FORTNIGHTLY BUREAU DE DEPOT BRUXELLES "X" 1st April 1995 - N° 66

TOGETHER IN EUROPE

EC NEWSLETTER FOR CENTRAL AND EASTERN EUROPE

RELATIONS WITH THE EUROPEAN UNION

CULTURE STARTS IT ALL

The first joint meeting between the EU ministers and the ministers of the associated countries of central and eastern Europe within the framework of a structured pre-accession strategy dialogue approved in Essen, will not be the meeting of ministers of finance, but of ministers of culture. Perhaps the French Presidency, when postponing the finance ministers meeting until May, recalled Jean Monnet's saying that if it was possible to start with the integration process in Europe once more, he would start with culture.

The culture ministers of the associated countries will meet their EU counterparts during the Audiovisual/Culture Council to be held in Luxembourg on April 3-4. It is hoped that the meeting will result in the adoption of a resolution by the EU Cultural Council on cooperation with the associated countries in culture.

The aim of the joint meeting is to get a better knowledge of the priorities of the associated countries and to gain an understanding of their eventual will to cooperate in two major fields: culture as such, and in the audiovisual sector in particular. The associated countries will, in principle, be invited to joint the EU programmes in this field. The concrete participation will not be, however, an automatic one, but a result of negotiations later on. At this stage, the Council after listening to the proposals from the associated countries during late afternoon/evening on Monday, will adopt its own resolution on Tuesday morning.

One of the reasons is that the Council is unlikely to finish its own discussion on several programmes (MEDIA II and the "TV without frontiers" Directive) and the final compromise would hopefully emerge probably only during the next Culture Council in June.

TV quotas: Culture commissioner Marceline Oreja will submit to the ministers the revised text of the 1989 Directive on "TV without frontiers". The text was adopted by the European Commission on March 22, after animated discussions, and by majority vote. The text aims to strengthen quotas on TV programming and to apply them for 10 years to give the European audiovisual and film industry breathing space and strength to defend themselves from Hollywood's onslaught. Readers will recall that the dispute with the United States over film and television policy nearly blocked the successful conclusion of the Uruguay Round trade negotiations. *(continued on page 2)*

CONTENTS

(see page 1)
Commissioner Oreja will tell ministers that the aim of the policy is to:

- encourage the European TV program industry in order to ensure its future competitiveness;
- protect European cultural identity and linguistic diversity;
- guarantee legal security by establishing clear rules (copyright etc.);
- the quota system would help these objectives to be achieved.

The Commission proposes setting up quotas ensuring that at least 51% of TV broadcasting (all types of programmes including chat shows or game shows) by "general TV broadcasters, originates in Europe. As an alternative to quotas "theme channels" (for example those specialising in broadcasting of films), would have the alternative of investing 25% of their programming budget into European productions. The revised directive would also strengthen protection of minors against pornography and broadcasting violence on TV screens. During the informal Cultural Council last month in Bordeaux, Holland, Denmark and the UK took a position against the strengthened quotas, while Germany's hesitation was based on the problem of the competencies of Landers which has since been resolved. The strengthened quotas have a strong backing in the European Parliament.

MEDIA II: this 5-year programme seeks to stimulate development of the audiovisual programming industry in Europe. The Commission proposes to double the amount of funds available to ECU 400 million. Of this ECU 265 million shall be used for rapid development of a competitive distribution system: distributors will be encouraged to invest into the production of European films and build up trans-European structures assuring efficient film distribution.

Kaleidoscope 2000 and Ariane: these programmes aim to facilitate diffusion in Europe of works on plastic arts, theater, multimedia, literary works and drama (mainly via support of translations) as well ex-cultural exchanges and co-production and joint cultural action (European Capital of Culture, European Culture Months etc). In addition, the **RAPHAEL** program aims at the protection of the European cultural heritage.

Associated countries: In principle the associated countries shall be invited to participate in the above programmes, providing that they will share the priorities, are willing to participate in the building up of the European audio-visual industry and cooperate in legislation, building up distribution networks and share in financing. During the Bordeaux meeting, Hungary already indicated its willingness to take part in the film and audio-video programming industry and in the effort to develop a strong European distribution system.

The ministers will be told that participation will not be automatic: it will have to be decided in bilateral discussions between the EU and each associated country using the framework offered by the Association Councils. Only these negotiations later on would establish the conditions such as the scope of participation, its legal framework and above all the financial contribution to the common budget. It has been suggested that PHARE money could eventually be used for financing some costs of an associated country's financial contribution to the programmes in the cultural field. On the one hand, an associated country would have to agree to such use of PHARE funds, on the other hand, a maximum of 10% of the PHARE budget would be available for all cultural sector programmes.

This approach also respects the possibility that not all the associated countries would share, for example, the priority to defend European culture, and could, on the contrary, consider that free access and free market forces, less subsidies and absence of official interventions would provide a better framework for their cultural sectors.

President of the European Commission Jacques Santer considered that the revised "TV without frontiers" Directive represents acquis communautaire. On the other hand the association of producers "Eurocinema" considered that the new broadcasting directive proposal represents a "planned dismantling" of protection. It claimed that the Commission, by refusing to include new services (video on demand, for example) guarantees full access without rules on the European market to American programmes. The European Federation of Audiovisual Producers considered that the proposed directive and the MEDIA programme do not contain significant elements which would decisively encourage the production and broadcasting of European works. *(JZ)* ■

ADOPTION OF EUROPE AGREEMENTS TO ENLARGED UNION AND URUGUAY ROUND RESULTS

The EU Council approved in March a mandate for the Commission to negotiate with the associated countries of central and eastern Europe on the adoption of Europe Agreements so that they reflect the enlargement of the Union and the results of the Uruguay Round negotiations. There have already been several consultations on the scope of negotiations with central and eastern European countries and formal negotiations started with Hungary towards the end of March, and are being followed by negotiations with other associated countries. We would like to recall that the European Commission submitted to the Council its proposal for the adoption of Europe Agreements in November 1994. The negotiations concern in principle agricultural products and processed food.

The new trade regime which will result from these negotiations will be applied from 1 July 1995. At this stage, it is too early to estimate the likely results as much depends on reciprocity in the sectors involved. However, on the EU side the will prevails that the current negotiations shall significantly contribute to a rebalancing of agricultural trade between the EU and the associated countries, and this will results in concrete proposals to further reduce customs duties and to apply concessions from 1 July 1995 rather than the later dates foreseen in the Europe Agreements.

Export subsidies: The EU's Summit in Essen expressed a will to deal with the problem of export restitution. The Commission was requested to produce a concrete report on this issue and present it to the Cannes Summit in June. The negotiating mandate approved by the Council in early March still does not contain directives for the Commission to deal with agricultural export refunds during the negotiations. It seems to us however, that the Council will return to this problem after the first stage of the negotiations, so that new instructions can be given to the Commission, and concerning the link between the new concessions and the EU's "good will" on export refunds would permit a conclusion to the negotiations in time before the end of May. This also means that price levels in both the EU and the associated countries would be taken into consideration.

New member countries: The Commission proposed to integrate trade arrangements which exist between the new EU member countries (Austria, Sweden, Finland) and the associated countries of central and eastern Europe (either in the form of bilateral agreements, or multilateral agreements concluded by EFTA). The Commission proposed that integration of the trade agreements would concern products for which either the associated countries, or new EU Member States would make a request. The new resulting concessions in the form of EU tariff quotas shall at least correspond to the volume of tariff quotas from all bilateral agreements, or in cases when one or some former EFTA member country did not establish appropriate tariff quotas, the new enlarged EU tariff quota shall at least correspond to the traditional volume of trade.

Uruguay Round: The trade liberalization provisions of the Agreements between the EU and CEEC must also be adopted to the results of Uruguay round negotiations. The results substantially modified the system of import protection (tarification for example). The EU approach is that the adoption of trade agreements should not merely be technical, but should also examine the agreements from the point of view of balance in the agricultural sector. This balance is for the time being in favour of the EU.

Major products:

There are negotiations on trade in the sheep and goat sector. More important changes will result in arrangements concerning EU imports of live bovine animals. Reader will recall that the Interim Agreements with the 4 Visegrad countries have established a global quota for the 4 countries (425,000 heads/year, bovine animals of between 160 kg and under 300 kg) and the reduced levy applicable to animals under this quota (25% of the full amount of the levy). Also included in this quota are the three Baltic states. The original agreements allowed the application of safe-guard clauses if the 425,000 heads quota was surpassed. The use of the safeguard clause in not possible under the application of Uruguay Round results. The negotiating mandate allows an increase in the global quota from 425,000 heads to 500,000 heads, but this includes also Bulgaria and Romania, in addition to the three Baltic States and the 4 central European countries.

The negotiations will also bring changes to trade arrangements for certain soft (red) fruits. The past concessions were based on the condition of respect of the minimum price. The Uruguay Round has brought several significant changes in this field. In

(continued on page 4)

(see page 3)

general the new regime which would result from the Uruguay Round shall be more beneficiary for the associated countries than the existing provisions of the association agreements. On the other hand, the soft fruit sector is rather sensitive and it is expected that in the negotiations both the EU and the associated countries would try to arrive at a balanced arrangement. To the EU member countries this mostly means ensuring that respect for minimum import prices is maintained, but also that the negotiations would result "in substantial improvements to the system's efficiency, continuity, transparency and observance".

Other negotiations concern fruits and vegetables still subject to a system of "reference prices", but due to the results of the Uruguay Round now concern "tarification". The changes resulting from tarification also apply to processed agricultural goods (generally Protocol 3 of the Interim Agreements). An important part of negotiations concerns harmonization of the veterinary and phytosanitary legislation. This is also linked to the work on the White Book.

During the negotiations there will be an attempt to establish why some existing tariff quotas granted earlier by the EU to the associated countries are not being fully utilised and the negotiations shall result in the improvement of the current situation. ■

MACRO-FINANCIAL ASSISTANCE TO ALBANIA GETS GO-AHEAD

Mr. Yves-Thibault de Silguy, Commissioner in charge of economic, financial and monetary affairs, said that the EU is ready to extend the first tranche of macro-financial assistance to Albania. The Commissioner said that Albania has fulfilled all the preliminary conditions for the granting of such aid. The EU Monetary Committee has already approved a draft text of the financial protocol to be signed with Albania. Once the protocol is formally signed the disbursement of the first tranche of aid, which amounts to ECU 15 million, will take place immediately.

Reader will recall that ECOFIN has already accepted, during the first half of 1994, in principle to grant Albania macro-financial assistance of ECU 35 million, to be given in two tranches. The ECOFIN also accepted the principle that this assistance will be in the form of grant and not, as is usual, in the form of a loan. However discussions during the first ECOFIN meeting under the German presidency in early July 1994 were hampered by the attitude taken by Greece and the matter moved to the July 1994 General Council meeting to overcome Greek reservations. The ministers then proposed political conditions for the release of the second tranche (related to the respect of human rights and minorities in Albania and further progress in democratization).

The EU Council was able to make the principal decision on 28 November 1994. The Commission negotiated with the Albanian authorities the terms of the Protocol on January 30-February 3 1995. This protocol indicates that the economic adjustment programme, which the ECU 35 million grant will support, includes liberalization of prices, foreign trade and foreign exchange. It also deals with foreign debt, fiscal and budgetary reform, a programme of public investments, privatization of enterprises and reform in agriculture and the banking sector.

This ECU 35 million grant will supplement IMF balance of payments assistance to Albania which was approved by the IMF in 1993.

The EU will release the second tranche (ECU 20 million) later on. However the release of the second tranche may come only following the approval by the Council of the report which will have to be made by the Commission on the progress of the democratization process in Albania and on the respect of human and minority rights there. The second condition is that the Council will have to judge as satisfactory the progress in fulfillment of economic criteria of the Protocol (see above). ■

INDUSTRIAL COOPERATION WITH ASSOCIATED COUNTRIES SEEKING ACCESSION

On 14 March, the European Commission approved a Communication to the Council and the EP on **"Industrial Cooperation with central and eastern Europe"**. This report is expected to be on the agenda of the Industrial Council on 7 April. This report is closely linked to the pre-accession strategy and its aim is to look at the **industrial implications** for integrating associated countries into the EU internal market, and how the strengthened industrial cooperation can contribute to the facilitation of this process.

The principal starting idea is that the associated countries of central and east Europe have been making significant progress in macro-economic terms, a number of them have already made decisive moves in privatization, but that so far the restructuring of the industrial base and necessary modernization have somewhat lagged behind. It is believed that enhanced industrial cooperation between the EU industry and the CEEC would contribute to the restructuring and would facilitate the accession. On the other hand, the enhanced industrial cooperation would also strengthen the EU's industrial presence on expanding markets of the associated countries and will thus enhance the competitiveness of industry throughout Europe.

The report says that industries of associated countries have very considerable restructuring/modernization needs, which are "unlikely to be satisfied without foreign investment, transfer of technology and know-how in cooperation with EU industry, aiming at the **development of an environmentally sustainable industrial sector"**.

The Commission proposes to follow three priority objectives in industrial cooperation:

- improvement of framework conditions for industrial development;
- privatization, restructuring and modernization of industry;
- promotion of investment.

The Commission then asks that three types of instruments to achieve the objectives are followed, in priority:

- EU assistance policy within the PHARE framework;
- scientific and technological cooperation and encouragement of associated countries to participate in the Global Information Society;
- stronger mobilization of EU industry.

The Commission's position is that industrial cooperation has to be defined and carried out by economic operators themselves (from distribution and licensed production arrangements to subcontracting, outward processing, joint ventures and equity stakes). The role of the institutions is to create favorable framework conditions (horizontal support to business operators, help to bring together industry and administration, concrete cooperation projects modeled, for example, on the consumer electronics' components project with Japan).

The report foresees that the integration process and the industrial transition in associated countries **will lead to new patterns of division of labour among associated countries and the EU** (this is already taking place in the textiles sector - outward processing trade). The Commission realizes that for certain industry sectors this process will involve **delicate issues of employment and ongoing restructuring in the EU.** The best way in dealing with this is to link assistance to overall coherence with other EU policies and competition policy in particular.

It is presumed that industrial transition in the associated countries linked to the integration process would lead to the development of new activities, **based on complementary sets of competitive advantage.** Thus it is firstly necessary to identify areas in which possibilities exist **for repatriating to Europe** activities which are wholly or partly **sourced off-shore.** Then technology should be transferred to the associated countries, and they should be provided with financial funds needed for necessary investments so that production chains may be reconstructed and integrated within Europe. The Commission requests an examination of possibilities for combining the advantages of associated countries in highly qualified manpower **and lower operating costs with EU technology,** capital and managerial capacity to create **competitive enterprises in new growth markets on which EU firms are currently insufficiently represented.** The Commission says that public authorities can play an active role here, and do so without intervening in the efficient allocation of resources by markets.

The Communication lists the steel industry as one of the cases of already existing successful cooperation. The **Information Society** is regarded as a case for developing cooperation. Actually this year, the European Commission is organizing an informal Forum of the Information Society with the associated countries.

(continued on page 6)

(see page 5)

Financing of industrial cooperation:

To facilitate the launching of closer industrial cooperation with the associated countries, the Commission is asking the Council and the European parliament to allocate in the EU 1996 budget some ECU 500,000. Of this, ECU 150,000 shall be reserved for financing information seminars which will help in introducing EU industry to the activities of Foreign Investment Promotion Offices in the associated countries. ECU 350,000 shall be reserved for organization of round-tables and joint meetings between the EU and associated countries' industrialists (for example during trade fairs). In addition, the EU 1995 budget allocated ECU 930 million in PHARE assistance and a number of PHARE activities are already within the sphere of industrial cooperation: restructuralization & privatization; JOPP assistance; promotion of private investment; education and training; infrastructure etc. There is also a Fourth EU R&D Programme to which associated countries will have access. This programme allocated over ECU 208 million for closer R&D cooperation with central and east European countries. Of this, nearly ECU 15 million was allocated to the EU 1995 budget and already ECU 60 million has been allocated to the 1996 budget. ■

COMMISSIONER DE SILGUY PRESENTS REPORT ON CZECH ECONOMY

Mr. Yves-Thibault de Silguy, Commissioner in charge of economic, financial and monetary affairs used his visit to Prague on 21 March to hand the Czech authorities pre-publication copies of a country study **"The Czech Republic and its integration with the European Union"**. During his one day visit, the Commissioner addressed the Czech European Banking and Financial Forum and met with the Czech Premier Minister V. Klaus, Finance Minister Mr. Kocarnik, the Governor of Czech National Bank Mr. J. Tosovsky and with the Czech ministers of Economy, Industry and Trade.

The report on the Czech economy was principally prepared by DG II of the European Commission (Economic and Financial Affairs). It will be published later this year in the "European Economy-series Reports & Studies". DG II says it is also working on a similar report on the Slovak economy, which would also be published in the "European Economy". DG II has prepared a country report on Hungary in 1991 (privatization issues in particular) and has considered producing a similar report on Poland.

Reasons for success:

The report underlines the success of the Czech economy during the last five years of transition and states that after a difficult initial period, the Czech economy is performing well and is making good progress towards a fully fledged market economy. In comparing the Czech macroeconomic performance with that of other countries in central and eastern Europe, the report says that the CR did well on external accounts, labour market balance and public finances, Also inflation outperformed the countries in the region. Only in respect of growth has Poland had a definitely better economic record than the CR.

Some of the reasons for this good performance could be traced back: before WWII, Czechoslovakia was well integrated in the world economy and was one of the 15 most developed countries in the world. It had stable democratic Government and a well functioning administration. Its per capita GDP exceeded that of Austria.

At the beginning of the transformation process Czechoslovakia also had a lower monetary overhang, a tighter labour market and less external indebtedness. The low debt significantly helped nominal stability to be maintained, and unlike in some other countries, the decline in income that resulted from reduced economic activity was not aggravated by a significant transfer abroad of part of this reduced income to service the external debt. This helped to maintain the social consensus on economic transformation, and supported political stability and the Government's economic credibility. Other reasons for the good economic performance were the flourishing tourism industry, which has boosted employment, economic activity, and public revenues and helped finance the external deficit in trade in goods. Also the reorientation of exports to western markets, neglected for decades for political reasons, has played a part. "But the stance and consistency of the macroeconomic policy mix has contributed much to the success of economic reform so far".

The report deals with several issues of macroeconomic policy currently subject to serious discussion in Czech Republics. It notes that the Czech economy is experiencing a surge in capital inflows similar to that seen in Spain and several Latin American countries in the late 1980's and early

1990s. This surge is complicating monetary policy and could lead to an unsustainable real appreciation of the Czech Koruna. The surge in foreign investment has not yet been matched by a similar build-up of production capacities. The foreign investment has shifted more and more towards speculative financial investment. There has also been rapid expansion of foreign credits to Czech enterprises: this reflects the positive appreciation of the Czech risk, but also persistent inefficiencies and constraints in the domestic banking system. The report looks into ways that the Czech authorities have been dealing with upward pressure on the real exchange rate and expresses the view that the Czech economy can probably withstand a further moderate real appreciation over the next two years.

The conclusions to the chapter on macroeconomic policies indicate that "in future, fiscal policy may be faced with an erosion of the tax base as economic activity shifts from state-owned enterprises to the emerging private sector. Also, it may prove difficult to meet the needs of channelling more resources into investment activities, especially to meet demands arising from restructuring enterprises. Monetary policy will have to cope with both the continuous inflow of foreign capital and the tightness of the Czech labour market. Either could set off an inflation spiral, leading to a welfare-reducing distribution struggle. This could undermine the social consensus on economic reform and endanger microeconomic reform".

Continued problems in banking, financial sectors:

The report considers that the Czech Republic is well advanced in microeconomic transformation. Nevertheless, the report draws attention to the lack of competition among Czech banks and to the excessive interlocking of banks' interests with those of their debtors. The report says that in the CR it is argued that significant concentration of company shares in the hands of Czech banks could have positive effect on restructuring and management. "This argument has some validity; in practice, the involvement of Czech banks both as owners and as creditors may delay, rather than facilitate the restructuring and reorganization of enterprises."

Overall conclusions underline that in the Czech Republic the conditions have been created that should enable the economy to catch up at a moderate pace. But the report lists two important issues for the success of the transformation process and which it considers as somewhat "neglected":

1. **importance of institutional change** - however the report notes that the authorities accepted relatively soon that the statutory rules and general framework had to be changed as well and by now the basic skeleton has been put in place.

2. A more critical issue is **the financial and banking system.** There is also a certain warning that the lack of competition in the banking sector has led important borrowers with access to international capital markets to look for foreign financing: "the risk involved should not be underestimated, as a reversal in exchange-rate expectations may expose these borrowers to risks which could jeopardize their survival". ■

ECOFIN DISCUSSIONS WITH ASSOCIATED COUNTRIES

The EU finance and economy ministers, who met within the ECOFIN Council on March 20, tried to prepare their joint meeting with the ministers of finance of the associated countries which will be held on May 22. The meeting was originally scheduled for March, but postponed to permit a more thorough preparation of the dialogue.

While the ministers of finance have already met, the May 22 meeting will be their first one within the framework of the structured dialogue approved during the Essen Summit and an integral part of the pre-accession strategy.

ECOFIN concluded that the May 22 meeting with ministers of the associated countries **shall concentrate on micro-economic aspects.**

Some member countries felt that this first meeting should also deal with macro-economic developments and macroeconomic policies. However the majority considered that a debate on **microeconomic policies and structural adjustment** is more appropriate, in particular in view of the EU's work on the White Paper to be presented to the Cannes Summit and which shall outline the proposals on aligning legislation. The Commission originally proposed that the joint ECOFIN meetings concentrate during the Spring on macro-economic affairs, while the Autumn meeting concentrates on structural micro-economic aspects. The ministers, however, said that the May meeting will not neglect macro-economic questions. *(continued on page 8)*

(see page 7)

The report prepared by the Commission on the "Czech Republic and its integration with the European Union" (see previous pages) gives a good indication of what **micro-economic policies** are likely to be of major interest: privatization and its link with industrial restructuring, financial sector reform, banking regulations and supervision, development of financial market, labour market policies etc.

The finance ministers felt on 20 March that the joint meetings with the associated countries shall be prepared by a debate by the monetary committee on the basis of a paper on the problem drawn up by the Commission. Following this debate by the monetary committee and by EU ministers the **annotated agenda of the joint meeting will be forwarded to CEEC ministers.** ▪

FRAUD DETECTED IN 1994 INCREASED SIGNIFICANTLY, BUT THE AMOUNTS RECOVERED REMAIN LOW

On 29 March, the European Commission adopted the 1994 annual report by its Coordination Unit for Combating Fraud, in which it essentially emerges that:

i) 4,264 cases of irregularities of fraud were detected by Member States and the European Commission in 1994, a rise of a third on 1993. The amounts involved in these fraudulent operations doubled in relation to the previous year to reach Ecu 1,032.7 million, 1.2% of the Community's total budget;

ii) the considerable increase in the number of cases detected is essentially due to the reinforced activity of the Commission's services to which we now owe the detection of a third of cases, the remaining two thirds being due to the authorities of Member States;

iii) almost half of the cases of irregularities or fraud (for the sum of ECU 484 million) come from the agricultural sector which receives over half of the overall EU budget. The largest agricultural fraud in 1994 concerned aid to exports and the storage of cereals, to the consumption of olive oil and exports of beef and veal.

As well as adopting its report on the fight against fraud in 1994, the Commission approved a communication to the Council and European Parliament on one specific aspect: fraud in transit procedures. The transit regimes authorizes the carriage of goods through various countries with suspension of duties and taxes (VAT, customs).

A number of measures were taken during the year 1994 but the only radical solution lies, says the Commission, in computerization of the procedures. Member States and EFTA countries agree and a feasibility study has already been carried out. However, implementation of computerization is not expected before early 1998. The Commission is, in the meantime, proposing that controls be stepped up and calls for the support of the Council and European Parliament on the following measures: a) revised control methods for sensitive products; b) increase in administrative and operational cooperation between Member States, the Commission and neighboring countries; c) progressive computerization of transit procedures.

Cross border fraud involves also associated countries:

There is a strong tendency towards fraud in export/import operations as this involves import levies and export refunds. The cases are always rather complicated as they need to be solved in close cooperation with national authorities of third countries. However, the Europe Agreements with the associated countries include protocols on mutual assistance in the customs field where the competencies are shared. So it is now more feasible to carry out investigations and take decisive actions towards further development of fraud.

The Commission 1994 Report on Fraud list several new cases involving associated countries:

Imports of milk powder into the Community

Checks carried out in 1992 on customs documents drawn up in Antwerp for consignments of milk powder from non-member countries (Austria, Czech Republic, Poland and Slovakia) via Spain revealed that transit documents had been wrongly discharged for about 4,000 tons (200 lorry loads) of the product which was not subsequently released for sale at the import destination. The amount of agricultural levies evaded in this way is in the region of Ecu 9.5 million.

Butter, milk powder and sugar from the Czech Republic

An administrative cooperation mission carried out in the Czech Republic under the protocol on mutual assistance established that own resources worth Ecu 20 million were involved.

(continued on page 12)