proportions as under SLOM I.

For the period after 1991/1992

The Council and the Commission agree that should a reduction of 2% in national quotas prove insufficient fully to re-establish a balanced market, further measures will be adopted in the context of the reform of the CAP.

3. Intervention

Adjustment of the intervention arrangements for butter:

The intervention buying-in price will be fixed by the Commission having regard to the quantities offered and the state of the market. It will not be lower than 90% of the intervention price.

4. Skimmed milk powder in Portugal

The Commission proposal was not adopted; Portuguese prices accordingly remain unchanged.

5. Regulation No 1336/86 will be amended in order to allow the remaining financial resources also to be used to institute a programme under which all the animals in the national dairy and beef herds will be identified for a computer record system as a means of improving quality and veterinary standards in the interests of dairy producers.

6. The specific buying-in price for Ireland and Northern Ireland for butter will be removed and Regulation No 1079/77 will be amended to allow the resulting savings to be used to finance a milk quality scheme in these regions.

7. Member States may permit quota leasing commencing before 31 December 1991 for the eighth quota period.

8. Problem of the co-responsibility levy in the five new German Länder

Producers in areas which the German Government proposes be considered as less favoured areas should provisionally be exempt from the milk co-responsibility levy, it being understood that if some of these areas are not finally designated as less favoured areas, the levy will be collected for the whole period concerned from those producers whose provisional exemption is not confirmed.

9. SLOM quotas: fat content

The Commission undertakes to re-examine and amend the last indent of Article 12(1) of Commission Regulation (EEC) No 1546/88 so as to ensure that the SLOM category of producers is not unduly privileged - as regards the fat content of milk supplied or bought regarded as representative - compared with producers who have not suspended milk production.

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With respect to the fresh milk situation in Greece, the Commission stated that it was impossible to contemplate a further quota allocation as requested, although it was prepared to draw up a report and come back to the Council before the end of October 1991 with appropriate proposals if need be.

XIV. BEEF AND VEAL.

1. Adjustment of the intervention system

Normal tenders for intervention will be triggered at 84% (weighted Community market price) and 80% (regional market price).

When the Community weighted market prices for bulls or steers fall under 78% of the intervention price, safety net intervention will be opened by tender procedure and all eligible offers will be accepted when:

- in at least three Member States (or regions) representing 60% of total Community production for bulls or steers, prices fall under 75% of the intervention price,
- or when in one Member State (or region) the market price for bulls or steers falls under 72% of the intervention price.

For tender procedures (normal or safety net), offers which exceed the price paid to farmers (regional market price) by more than a reasonable margin will be regarded as ineligible. This margin will be set by the Commission on the basis of objective criteria within the framework of the Management Committee procedure.

21/22/23/24.V.91

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2. Premiums

The Council considers that measures designed to encourage extensification and to reduce production are indispensable to bring about a better balance on the beef market.

The Commission undertakes to present, in the context of the reform of the CAP, before 31 July 1991 a proposal with the aim of revising the present premium system along such lines and the Council undertakes to take a decision in good time in order to allow for the application of the new premium system from the 1992/1993 marketing year.

XV. AGRIMONETARY MEASURES

The amendments to the Commission proposals are as follows:

- For the United Kingdom: elimination of the entire monetary gap
For Greece : Dismantling of 3/4 of the monetary gap remaining after the last application of the automatic dismantling
Alignment of the various green rates on the highest rate
For Spain : While retaining the 1993 target (full dismantling), reduction of the real monetary gaps and smaller reduction for milk, beef and veal and cereals.
For Germany and the Netherlands : Total elimination of the monetary gap as provided for in the Commission proposal.

XVI. EXPORT POLICY

The Council and the Commission state that the Community will pursue an active export policy within the framework of a more liberal trade system, which includes the opening of new markets established through the Uruguay Round, the European Economic Space and negotiations with Eastern European countries.

XVII. NON-FOOD USE OF AGRICULTURAL PRODUCTS

The use of agricultural products in the non-food sector may help, with other measures, to restore market balance. The measures decided upon or envisaged up to now at Community level must be supplemented in order to provide the necessary incentives for farmers to grow non-food plants and for industry to use agricultural products. The Council therefore calls upon the Commission to submit in the context of the CAP reform other proposals which will enable outlets for agricultural products to be created in the non-food sector.

21/22/23/24.V.91

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With respect to the budgetary and financial implications, the Commission stated that the Council decision on the package of prices and related measures for 1991/1992 could be financed within the budget guideline for 1991.

Account being taken of developments in the economic situation and of the management savings being made, the guideline for 1992 would be observed. The Commission accordingly considered that there was no need to hold a special Council meeting of Agriculture Ministers and Ministers for Economic Affairs and Finance.

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Pending entry into force of the measures adopted, the Council extended once again the current marketing years for milk and milk products and for beef and veal until 16 June 1991.

It also adopted Regulations

- fixing the basic price and the buying-in price for cauliflower for the period 27 May to 16 June 1991;

21/22/23/24.V.91

ood/JM/mc

- fixing the basic price and the buying-in price for tomatoes for the period 11 to 16 June 1991;
- fixing the guide price for dried fodder products for the period from 27 May to 16 June 1991;
- fixing the basic price and the buying-in price for apricots, peaches, nectarines and lemons, for the period from 1 to 16 June 1991.

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URUGUAY ROUND - AGRICULTURE

The Council heard a report from the Commission on progress to date with the Uruguay Round.

Mr MAC SHARRY in particular reported to the Council on his recent talks in Washington with Mr MADIGAN, the new United States' Agriculture Secretary, and Ambassador Carla HILLS, and on the agreement they had reached to accelerate the technical proceedings currently underway in Geneva so that talks could then resume at political level.

During the discussion which followed the Commission's report, the Council confirmed its wish to contribute to the search for a solution based on an overall approach and respecting the need to uphold the fundamental principles of the common agricultural policy on the basis of the offer established by the Community.

The Council agreed to discuss this item further at its next meeting.

PLANT PROTECTION PRODUCTS

The Council conducted a lengthy examination of the proposal for a Directive concerning the placing of EEC-accepted plant protection products on the market.

This proposal, which appears in the Commission White Paper on the completion of the Internal Market, is intended to set up a harmonized procedure for the authorization of plant protection products to be used for the protection of plants and plant products against harmful organisms and weeds.

Although substantial progress has been made on this dossier, no agreement could be reached at the meeting.

The Council will resume its examination of this item at its next meeting in June.

MISCELLANEOUS DECISIONS

Other decision regarding agricultural policy

The Council adopted the Directive amending Directive 72/461/EEC on health problems affecting intra-Community trade in fresh meat and Directive 72/462/EEC on health and veterinary inspection problems upon importation of bovine, ovine and caprine animals, and swine and fresh meat or meat products from third countries.

The purpose of these amendments is to incorporate into the text of these Directives provisions on the authorization of certain imports originally covered by Directive 87/64/EEC of 30 December 1986 which was declared void in a judgement handed down by the Court of Justice.

Fisheries

The Council adopted a Regulation on the submission of data on the landings of fishery products in the Member States.

Iraq/Kuwait embargo

The Representatives of the Governments of the Member States of the ECSC, meeting within the Council, adopted a Decision amending Decision 90/414/ECSC preventing trade as regards Iraq and Kuwait.

This amendment incorporates in the ECSC sphere the changes made by the United Nations Security Council in Resolution 687 of 3 April to the prohibition

on the sale or supply to Iraq of commodities or products and on the import of commodities or products originating in Iraq.

In the EEC sphere, this adjustment was made on 27 March 1991.

Environment

The Council adopted a Directive concerning municipal waste water treatment (see Press Release 5199/91 Presse 34 of the Environment Council of 18/19.III.91).

Action programme on equal opportunities for women and men

The Council adopted a Resolution on the third medium-term action programme on equal opportunities for women and men (1991-1995).

This programme, which follows on from the first two (1982-1985 and 1986-1990), has as its main aim to promote the full participation of women in the labour market and to upgrade their contribution to economic and social life.

In its Resolution, the Council invites the Member States to implement the measures provided for in the programme in order to achieve the following objectives:

- ensure the implementation and, if necessary, improvement of existing legal provisions; raise the level of awareness about legal rights and obligations;
- increase the participation of women in the labour market by applying national laws and practices in an improved manner to women, by developing specific measures for equal opportunities for women and men, and by promoting women's entrepreneurship and local employment initiatives;
- improve the quality of women's employment by maximizing their potential, particularly through stepping up action relating to education, vocational training, better staff management and the use of positive action in enterprises;
- reduce barriers to women's access to, and participation in, employment, also through measures designed to reconcile the family and occupational responsibilities of both women and men;
- continue, and develop, awareness-raising initiatives which are related to the specific objectives of this programme, and improve and disseminate information on equal opportunity and equal treatment issues;
- continue to encourage an improvement in the participation of women at all levels in the media sector and to develop innovatory programmes which present a full, realistic picture of women in society;
- encourage measures designed to promote the participation of women in the decision-making process in public, economic and social life.

THE COUNCIL ALSO INVITES

THE MEMBER STATES TO:

- adopt, as required, within the framework of this programme, national, regional or local equality plans or other relevant policy measures establishing objectives that match national circumstances;
- draw up assessment reports,

BOTH SIDES OF INDUSTRY TO:

- make equal opportunities and equal treatment an element in collective bargaining, in particular by endeavouring to implement positive action programmes in undertakings and in occupational branches and sectors as part of a cohesive policy of staff management and to elicit a real commitment to in-service training and jobs for women;
- pursue and intensify the social dialogue on the issues of reconciling occupational and family responsibilities and protecting the dignity of women and men at work;
- include in collective bargaining the issues of equal remuneration (equal pay for equal work or work of equal value) and the elimination of discrimination on the basis of sex in job assessment and/or classification;
- take all necessary measures actively to promote women's representation in decision-making bodies.

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THE COMMISSION TO:

- ensure that the present programme is implemented and make interim and overall assessments (at mid-term and at the end of the period) of the policy on equal opportunities and equal treatment, on the basis of the information supplied by the Member States, taking into account all action carried out by the Commission and outlining the action carried out by the Member States;
- submit the results of these assessments to the European Parliament, the Council and the Economic and Social Committee;
- integrate the objective of equal opportunities and equal treatment into the formulation and implementation of the appropriate policies and action programmes and introduce specific means of co-ordination.

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

6379/91 (Presse 73)

1490th Council meeting
- Development Co-operation -
Brussels, 27 May 1991

President: Mr Georges WOHLFART,

State Secretary for Foreign Affairs
and Co-operation
of the Grand Duchy of Luxembourg

27.V.91

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Italy:

Mr Federico DI ROBERTO

Ambassador,
Permanent Representative

Luxembourg:

Mr Georges WOHLFART

State Secretary for Foreign Affairs
and Co-operation

Netherlands:

Mr Jan PRONK

Minister for Development Co-operation

Portugal:

Mr José Manuel DURAO BARROSO

State Secretary for Foreign Affairs
and Co-operation

United Kingdom:

Mrs Lynda CHALKER

Minister for Overseas Development

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Comrission:

Mr Manuel MARIN

Vice-President

Mr Abel MATUTES

Member

27.V.91

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EC INVESTMENT PARTNERS

The Council held a policy debate on the Commission proposal for a Regulation aimed at providing a legal basis for the EC Investment Partners scheme and continuing the scheme set up in 1988 for a further experimental period starting on 1 January 1992.

The Council instructed the Permanent Representatives Committee to continue its proceedings on this matter and agreed to resume its discussions when it had received the Opinion of the European Parliament.

TROPICAL FORESTS

The Council noted a report from the Commission on the preparation by Brazil, in co-operation with the World Bank and the Commission, of a pilot programme to combat the destruction of the Brazilian forests.

It confirmed the importance it attached to the rational management and conservation of tropical forests, in the interests of the countries of both North and South.

The ensuing discussion enabled delegations to make comments which the Commission will take into account in further proceedings.

27.V.91

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HUMAN RIGHTS, DEMOCRACY AND DEVELOPMENT CO-OPERATION POLICY

The Council held a detailed discussion on the Commission communication entitled "Human rights, democracy and development co-operation policy".

The increased importance of this dimension of development co-operation was emphasized.

The Council requested the Community bodies, in close co-operation with Political Co-operation, to continue examining this problem to enable guidelines and common criteria to be drawn up so that positions could be adopted within international bodies and in the implementation of the development co-operation policy of the Community and its Member States.

SPECIAL PROGRAMME OF FOOD AID FOR AFRICA - COUNCIL CONCLUSIONS

The Council heard a report from Mr MARIN on the implementation of the special emergency programme of food aid for Africa. It thanked the Commission for the effectiveness of its action.

The Council noted that the programme had been implemented rapidly, despite difficulties in channelling the aid locally, and appealed to all the authorities concerned to facilitate the forwarding operations to the utmost of their ability.

The Council noted the amount of national contributions to this programme which had already been committed by the Member States and their intention to make the highest possible contributions to it and to give all the logistic assistance in

27.V.91

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their power to support the Commission's action. It also stressed the need for effective co-ordination with other donors and the organizations responsible for distributing the aid.

Lastly, the Council decided that it would be useful, in the light of recent experience, to hold a more detailed policy debate on the implementation of emergency aid and asked the Permanent Representatives Committee to hold a discussion on this subject on the basis of the Commission's suggestions.

BANGLADESH

The Council reviewed progress in implementing the ECU 60 million programme of emergency aid for Bangladesh.

27.V.91

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CO-OPERATION WITH NGOS

After holding a discussion on co-operation with NGOs, the Council noted that such co-operation was extremely valuable and generally functioned satisfactorily.

Following the discussion, it adopted the following Resolution:

"1. Community co-operation with the Non-Governmental Development Organizations began in 1976, at the initiative of the European Parliament, with the entry in the budget of an amount of ECU 2,5 million intended for the joint financing of programmes and projects. The funds available for this type of development co-operation, which has had the particular support of the European Parliament, have been regularly increased to the extent that an amount of ECU 105 million has been entered under this item in the 1991 budget.

Over the years, other articles in the budget have been established as and when necessary in order to allow for co-operation with the NGOs in specific areas. The amount set aside in 1990 for this type of co-operation totalled ECU 318 million, to which should be added financial contributions from the EDF.

It would seem an opportune moment, after 15 years of experience, to review the action taken in this field, examine what has been achieved and draw some lessons for future action.

2. The Council welcomes the fact that NGOs from the different Community Member States are collaborating with each other in this field. The Community has found the NGOs to be efficient and reliable partners in the work of implementing programmes and projects aimed at making lasting improvements in the living conditions and development prospects of the peoples of the

27.V.91

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beneficiary countries. The Community's contribution is a response to the many years of commitment and support displayed by the general public in Europe for co-operative non-governmental action.

The NGO-EC Liaison Committee plays an essential role in strengthening the Community's collaboration with the NGOs and collaboration among the NGOs themselves.

The Council endorses the Commission's efforts to give support for action by new NGOs as well as action which has not in the past been the subject of Community co-operation.

3. One of the main aims of the Community's development co-operation policy is to help provide for the needs of the poorest peoples. Maintaining close contacts as they do with these peoples at the grass roots and knowing their conditions and needs, the NGOs are well placed to make a significant contribution towards achieving this aim.

The Council recognizes that because of their presence on the ground or their networks the NGOs are in a position to ensure the effective channelling of emergency aid to people in the direst need following natural disasters or other occurrences.

The Council also emphasizes the highly significant contribution which the NGOs make in certain areas such as the advancement of women's status and environmental protection. It urges the Commission to share information on these matters with the NGOs.

27.V.91

ary/JF/tb

Furthermore, in their campaigns to inform, educate and foster the awareness of the public about development matters, the NGOs play an essential part in channelling the energies of European citizens into this area. They thus foster public understanding and the support which is essential if a development policy is to succeed.

4. The Council stresses the importance of the NGOs being autonomous and independent, whether established in the north or in the south. In particular, they must be solely responsible for development projects which they put forward for joint financing.

The Council notes that in a number of developing countries there are private or local development schemes. It welcomes the European NGOs' wish to encourage such schemes.

5. In this regard, the Council is pleased to note the emphasis which the fourth Lomé Convention places on decentralized co-operation, which is based on an approach similar to that used with the European NGOs while at the same time being aimed more directly at the decentralized agencies in the developing countries themselves. Properly implemented, this new concept should enable a close relationship to be forged between the peoples of the north and the south concerned with development. It may also be applied in the Community's co-operation machinery in the fields of redirecting the Mediterranean policy and new guidelines for co-operation with the Asian and Latin American developing countries.

27.V.91

ary/JF/tb

Indeed, the Council believes it essential to support and strengthen the decentralized agencies in the developing countries, including the NGOs and the local authorities, in order to involve the local people fully in the development effort. Government action, though important, is not sufficient to ensure that development is both sustainable and harmonious.

Moreover, the fact that there are associations of private persons dedicated to development work in the southern countries is in itself an encouragement for democracy to take root and an incitement to greater respect for human rights. The Council is convinced that these two aspects are essential if development schemes are to succeed. This is especially important at a time when a number of developing countries are engaged in the process of democratization. The Council considers that particular attention should be paid to supporting the NGOs and other bodies in the developing countries dedicated to the promotion and observance of human rights.

6. Each year the Council examines a Commission report on the previous year's co-operation with the NGOs. These discussions have shown that the Community system, which must be complementary to national efforts of the same kind, is working satisfactorily. Nonetheless, the Council would stress the need for some analytical data, other than statistics, to be included in this report, and accordingly asks the Commission to proceed with assessments.

27.V.91

ary/JF/tb

It seems at this stage appropriate to draw some conclusions from the Community's and the NGO's long field experience. A number of aspects should be examined, such as:

- possible improvements in the system for selecting projects in view of the large number of projects postponed from one year to the next;
- consistency of the procedures used for the different budget headings;
- simplification and speeding-up of administrative procedures for the NGOs;
- giving effect to Community emergency aid;
- strengthening the machinery for exchanges of views between the NGOs and the Commission.

The Council will examine the outcome of this study at a future meeting.

7. To conclude, the Council emphasizes the importance it attaches to this type of co-operation and, noting the NGOs' great absorptive capacity, firmly hopes that the regular increases in appropriations earmarked for them within the resources allocated to development will continue in the years to come."

27.V.91

ary/JF/tb

USE OF COUNTERPART FUNDS GENERATED BY THE VARIOUS
DEVELOPMENT ASSISTANCE INSTRUMENTS - COUNCIL RESOLUTION

- "1. The Council notes that in view of the increasing volume of counterpart funds generated by the various development assistance instruments, and their integration into the structural adjustment policies pursued by an increasingly large number of countries, it should be ensured that such funds are used for the optimum growth of the developing countries. It therefore agrees to define, on the basis of a Commission staff working paper, a number of general principles which should help to guide the policies to be followed in this area at Community and Member State level.

2. The Council points out here that the Community provisions on counterpart funds, which are still the basis of the relevant Community policy, were defined by the Lomé Convention and by food aid Regulation No 3972/86 and the Council Resolutions of 13 November 1988 and 21 November 1989. It further notes that in the case of the Member States other administrative or legislative provisions govern the detailed rules for the constitution and use of counterpart funds.

3. The Council underlines the importance of seeing, in all the countries benefiting from counterpart funds, that such funds are rapidly constituted, are the subject of transparent and stringent management and supervision and are used in accordance with the priorities agreed in the legislative or administrative instruments governing the projects of the Community and its Member States generating counterpart funds.

27.V.91

ary/JF/tb

4. The Council recognizes that counterpart funds do not pose problems of the same type in all countries and that their use must be adapted both to the economic situation of the countries concerned and to the volume of counterpart funds generated there. It considers it necessary to step up Community co-ordination and co-ordination with other providers of funds, in particular the World Bank and the IMF, in this sphere, in particular in the countries pursuing stabilization and adjustment policies.
5. The Council considers in this light that for countries which are marginal beneficiaries of counterpart funds and do not have serious imbalances, the traditional practice of allocating counterpart funds, within the framework of the budgetary priorities and practices of the States concerned, to specific projects or programmes can be continued.
6. The Council thinks it essential nevertheless, for adjustment countries, that stabilization and reform requirements should be reconciled with the requirement to use funds in accordance with the texts governing the policies of the various providers of funds. In this connection, the Council would recall its Resolution of 16 May 1989 on co-ordination on support for structural adjustment.

The Council holds that efficient and optimum use of counterpart funds should be based on the following principles:

- (i) the counterpart funds generated by the various development assistance instruments constitute resources which must be managed as part of a single and consistent budgetary policy in the context of a programme of reforms;

27.V.91

ary/JF/tb

(ii) the effectiveness of the support for structural adjustment depends on the policies and institutional reforms put in train, including those concerning public expenditure. The Community and the Member States should therefore make sure that counterpart funds are used consistently in broad budgetary headings of on-budget priority public expenditure. In respect of the countries subject to adjustment, the process of drawing up and monitoring this programme should be strengthened as regards both current and investment expenditure so as to ensure that public resources are allocated to the most urgent requirements in terms of effectiveness and fairness.

(iii) the agreements concluded with the beneficiary countries concerning the management of counterpart funds must be consistent with the stabilization and adjustment targets agreed under the reforms.

(iv) all counterpart funds of each donor should be consolidated in a single account by donor at the Central Bank consistent with that donor's statutory regulations. Donors should agree with the authorities in each recipient country on a common form for reporting on counterpart fund payments due to be collected from importers, and amounts actually paid.

7. The Council considers that the implementation of such principles also postulates a strengthening of co-ordination at the level of the Community and its Member States with the aim of:

- planning, whenever possible, the constitution and allocation of counterpart funds;

27.V.91

ary/JF/tb

- undertaking, as part of concerted efforts by all the providers of funds, a progressive reduction in the accumulated stocks of counterpart funds which exceed the capacity to make effective and non-inflationary use of them;
 - simplifying, harmonizing and standardizing procedures for the constitution, use and monitoring of counterpart funds, according to the characteristics of each developing country and according to the budgetary rules of the developing countries and the Member States of the Community.
8. As for the Community as such, the Council, on the basis of the general principles defined above, and in order to implement the Lomé Convention, approves the Commission's approach giving priority, within the framework of the priority aims defined by the States concerned, to the social dimension of adjustment in the use of counterpart funds, in particular by providing for appropriate coverage of the education and health sectors and special attention for environmental protection. This does not preclude other possible allocations for counterpart funds in accordance with the text of the Lomé Convention and the texts governing food aid.
9. In conclusion, the Council refers to the need for the Community to strive for greater co-ordination of budgetary policy with the other providers of funds, in particular the World Bank and the International Monetary Fund, in order to ensure at a very early stage in the process, by means of appropriate exchange of information and active participation in the formulation of public expenditure and public investment programmes, that appropriate account is taken of Community concerns and that the level and composition of the budget are effective and equitable.

27.V.91

ary/JF/tb

10. The Council stresses the need for all providers of funds, in implementing these principles, to strive for the greatest possible consistency among themselves. To this end, it invites the Member States and the Commission to make use of the forum for co-ordination offered by SPA to strengthen this necessary consistency in the effective and equitable use of counterpart funds.

11. The Council would ask the Commission to submit during 1993 a report on the implementation of this Resolution; if necessary, it will revise its guidelines."

27.V.91

ary/JF/mcs

RELATIONS WITH THE OVERSEAS COUNTRIES AND TERRITORIES

After a brief discussion on future association arrangements for the OCT, the Council noted the positions expressed by the various delegations and the Commission on the nature of the trade arrangements to be adopted for the OCT.

It once again drew attention to the urgency of the matter and emphasized the need to adopt the future association arrangements before the existing transitional measures expired (on 30 June).

It instructed the Permanent Representatives Committee to continue examining the problems which had arisen with this in mind and appealed to all the delegations and the Commission to be flexible, in order to achieve the compromise solutions which were essential for this purpose.

The Council noted that the Presidency was accordingly endeavouring to draw up a compromise which would be acceptable to all the delegations and which it intended to submit to them shortly for consideration.

RATIFICATION OF THE FOURTH LOME CONVENTION

After reviewing the progress of the procedures for the ratification of the Fourth ACP-EEC Convention by the Member States of the Community, the Council noted that all the Member States should normally be in a position to deposit their instruments of ratification by 30 June 1991.

27.V.91

ary/JF/mcs

COMBATING AIDS

The Council heard a statement by Mr MARIN, Vice-President of the Commission, concerning the Commission's intention to put forward a new programme for combating AIDS, which is ravaging a large number of developing countries, particularly in Africa, and welcomed that intention.

27.V.91

ary/JF/tb

MISCELLANEOUS DECISIONS

Anti-dumping

The Council adopted a Regulation imposing a definitive anti-dumping duty on imports of aspartame (falling within CN code ex 2924 29 90) originating in Japan and the United States of America.

The duty will be ECU 25,15 per kilogram (net weight) on imports of aspartame originating in the United States of America and ECU 27,21 per kilogram (net weight) on imports of aspartame originating in Japan.

4th Financial Protocols with Algeria, Morocco, Tunisia and Egypt and with Israel

The Council approved the outcome of the negotiations as communicated by the Commission and decided to sign the protocols, subject to their approval.

It should be possible for these Protocols to be signed in the first half of June.

Action programme for small and medium-sized enterprises

The Council adopted the Resolution - the substance of which was approved by the Industry Council on 29 April 1991 - on the action programme for small and medium-sized enterprises including craft industry enterprises (see press release No 5812/91 Presse 55 of 29 April 1991).

Appointments

The Council:

- appointed members representing Portuguese employers' organizations on the Administrative Board of the European Foundation for the Improvement of Living and Working Conditions;
 - replaced a member and an alternate on the Advisory Committee on Safety, Hygiene and Health Protection at Work.
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COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

6569/91 (Presse 78)

1491st meeting of the Council

- ENERGY -

Brussels, 31 May 1991

President: Mr Alex BODRY,
Minister for Energy
of the Grand Duchy of Luxembourg

31.V.91
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The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium

Mr Elie DEWORME State Secretary for Energy

Denmark

Mr Niels Henrik SLIBEN Deputy Permanent Representative

Germany

Mr Dieter von WÜRZEN State Secretary, Federal Ministry of Economic Affairs

Greece

Mr Stavros DIMAS Minister for Industry, Energy and Technology

Spain

Mr Claudio ARANZADI Minister for Industry and Energy

France

Mr Dominique STRAUSS-KAHN Minister responsible for Industry

Ireland

Mr Robert MOLLOY Minister for Energy

Italy

Mr Guido BODRATO Minister for Industry

Luxembourg

Mr Alex BODRY Minister for Energy

Netherlands

Mr Koos ANDRIESSEN

Minister for Economic Affairs

Portugal

Mr Luis Fernando de MIRA AMARAL

Minister for Industry and Energy

United Kingdom

Mr John WAKEHAM

Minister for Energy

°
° °

Commission

Mr Antonio CARDOSO E CUNHA

Member

31.V.91

unw/AM/pj

TRANSIT OF NATURAL GAS THROUGH GRIDS

Having concluded the co-operation procedure with the European Parliament, the Council adopted by qualified majority the Directive on the transit of natural gas through grids.

The Directive, with which the Member States are required to comply by 1 January 1992, is designed to contribute to better integration of the European energy market by eliminating obstacles to increased natural gas transfers between transmission grids.

The Directive is a logical complement to the Directive adopted at the end of October 1990 on the transit of electricity through grids, and its content may be summarized as follows:

Member States are required to take the measures necessary to facilitate transit of natural gas between high-pressure grids in their territory. Transit is defined as any transaction for the transport of natural gas under the following conditions:

- (a) transmission is carried out by the entity or entities responsible in each Member State for high-pressure natural gas grids, with the exception of distribution grids, in a Member State's territory which contribute to the efficient operation of European high-pressure interconnections;
- (b) the grid of origin or final destination is situated in the Community;
- (c) this transport involves the crossing of at least one intra-Community frontier.

The Directive contains a list of the gas transmission grids involved and of the entities responsible for them in the Member States. The list is to be updated by the Commission, after consultation with the Member State concerned, whenever necessary.

Contracts involving transit of natural gas between grids will be negotiated between the entities responsible for those grids and for the quality of service provided and, where appropriate, with the entities responsible in the Member States for importing and exporting natural gas.

Conditions of transit will, pursuant to the rules of the Treaty, be non-discriminatory and fair for all parties concerned, will not include unfair clauses or unjustified restrictions and will not endanger security of supply nor quality of service, in particular taking full account of the utilization of reserve production and storage capacity and the most efficient operation of existing systems.

Member States must take the measures necessary to ensure that the entities responsible for the grids referred to in the Directive act without delay to:

- notify the Commission and the national authorities concerned of any request for transit;
- open negotiations on the conditions of the natural gas transit requested;
- inform the Commission and the national authorities concerned of the conclusion of a transit contract;

31.V.91

unw/AM/pj

- inform the Commission and the national authorities concerned of the reasons for the failure of negotiations to result in the conclusion of a contract within twelve months following communication of the request.

Each of the entities concerned may request that the conditions of transit be subject to conciliation by a body, set up and chaired by the Commission, on which the entities responsible for grids in the Community are represented.

SAVE PROGRAMME

Pending receipt of the Opinion of the European Parliament, the Council held a discussion on this matter and concluded it by noting that consensus obtained on the enacting terms proposed by the Commission.

The financial aspects will have to be examined further, the Council being of the view that ECU 35 million over 5 years appeared an appropriate amount provided that it did not exceed the ceilings which would be set in the next inter-institutional agreement on the financial perspective beyond 1992.

The Council instructed the Permanent Representatives Committee to complete the examination of this dossier having regard also to the European Parliament's Opinion and to submit the outcome to the Council at a forthcoming meeting.

The SAVE programme was presented by Mr CARDOSO E CUNHA, Member of the Commission, at the previous Energy Council on 29 October 1990 and its primary purpose is to contribute to improved use of energy, with a view to reducing energy use per unit of GNP by 20% within 5 years.

31.V.91

unw/AM/pj

The programme provides for Community funding ranging from 30 to 100% of the cost of measures under the four categories of action on energy efficiency, viz.:

- (a) technical evaluations for assessing the data needed for defining technical standards or specifications;
- (b) measures to support the Member States' initiatives for extending or creating infrastructures concerned with energy efficiency;
- (c) measures to foster the creation of an information network aimed at promoting better co-ordination between national, Community and international activities through the establishment of appropriate means for exchanging information and at evaluating the impact of the various measures provided for;
- (d) measures to implement the programme for improving the efficiency of electricity use adopted by Decision 89/364/EEC.

EUROPEAN ENERGY CHARTER

The Council discussed the energy aspects of the Commission communication on a European Energy Charter and, more particularly, the wording of the draft Charter which might serve as a basis for defining the Community position at the International Conference scheduled to take place in the second half of 1991.

The Council's reaction to the thrust of the Charter was favourable, and it will be discussed again by the General Affairs Council on 17 and 18 June 1991 in Luxembourg.

31.V.91

unw/AM/pj

The Council also held a brief discussion in preparation for Member States' participation in the meeting of the Governing Board of the International Energy Agency at Ministerial level, to be held in Paris on 3 June 1991.

OIL SUPPLIES AND OIL STOCKS

Pending receipt of the Opinions of the European Parliament and the Economic and Social Committee, the Council held a general policy debate on certain key questions to which the Commission proposals gave rise, and in particular:

- whether the Community position ought to be more closely co-ordinated in preparation for the proceedings at I.E.A. level, with the aim also of preventing any divergence between the I.E.A. and the Member States;
- whether a closer analysis should be made of the way in which the Commission was proposing that the powers to take action should be distributed between the I.E.A., the Member States and the Commission.

The President of the Council wound up the discussion by noting the broad measure of agreement on the need for Community resources in order to cope with oil supply crises, and the need to update existing arrangements.

31.V.91

unw/AM/pj

He also noted requests on the part of several delegations for the Commission to re-examine its proposals.

At the close of its proceedings, the Council agreed to instruct the Permanent Representatives Committee to continue its work on this matter so that it could be discussed at a future Council meeting.

MISCELLANEOUS DECISIONS

Competition

The Council adopted the Regulation on the application of Article 85(3) of the Treaty to certain categories of agreements, decisions and concerted practices in the insurance sector.

The Regulation gives the Commission the option of waiving Article 85(1) - prohibiting agreements and understandings between undertakings which may restrict or distort competition - under certain circumstances for certain types of agreements, decisions and concerted practices in the insurance sector, provided that they have as their object co-operation with respect to:

- the establishment of common risk premium tariffs based on collectively ascertained statistics or the number of claims;
- the establishment of common standard policy conditions;
- the common coverage of certain types of risks;
- the settlement of claims;
- the testing and acceptance of security devices;
- registers of, and information on, aggravated risks provided that the keeping of the registers and the handling of this information is carried out subject to the proper protection of confidentiality.

This derogation is based chiefly on the consideration that co-operation between undertakings in the insurance sector is, to a certain extent, desirable to ensure the proper functioning of the sector and may at the same time promote consumers' interests.

Customs union

The Council adopted the Regulations

- opening and providing for the administration of Community tariff quotas for
 - = quality wines produced in the specified regions of Jerez, Malaga, Jumilla, Priorato, Rioja and Valdepeñas (1991-1992)
 - = hake fillets and processing work in respect of certain textile products under Community outward processing arrangements
- temporarily suspending the autonomous Common Customs Tariff duties on a number of agricultural products
- temporarily suspending the autonomous Common Customs Tariff duties on certain industrial products (chemical and allied sectors; micro-electronics and related sectors).

Agriculture

The Council adopted the Regulation fixing, for the 1991/1992 marketing year, the amount of the co-responsibility levy in the cereals sector.

The Regulation also provides for certain agri-monetary arrangements for converting the co-responsibility levy into drachmas and pesetas between 1 and 30 June 1991.

