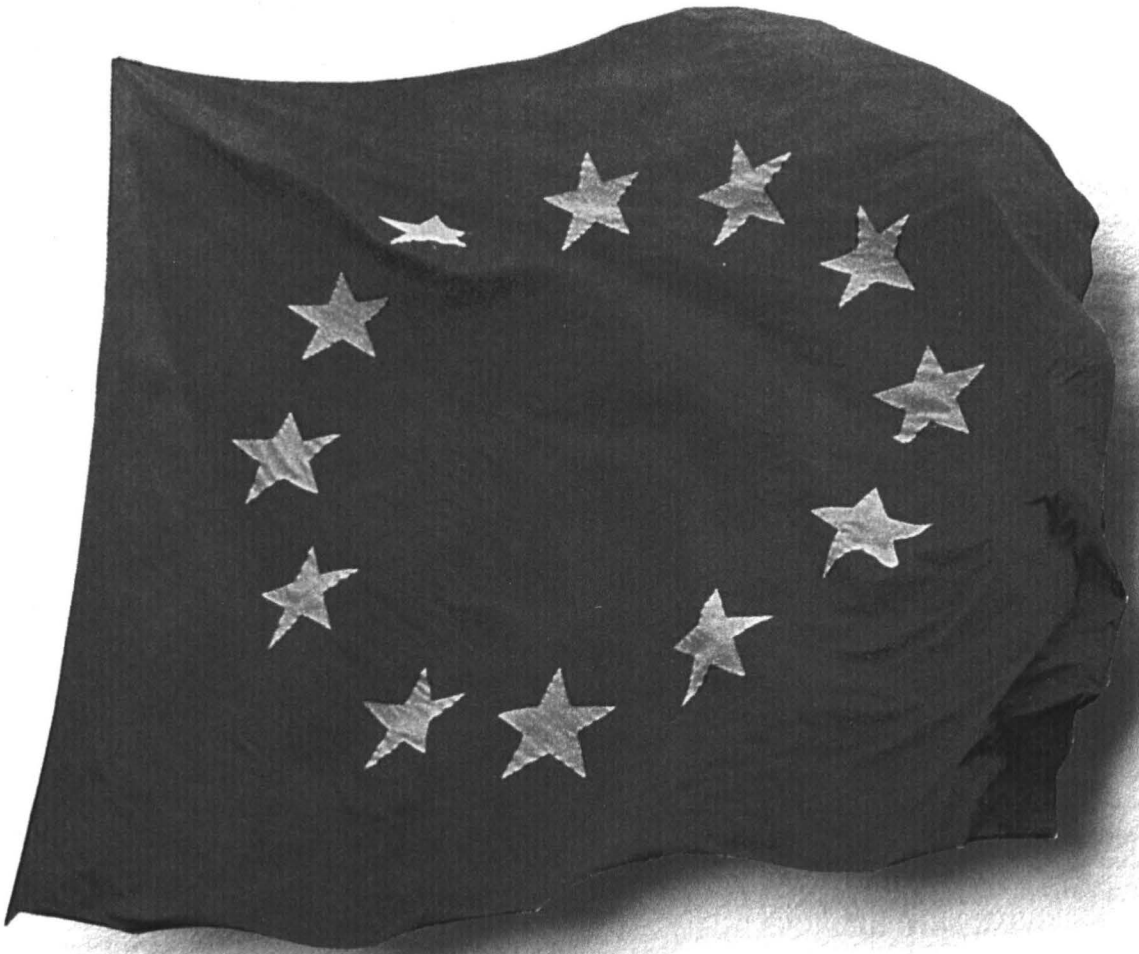


European Commission

# **Bulletin** **of the European Union**



**7/8 • 1994**

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# **Bulletin of the European Union**

**7/8 • 1994**

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Standardized abbreviations for the designation of certain monetary units in the different languages of the Community.

BFR	= Belgische frank / Franc belge
DKR	= Dansk krone
DM	= Deutsche Mark
DR	= Greek drachma
ESC	= Escudo
FF	= Franc français
HFL	= Nederlandse gulden (Hollandse florijn)
IRL	= Irish pound / punt
LFR	= Franc luxembourgeois
LIT	= Lira italiana
PTA	= Peseta
UKL	= Pound sterling
USD	= United States dollar

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- 2/94 Report on Europe and the global information society  
Interim report on trans-European networks  
Progress report on employment  
Conclusions of the Presidency of the Corfu European Council on the White Paper
  
- \*3/94 An industrial competitiveness policy for the European Union

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\* In preparation.





# I — Special meeting of the European Council in Brussels.

## **Brussels, 15 July**

### **References:**

Parliament vote approving the nomination of Mr Jacques Santer as President of the European Commission: point 1.6.3 of this Bulletin

Decision of the representatives of the Governments of the Member States of the European Communities nominating the person they intend to appoint as President of the Commission of the

European Communities: point 1.6.9 of this Bulletin

Parliament resolution on the Brussels European Council of 15 July: point 1.6.2 of this Bulletin

*1.1.* The representatives of the Governments of the Member States formally nominated Mr Jacques Santer, Prime Minister of Luxembourg, as the person whom their Governments intend to appoint President of the Commission of the European Communities for a five-year term of office commencing on 7 January 1995.



# **PART ONE**

## **ACTIVITIES IN JUNE 1994**

# News in brief

## **The Community economic and social area**

### *Economic and monetary policy*

- The Council adopts a recommendation on the broad guidelines of the economic policies of the Member States and of the Community (→ points 1.2.2 and 2.2.1).

### *Telecommunications, information services and industry*

- The Commission adopts a communication entitled *Europe's way to the information society: an action plan* (→ point 1.2.99).

### *Economic and social cohesion*

- Objective 1: the Commission adopts single programming documents for France (Corsica, ODs and Nord-Pas-de-Calais) and the United Kingdom (Northern Ireland, Highlands and Islands, and Merseyside) (→ points 1.2.106 to 1.2.114).
- Objective 3: the Commission approves the Community support framework for Italy and the single programming document for Denmark and adopts the Community support frameworks for Spain and Germany and the single programming documents for France, the Netherlands and the United Kingdom (→ points 1.2.120 to 1.2.126).

### *Agriculture*

- The Council fixes the agricultural prices for 1994/95 (→ point 1.2.134).
- The Commission adopts a communication on the development and future of Community policy in the fruit and vegetables sector (→ point 1.2.136).

### *Fisheries*

- The Commission adopts a communication on the crisis in the Community's fishing industry (→ point 1.2.151).
- The Commission adopts proposals for Regulations on access to certain fishing areas and resources and on control of the common fisheries policy (→ point 1.2.152).

### *Environment*

- The Commission adopts a proposal for a Directive on air quality (→ point 1.2.158).
- The Council adopts a common position on the proposal for a Directive on the incineration of hazardous waste (→ point 1.2.157).

*Social policy*

- The Commission adopts the White Paper on European social policy (→ point 1.2.163).

*Culture*

- The Commission adopts a communication on European Community action in support of culture, accompanied by two proposals for Parliament and Council Decisions on the Kaleidoscope 2000 and Ariane programmes (→ point 1.2.178).

**Role of the Union in the world***Common foreign and security policy*

- The Council adopts a Decision on a joint action on preparations for the 1995 Conference of the States party to the Treaty on the Non-proliferation of Nuclear Weapons (→ point 1.3.4).

*Central and Eastern Europe and the independent States of the former Soviet Union*

- The Commission adopts two communications on preparing the countries of Central and Eastern Europe for accession (→ points 1.3.26 and 1.3.27).
- Free-trade agreements are signed with the Baltic States (Estonia, Latvia, Lithuania) (→ points 1.3.33 to 1.3.35).

*United States, Japan and other industrialized countries*

- The Western Economic Summit is held in Naples (→ points 1.3.52 and 2.3.1).

*Asia*

- The Commission adopts a communication entitled *Towards a new Asia strategy* (→ point 1.3.55).
- Cooperation agreements on partnership and development are concluded with India and signed with Sri Lanka respectively (→ points 1.3.56 and 1.3.57).

*Common commercial policy*

- The Commission adopts a proposal for a Directive on export credit insurance (→ point 1.3.107).

*Development policy*

- The Council adopts a Regulation applying to South Africa some of the advantages granted to developing countries under the scheme of generalized tariff preferences (→ point 1.3.112).

**Community institutions***Commission*

- Mr Jacques Santer is nominated President of the Commission from 7 January 1995 (→ points I.1, 1.6.3 and 1.6.9).

# 1. Citizens' rights

## Non-Community nationals

1.1.1. Proposal for a Council Regulation laying down a uniform format for visas.

### References:

Proposal for a Council Regulation determining the third countries whose nationals must be in possession of a visa when crossing the external borders of the Member States: Bull. 4-1994, point 1.1.6

Proposal for a Council Decision establishing the Convention on the crossing of the external frontiers of the Member States: Bull. 4-1994, point 1.4.1

*Adopted by the Commission on 13 July.* Under Article 100c(3) of the EC Treaty, following its proposal for a Regulation determining the third countries whose nationals must be in possession of a visa when crossing the external borders of the Member States and its proposal for a Deci-

sion establishing the Convention on the crossing of the external frontiers of the Member States, the Commission is now proposing measures for the introduction of a uniform format for visas. The 'visa' is designed to facilitate the free movement of persons within the European Union and is defined as 'any authorization granted by a Member State to enter its territory ... valid for a stay of no more than three months, or a number of stays not exceeding a total of three months in any six-month period'. The Commission is proposing that a single clearly identifiable visa be issued by the Member States, produced in the form of a uniform sticker glued into the holder's travel document, containing all the necessary information and meeting very high technical standards, notably as regards safeguards against counterfeiting and falsification.

OJ C 238, 26.8.1994; COM(94) 287

## 2. The Community economic and social area

### Implementation of the White Paper on growth, competitiveness and employment

*1.2.1.* Commission communication entitled 'Europe's way to the information society: an action plan' (→ point 1.2.99).

ment and confirm the medium-term strategy to bring the Community economy back onto a path of stronger, durable and more employment-creating growth. Accordingly, the medium-term economic policy objectives of the Community and the Member States must be to stabilize prices and exchange rates, restore sound public finances, make the Community economy more dynamic and devise structural measures which will boost employment. The full text of this recommendation is set out in the 'Documentation' section (→ point 2.2.1).

OJ L 200, 3.8.1994

### Economic and monetary policy

#### Economic and monetary union

##### *Implementation of stage two*

*1.2.2.* Council recommendation 94/480/EC on the broad guidelines of the economic policies of the Member States and of the Community drawn up in accordance with Article 103(2) of the Treaty establishing the European Community.

**Previous recommendation:** OJ L 7, 11.1.1994; Bull. 12-1993, points 1.2.45 and 2.2.1

**Commission recommendation:** COM(94) 217; Bull. 5-1994, point 1.2.3; Bull. 6-1994, point 1.2.12

**Adoption by the Council of draft broad guidelines for presentation to the European Council:** Bull. 6-1994, point 1.2.12

**Adoption of conclusions by the European Council:** Bull. 6-1994, points 1.9 and 1.2.12

*Adopted by the Council on 11 July.* The guidelines will constitute the reference framework for the conduct of economic policy in the Community and in the Member States. They reaffirm the goal — identified in the recommendation adopted by the Council in December 1993 — of reducing the current high level of unemployment

### Internal market

#### Free movement of goods

##### *Technical aspects*

##### **Motor vehicles**

*1.2.3.* Proposal for a Parliament and Council Directive concerning the maximum design speed, maximum torque and maximum net engine power of two- or three-wheel motor vehicles.

**Commission proposal:** OJ C 93, 13.4.1992; COM(91) 497; Bull. 1/2-1992, point 1.3.30

**Economic and Social Committee opinion:** OJ C 313, 30.11.1992; Bull. 9-1992, point 1.2.17

**Parliament opinion (first reading):** OJ C 72, 15.3.1993; Bull. 1/2-1993, point 1.2.2

**Council common position:** Bull. 6-1993, point 1.2.7

**Parliament opinion (second reading):** OJ C 315, 22.11.1993; Bull. 10-1993, point 1.2.5

**Proposal subject to the co-decision procedure since 1 November 1993**

**Parliament declaration of intention to reject the common position:** OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.2.9

**Conciliation Committee meeting:** Bull. 3-1994, point 1.2.10

**Parliament amendments (second reading):** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.10

*Opinion adopted by the Commission on 14 July.* The Commission is unable to accept any of Parliament's amendments.

COM(94) 321

## Industrial products

1.2.4. Proposal for a Parliament and Council Directive relating to cableway installations designed to carry passengers.

**Commission proposal:** OJ C 70, 8.3.1994; COM(93) 646; Bull. 1/2-1994, point 1.2.10

*Endorsed by the Economic and Social Committee on 6 July.* The Committee recommends that a distinction be made between installations for the transport of passengers and those intended for the amusement of people.

1.2.5. Commission communication concerning the dates of application of Council Directive 89/392/EEC on the approximation of the laws of the Member States relating to machinery, roll-over protection structures (ROPS) and falling-object protection structures (FOPS).

**Reference:** Council Directive 89/392/EEC (OJ L 183, 29.6.1989; Bull. 6-1989, point 2.1.15), as amended by Directive 91/368/EEC: OJ L 198, 22.7.1991; Bull. 6-1991, point 1.2.17; Directive 93/44/EEC: OJ L 175, 19.7.1993; Bull. 6-1993, point 1.2.8; and Directive 93/68/EEC: OJ L 220, 30.8.1993

*Adopted on 15 July.* The Directives amending Directive 89/392/EEC stipulate different dates for the entry into force of the provisions concerning certain safety components. This communication sets out to clarify those dates.

OJ C 253, 10.9.1994

## Foodstuffs

1.2.6. Proposal for a Parliament and Council Directive amending Council Directive 89/398/EEC on the approximation of the laws of the Member States relating to foodstuffs intended for particular nutritional uses.

**Commission proposal:** OJ C 108, 16.4.1994; COM(94) 97; Bull. 3-1994, point 1.2.23

*Endorsed by the Economic and Social Committee on 6 July,* subject to observations concerning foods for diabetics and residues in infant formulae and follow-on formulae.

## Animal and plant health

### Animal health

1.2.7. Council Directive 94/42/EC amending Directive 64/432/EEC on health problems affecting intra-Community trade in bovine animals and swine.

**Directive amended:** Council Directive 64/432/EEC (OJ L 121, 29.7.1964), as last amended by Directive 92/102/EEC: OJ L 355, 5.12.1992; Bull. 11-1992, point 1.3.168

**Commission proposal:** OJ C 33, 2.2.1994; COM(93) 698; Bull. 1/2-1994, point 1.2.21

**Economic and Social Committee opinion:** OJ C 133, 16.5.1994; Bull. 1/2-1994, point 1.2.21

**Parliament opinion:** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.28

*Amended proposal adopted by the Commission on 7 July.*

OJ C 222, 10.8.1994; COM(94) 295

*Adopted by the Council on 27 July.* This Directive aims to clarify and update certain aspects of Directive 64/432/EEC.

OJ L 201, 4.8.1994

1.2.8. Proposal for a Council Regulation concerning the prohibition on the use in stock-farming of certain substances having a hormonal or thyrostatic action and of beta-agonists; proposal for a Council Regulation on measures to monitor certain substances and residues thereof in live animals and animal products.

**Commission proposals:** OJ C 302, 9.11.1993; COM(93) 441; Bull. 9-1993, point 1.2.10

**Economic and Social Committee opinion:** OJ C 52, 19.2.1994; Bull. 12-1993, point 1.2.26

**Parliament opinion:** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.30

*Amended proposals adopted by the Commission on 7 July.* In response to Parliament's opinion, the amendments aim to strengthen the penalties applicable in the case of proven infringements.

OJ C 222, 10.8.1994; COM(94) 293 and 294

1.2.9. Proposal for a Council Directive amending Directive 64/433/EEC on health conditions for the production and marketing of fresh meat.



**Directive to be amended:** Council Directive 64/433/EEC (OJ L 121, 29.7.1964), as last amended by Directive 91/497/EEC: OJ L 268, 24.9.1991; Bull. 7/8-1991, point 1.2.193

*Adopted by the Commission on 15 July.* The amendments contained in this proposal would clarify certain provisions of Directive 64/433/EEC, extend the derogations for small establishments and make less stringent the conditions laid down for the application of the provisions concerning weekly throughput limits.

OJ C 224, 12.8.1994; COM(94) 315

## Animal feed

*1.2.10.* Proposal for a Council Directive on the circulation of feed materials amending Directives 70/524/EEC, 74/63/EEC, 80/511/EEC, 82/471/EEC, 82/475/EEC, 91/357/EEC, 92/87/EEC and 93/74/EEC and Decision 91/516/EEC as well as repealing Directive 77/101/EEC.

### Directives to be amended:

Council Directive 70/524/EEC concerning additives in feedingstuffs (OJ L 270, 14.12.1970), as last amended by Directive 93/55/EEC: OJ L 206, 18.8.1993

Council Directive 74/63/EEC on the fixing of maximum permitted levels for undesirable substances and products in feedingstuffs (OJ L 38, 11.2.1974), as last amended by Directive 93/74/EEC: OJ L 237, 22.9.1993; Bull. 9-1993, point 1.2.14

Commission Directive 80/511/EEC authorizing, in certain cases, the marketing of compound feedingstuffs in unsealed packages or containers: OJ L 126, 21.5.1980

Council Directive 82/471/EEC concerning certain products used in animal nutrition (OJ L 213, 21.7.1982), as last amended by Directive 93/74/EEC: OJ L 237, 22.9.1993; Bull. 9-1993, point 1.2.14

Commission Directive 82/475/EEC laying down the categories of ingredients which may be used for the purposes of labelling compound feedingstuffs for pet animals (OJ L 213, 21.7.1982), as last amended by Directive 91/334/EEC: OJ L 184, 10.7.1991

Commission Directive 91/357/EEC laying down the categories of ingredients which may be used for the purposes of labelling compound feedingstuffs for animals other than pet animals: OJ L 193, 17.7.1991

Commission Directive 92/87/EEC establishing a non-exclusive list of the main ingredients normally used and marketed for the preparation of compound feedingstuffs intended for animals other than pets: OJ L 319, 4.11.1992

Council Directive 93/74/EEC on feedingstuffs intended for particular nutritional purposes: OJ L 237, 22.9.1993; Bull. 9-1993, point 1.2.14

**Decision to be amended:** Commission Decision 91/516/EEC establishing a list of ingredients whose use is prohibited in compound feedingstuffs (OJ L 281, 9.10.1991), as amended by Decision 92/508/EEC: OJ L 312, 29.10.1992

**Directive to be repealed:** Council Directive 77/101/EEC on the marketing of straight feedingstuffs (OJ L 32, 3.2.1977), as last amended by Directive 90/654/EEC: OJ L 353, 17.12.1990; Bull. 12-1990, point 1.2.1

*Adopted by the Commission on 20 July.* This proposal sets out to harmonize the provisions, particularly as regards labelling, governing the circulation of feed materials, this term being understood to cover both straight feedingstuffs, which are dealt with solely by Directive 77/101/EEC, and raw feed materials, which are not subject to any rules in some Member States.

OJ C 236, 24.8.1994; COM(94) 313

*1.2.11.* Proposal for a Council Directive amending Directive 79/373/EEC on the marketing of compound feedingstuffs.

**Reference:** proposal for a Council Directive on the circulation of feed materials: COM(94) 313; point 1.2.10 of this Bulletin

**Directive to be amended:** Council Directive 79/373/EEC (OJ L 86, 6.4.1979), as last amended by Directive 93/74/EEC: OJ L 237, 22.9.1993; Bull. 9-1993, point 1.2.14

*Adopted by the Commission on 18 July.* This proposal adapts the definitions of 'compound feedingstuffs' and the provisions applicable to them in the light of the amendments envisaged in COM(94) 313 to the rules on feed materials used in the preparation of compound feedingstuffs.

OJ C 238, 26.8.1994; COM(94) 279

*1.2.12.* Proposal for a Council Directive amending Directive 70/524/EEC concerning additives in feedingstuffs.

**Commission proposal:** OJ C 218, 12.8.1993; COM(93) 251; Bull. 7/8-1993, point 1.2.14

**Parliament opinion:** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.33

*Amended proposal adopted by the Commission on 3 August.*

OJ C 242, 30.8.1994; COM(94) 372

*1.2.13.* Proposal for a Council Directive fixing the principles governing the organization of inspections in the field of animal nutrition.

**Commission proposal:** OJ C 313, 19.11.1993; COM(93) 510; Bull. 10-1993, point 1.2.20

**Economic and Social Committee opinion:** OJ C 127, 7.5.1994; Bull. 1/2-1994, point 1.2.25

**Parliament opinion:** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.34

*Amended proposal adopted by the Commission on 3 August.*

OJ C 242, 30.8.1994; COM(94) 371

## Plant health

*1.2.14.* Council Directive 94/43/EC establishing Annex VI to Directive 91/414/EEC concerning the placing of plant protection products on the market.

**Directive supplemented:** Council Directive 91/414/EEC; OJ L 230, 19.8.1991; Bull. 7/8-1991, point 1.2.203

**Commission proposal:** COM(93) 117; Bull. 4-1993, point 1.2.18

**Council agreement:** Bull. 6-1994, point 1.2.35

*Formally adopted on 27 July.*

OJ L 227, 1.9.1994

## Free movement of services

### *Financial services*

*1.2.15.* Own-initiative Economic and Social Committee opinion on the transparency and performance of cross-border payments.

*Adopted on 6 July.* The Committee acknowledges the need to improve the quality of cross-border payments and advocates to that end the use of a code of good conduct signed by credit institutions, consumers and the Commission. It recommends that any directive which the Commission might draw up should be limited to setting out a general framework and should avoid imposing detailed binding conditions.

*1.2.16.* Proposal for a Parliament and Council Directive amending Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS).

**Commission proposal:** OJ C 59, 2.3.1993; COM(93) 37; Bull. 1/2-1993, point 1.2.33

**Economic and Social Committee opinion:** OJ C 249, 13.9.1993; Bull. 6-1993, point 1.2.29

**Parliament opinion (first reading):** OJ C 315, 22.11.1993; Bull. 10-1993, point 1.2.24

**Proposal subject to the co-decision procedure since 1 November 1993**

*Amended proposal adopted by the Commission on 20 July.* This amendment extends the proposal's scope.

OJ C 242, 30.8.1994; COM(94) 329

## Taxation

*1.2.17.* Proposal for a Council Directive on excise duties on motor fuels from agricultural sources.

**Commission proposal:** OJ C 73, 24.3.1992; COM(92) 36; Bull. 1/2-1992, point 1.3.10

**Economic and Social Committee opinion:** OJ C 223, 31.8.1992; Bull. 5-1992, point 1.1.32

**Parliament opinion:** OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.2.34

*Amended proposal adopted by the Commission on 1 July.*

OJ C 209, 29.7.1994; COM(94) 147

## Intellectual property

*1.2.18.* Proposal for a Parliament and Council Regulation on the Community design; proposal for a Parliament and Council Directive on the legal protection of designs.

**Commission proposals:** OJ C 345, 23.12.1993 and C 29, 31.1.1994; COM(93) 342 and 344; Bull. 12-1993, point 1.2.39

*Endorsed by the Economic and Social Committee on 6 July,* subject to observations of a technical nature or concerning the proposal's drafting. In particular, the Committee supports the 'repair clause' proposed by the Commission, which, under certain conditions, would allow designs of parts incorporated into a complex product to be reproduced in order to restore the initial appearance.

## Competition

### Rules applying to businesses

#### *General rules*

*1.2.19.* Report from the Commission to the Council on the implementation of the Merger Regulation.

**Commission report:** COM(93) 385; Bull. 7/8-1993, point 1.2.37

*Economic and Social Committee opinion delivered on 6 July.* The Committee broadly endorses the report. It says that the turnover thresholds should be revised downwards, and asks for separate consideration to be given to the setting-up of a European cartel office. It also recommends a general simplification of the rules on notification.

### *Prohibited horizontal agreements*

#### **Cartonboard**

*1.2.20. Commission decision adopted on 13 July.* The decision imposes fines on 19 companies or groups for operating a price-fixing cartel in the cartonboard industry.

Cartonboard producers sought to regulate the market by means of a price-fixing and market-sharing system.

This far-reaching cartel was uncovered as a result of unannounced inspections carried out simultaneously at sixteen locations in the Community. The fines imposed total some ECU 132.15 million.

#### **PVC**

**Previous decision:** Bull. 12-1988, point 2.1.105

**Previous decision annulled:** judgment of the Court of Justice delivered on 15 June 1994 in Case C-137/92P *Commission v BASF and Others*: Bull. 6-1994, point 1.7.36

*1.2.21. Commission decision adopted on 27 July.* The Commission here re-enacts a decision originally adopted on 21 December 1988, which the Court of Justice annulled on procedural grounds in June.

The decision concerns a secret market-sharing and price-fixing cartel that operated in the PVC industry during the early 1980s, in which volumes were controlled by allocating a quota to each producer.

The Commission's re-adoption of the measure demonstrates its determination to deal severely with restrictive practices of this sort, by imposing heavy fines on those involved.

OJ L 239, 14.9.1994

### *Permissible forms of cooperation*

#### **Commission decisions under Article 85(3) of the EC Treaty and Article 53(3) of the EEA Agreement**

##### *BT/MCI*

*1.2.22. Decision 94/594/EC of 27 July.* The decision authorizes a strategic alliance between the telecommunications companies British Telecommunications plc (BT), of the United Kingdom, and MCI Communications Corporation (MCI), of the United States.

**Previous decision:** Bull. 9-1993, point 1.2.33

##### **References:**

Council Regulation No 17: First Regulation implementing Articles 85 and 86 of the Treaty: OJ L 13, 21.2.1962

Commission White Paper on 'Growth, competitiveness, employment: The challenges and ways forward into the 21st century': COM(93) 700, Bull. 12-1993, point 1.2.44; Supplement 6/93 — Bull.

The operation comprises two main transactions: BT is to take a 20% stake in MCI, worth US\$ 4.3 billion, making it the largest shareholder in MCI; and a joint venture known as Newco — since renamed Concert — is to be set up, which will supply value-added services to multinationals worldwide.

In September 1993 the Commission ruled that none of the transactions notified constituted a 'concentration' within the meaning of the Merger Control Regulation; the parties then asked that the notification be considered an application for negative clearance or exemption under Regulation No 17, and that it be extended to include Article 53 of the EEA Agreement as well.

The Commission here finds that there are no grounds for action on its part under Article 85(1) or Article 53(1) in respect of the acquisition by BT of a stake in MCI, the appointment of MCI as Concert's exclusive distributor on the American continent, the appointment of BT as Concert's exclusive distributor in the rest of the world excluding the EEA, and the loss of BT's rights in the event that it enters into active competition with MCI on the American continent. The Commission also finds that an exemption

under Article 85(3) of the EC Treaty and Article 53(3) of the EEA Agreement can be granted in respect of the obligation on MCI not to enter into active competition with BT on its territory, including the EEA. It grants exemption for seven years in respect of the obligation on BT and MCI to obtain all their requirements of global products from the joint venture, and the clause requiring both parents not to compete with the joint venture.

The operation, and particularly the setting up of the joint venture, is in line with the objective of improving the overall competitiveness of the European Union which is set out in the White Paper: it should go some way towards remedying the present shortcomings in trans-European networks (such as bottlenecks, lack of interoperability between systems, and partitioning of telecommunications networks) by providing a cross-border network and cross-border services extending beyond the EEA itself.

OJ L 224, 30.8.1994

### *Dominant positions*

#### **Microsoft**

1.2.23. The Commission decided not to initiate proceedings against Microsoft Corp., after Microsoft gave it an undertaking the full wording of which can be found below in Part Two, 'Documentation' (→ point 2.4.1).

### *Mergers*

#### **Commission decisions under Article 66(2) of the ECSC Treaty**

##### *Hoesch-Krupp/Thyssen Stahl*

1.2.24. *Adopted on 28 July.* Fried. Krupp AG Hoesch-Krupp and Thyssen Stahl AG are here authorized to set up two joint ventures to manufacture and sell tin-plate and special-steel flat products.

Hoesch-Krupp and Thyssen Stahl propose to set up one joint venture to take over the manufacture of tin plate and another to take over the manufacture and sale of flat products in acid-resistant, high-temperature-resistant stainless

steels. The parents have hitherto carried out these activities themselves; they will continue to operate independently in other areas of the iron and steel industry.

The new companies will be managed as autonomous profit centres, though legally the tin plate venture will form part of the Thyssen group, with Thyssen holding 74.9% of the shares, while the special steel venture will belong to the Krupp group, which will own 65% of the shares.

Hoesch-Krupp's and Thyssen Stahl's production plants complement one another to a great extent in these product lines, so that the transactions will enable them to improve their cost/effectiveness ratios and thus to be more competitive on a market characterized by weak demand, low prices and intense competition.

Hoesch-Krupp and Thyssen Stahl have a fairly low combined market share, and other major producers are active, so that the transactions will have no appreciable effect on the Community market.

The Commission accordingly takes the view that the transactions satisfy the tests laid down in Article 66(2).

##### *Sima/Usinor Sacilor*

1.2.25. *Adopted on 28 July.* The decision authorizes Sima and Usinor Sacilor to merge their special alloy steels business.

Sima is parent to the French steelmaker Aubert & Duval; Sima and Usinor Sacilor have decided to merge their advanced metalworking activities, namely special steel rolling, open die forging, drop forging, stamping and powder metallurgy. Only special steel rolling is an ECSC activity. Sima makes ingots and semis for forging, liquid steels for casting, and finished special steel products. Usinor Sacilor subsidiaries include Tecphy and Fortech, which are active in special steel production and metallurgy.

The parties are to set up a holding company which will control Aubert & Duval, Fortech and Tecphy; Sima is to keep 9.5% of Aubert & Duval, and Usinor Sacilor is to keep 19.5% of Fortech and 19% of Tecphy.

The joint venture will not be large, and there are other major Community steelmakers operating

on the same market (including Thyssen, Krupp-Hoesch, UES-British Steel and Sidenor), so that the transaction is not likely to affect the structure of the market. It satisfies the tests of Article 66.

#### *Klöckner/Sidmar*

*1.2.26. Adopted on 28 July.* Sidmar NV, Ghent, is here authorized to take control of Klöckner Stahl GmbH, Bremen.

Sidmar is to acquire a majority holding of 50.01% in Klöckner; both produce the staple flat products in ordinary and special steels: hot-rolled wide strip, cold-rolled sheet, and hot-dip galvanized and electrogalvanized sheet.

Given the companies' combined market share and the presence on these markets of a number of other large producers such as Sollac, British Steel, Thyssen Stahl, Krupp-Hoesch Stahl, Ilva and CSI, the transaction will have no significant impact on the Community market in the products concerned. It should not enable the parties to determine prices or to hinder effective competition. It therefore satisfies the tests laid down in Article 66(2).

#### *Coopers/Sheppard*

*1.2.27. Adopted on 28 July.* Coopers Holdings Ltd and Sheppard Group Ltd are authorized to set up a joint venture to take over their scrap business.

Both parents are UK companies; the purchasing, processing and sale of scrap are ECSC activities. The new company is to acquire all the issued shares in both companies. The purpose is to rationalize investments which have to be undertaken at the parties' depots in order to comply with new waste management legislation for environmental protection in the UK. The transaction should allow a reduction in costs and an improvement in efficiency.

The new company will be in competition with bigger groups such as Thyssen Sonnenberg, CFF, Klöckner Rohstoff und Recycling, Eisen und Metall, Deumu, Krupp Hansa, Scholz, Kern and another twelve or so medium-sized firms, and the Commission accordingly takes the view that the transaction satisfies the tests laid down in Article 66.

### **Commission decisions under the Merger Control Regulation**

**Reference:** Council Regulation (EEC) No 4064/89 on the control of concentrations between undertakings: OJ L 395, 30.12.1989 (corrected version: OJ L 257, 21.9.1990); Bull. 12-1989, point 2.1.78; Supplement 2/90 — Bull.

#### *Holdercim/Cedest*

*1.2.28. Adopted on 6 July.* Holdercim, a subsidiary of the Swiss group Holderbank, proposes to take control of the French company Cedest.

Acting under Article 6(1)(b) of the Merger Control Regulation, the Commission decides to raise no objection to the acquisition by Holdercim of Cedest's cement and granulate business. The future entity will have a share of about 30% of the smallest reference market, namely northern and eastern France. There are powerful competitors on this market, and a strong import trade.

The transaction might create or strengthen a dominant position in respect of ready-to-use concrete, however, and in a second decision the Commission refers this aspect of the case to the French authorities under Article 9 of the Regulation.

#### *MSG Media Service*

*1.2.29. Adopted on 18 July.* The decision initiates proceedings in respect of a joint venture, MSG Media Service, to be set up by Bertelsmann, Deutsche Bundespost Telekom and the Kirch group.

MSG is to operate on the market in technical and administrative services for pay TV and other forms of television. The question arises whether it might secure a dominant position on the market in pay-TV services in Germany. Telekom is by far the leading German cable network operator. Bertelsmann and Kirch have extensive activities in the television field, and together with Canal Plus they own Premiere, the only pay-TV channel at present operating in Germany. It is important that this agreement between leading companies in the pay-TV and cable market should be examined. The Commission has also to consider whether the transaction notified might have a negative effect on the development of the market in pay TV in Germany and the Community as a whole.

*Pechiney World Trade/Minemet*

1.2.30. *Adopted on 20 July.* The decision authorizes an acquisition in the non-ferrous metals trade.

Minemet Holding, a subsidiary of the French Imetal group, is to transfer its agency network and its non-ferrous trading business to the Pechiney group, through its subsidiary Pechiney World Trade (PWT) and a number of trading companies which are themselves subsidiaries of PWT.

The Commission authorizes the transaction because the resulting combined market share will be small, as the activities of the companies involved largely complement one another: Minemet's operations relate primarily to metals markets on which PWT does not have a significant presence.

*Ingersoll-Rand/MAN*

1.2.31. *Adopted on 28 July.* The Commission here authorizes a link-up in the compressor components sector.

Ingersoll-Rand of the United States and MAN of Germany are to set up a joint venture to manufacture compressor components; the Commission raises no objection to this part of the transaction. Ingersoll-Rand is also to acquire certain MAN assets; the Commission finds that this aspect lacks a Community dimension, and consequently falls outside the scope of the Merger Control Regulation.

*Elf Atochem/Rütgers*

1.2.32. *Adopted on 29 July.* The decision authorizes a joint venture between Elf Atochem SA and Rütgers Vft SA, which are to set up a new tar-distilling company.

Elf Atochem and Rütgers will exercise joint control over HGD SA, which will take over all of Elf Atochem's tar-distilling activities. The Commission's authorization is subject to the condition that Rütgers sever its links with the UK company Bitmac.

Elf Atochem, a leading French chemical group, is a subsidiary of Elf Aquitaine. One of its divisions distills tar. Rütgers is a Belgian company

owned by the German company Rütgerswerke AG, itself part of the Ruhrkohle AG group, whose principal activity is coalmining. The Rütgers group manufactures, markets and sells tar and its derivatives. It has a 48% interest in Bitmac, whose business is tar distillation, but it does not exercise sole or joint control.

The transaction relates to products obtained by distilling coal tar, a by-product of the steel industry. The Commission has come to the conclusion that the transaction does not affect three of the segments into which the oil sector is divided, and that in the other three it does not create or strengthen a dominant position.

In the key segment of bitumen for electrodes, the parties' combined market share does not exceed 35%. Despite the active presence of numerous competitors, the Commission considers that, in view of their respective positions in the sector, it is essential that Bitmac be in effective competition with the parties. The existence of a strong structural link between Rütgers and Bitmac, together with the absence of any independent competitive behaviour on the part of the two companies, led the Commission to entertain serious doubts as to the compatibility of the operation with the common market. Rütgers then undertook to divest itself of its interest in Bitmac. This breaks the structural link between the two companies and dispels any doubt about compatibility.

*Voith/Sulzer*

1.2.33. *Adopted on 29 July.* The decision authorizes a joint venture which will manufacture paper machinery.

J.M. Voith GmbH is a German company specializing in papermaking machinery and marine engineering, and Sulzer AG is a Swiss group active in the manufacture of machinery for use in a variety of industries; they propose to combine their paper machinery business into a joint venture.

The Commission takes the view that the venture will not create or strengthen a dominant position, as it will face strong competition from other international paper machinery producers who participate in all major tenders worldwide.

*Schneider/AEG*

1.2.34. *Adopted on 1 August.* The decision authorizes a merger in the field of 'programmable

logic controllers' or PLCs, which are electronic microprocessor-based products used in automation and control systems.

AEG AG and Schneider Electric SA will transfer the design, manufacture and sale of PLCs to a new 50/50 joint venture.

The relevant product market is the market in PLCs; given their characteristics, applications and prices, other automation products are not possible substitutes. Technical progress, standardization and the internationalization of PLC users has made the market in PLCs at least European in scope.

Although AEG and Schneider are major producers of PLCs, their combined market share in Western Europe will not exceed 17%. The joint venture will also face competition from several European and worldwide players.

#### *Kirch/Richemont/Telepiù*

*1.2.35. Adopted on 2 August.* The commission here authorizes a takeover of Telepiù, the Italian pay-TV channel.

Compagnie Financière Richemont, a Swiss-based holding company, is acquiring a 25% shareholding in Telepiù. Richemont and the other principal shareholder, the Kirch group, will then have joint control.

Richemont and Kirch are not present on the television broadcasting market in Italy, though they have interests in the sector elsewhere in Europe. There will be no addition of market shares, and Telepiù's household penetration in Italy is limited; the Commission concludes that the transaction will not create or strengthen a dominant position.

#### *Holdercim/Origny-Desvroises*

*1.2.36. Adopted on 5 August.* The decision authorizes the takeover of Origny-Desvroises by Holdercim.

Holdercim is a cement producer, and proposes to acquire sole control of Origny-Desvroises, in which it already has a minority shareholding. Origny-Desvroises deals in building materials (where its share of the French market is 8%), produces and sells floor and wall tiles (1%), and

hires out construction plant (6%); there is no overlap between the activities of the two companies.

#### *Sanofi/Kodak*

*1.2.37. Adopted on 12 August.* The decision authorizes the acquisition of Sanofi Winthrop by Sanofi.

**Previous decision:** Bull. 6-1991, point 1.2.46

Sanofi Winthrop, which operates in the pharmaceutical industry, has hitherto belonged to Sanofi, a subsidiary of Elf Aquitaine, and Sterling Winthrop, a subsidiary of the US company Kodak; Sanofi is now buying out Sterling Winthrop's share. The Commission approved the setting up of the joint venture by Sanofi and Sterling Drug in 1991. The move from joint control to sole control does not lead to any material change in market structure.

#### *Delhaize/PG*

*1.2.38. Adopted on 22 August.* The decision authorizes the takeover of the PG group by the Delhaize group.

The Belgian distribution chain Delhaize Le Lion SA is to acquire control of the French group PG, which operates in retail distribution, principally food.

There will be no addition of market shares, as Delhaize has no French operations and the PG group does business mainly in Pas-de-Calais in France. The Commission accordingly declares the transaction compatible with the common market.

#### *Matra Marconi Space/British Aerospace*

*1.2.39. Adopted on 23 August.* The decision allows Matra Marconi Space NV (MMS) to take sole control of British Aerospace Space Systems Ltd (BAeSS) and National Remote Sensing Centre Ltd (NRSC).

MMS, through its subsidiary Matra Marconi Space UK Ltd, is to acquire the entire capital of BAeSS and a majority holding in NRSC from British Aerospace plc.

The relevant product market is that in space systems. The geographic market is worldwide. In-

side this market MMS and BAeSS specialize in separate lines of activity; where there is any overlap their market shares are small, and there is strong competition from US and European suppliers. Purchasers, particularly for military uses, are often public authorities in a strong position to deal with suppliers. NRSC is engaged in the supply and processing of remotely-sensed data acquired from satellites, airborne and ground observation sources. There is no overlap between the activities of NRSC and MMS or BAeSS.

*General Electric/Consolidated International Group*

1.2.40. *Adopted on 29 August.* General Electric Co. (GE), of the United States, is authorized to acquire the European insurance business of Consolidated International Group Inc.

The relevant market is that in creditor insurance, a form of cover provided to borrowers in order to protect credit payments still due to financial institutions in the event of their death, illness or unemployment. For insurance other than life assurance the Commission generally takes the view that the relevant geographic markets are national.

GE's insurance activities in Europe are conducted through its UK subsidiary Financial Insurance Group, which will now become the leading supplier of creditor insurance in the UK. But given the degree of competition which exists, and the low barriers to entry, the Commission has no serious doubts as to the compatibility of the transaction with the common market or with the EEA Agreement.

*Gencor/Shell*

1.2.41. *Adopted on 29 August.* The Commission here allows Gencor Ltd to take over Royal Dutch Shell's mining and metals business.

Shell's mining, metals processing and metals trading activities, which are in the hands of the Billiton group of companies, are to be taken over by Gencor. Gencor is controlled jointly by Sanlam and Rembrandt of South Africa, and is engaged in the mining of several metals. Billiton mines a number of metals such as aluminium, gold, silver, zinc and copper, and is active in minerals and metals trading.

Gencor and Billiton do operate on the same metals markets, particularly that in aluminium production. But their combined worldwide shares of these markets are below 5%, and they have several major competitors. The Commission has no serious doubts as to the compatibility of the transaction with the common market.

**State aid**

*General rules*

1.2.42. Community guidelines on State aid for rescuing and restructuring firms in difficulty.

**Reference:** The Commission's Eighth Report on Competition Policy (1978): Bull. 4-1979, points 1.4.1 and 1.4.2

*Adopted by the Commission on 27 July.* The new guidelines confirm and develop the approach the Commission has been taking to State aid to firms in difficulty, which it has explained in the Eighth Report on Competition Policy and elsewhere. They reiterate the Commission's position on rescue aid, and lay down more detailed and stringent conditions for aid intended to help with the restructuring of such firms.

*Rescue* aid aims to provide the firm with the liquidity it needs to maintain its position while a restructuring plan is worked out. It must take the form of loan guarantees or loans bearing normal commercial interest rates; it must be paid only for the time needed to devise a feasible recovery plan (generally not exceeding six months); and it must be restricted to the amount necessary to keep the firm in business over that period. It must be warranted on the grounds of serious social difficulties, and must have no undue adverse effects on the industrial situation in other Member States.

*Restructuring* aid must satisfy five tests:

- the restructuring plan must be capable of restoring the long-term viability and health of the firm within a reasonable time-scale;
- measures must be taken to offset any adverse effects on competitors as far as possible;
- if there is structural overcapacity in the industry, the recipient of the aid must cut its own capacity in proportion to the aid received;



— if there is no such overcapacity, the Commission will not normally require a reduction in the recipient's capacity; but the recipient will not be allowed to expand its capacity, except where that is essential in order to restore its viability (as part of a diversification, for example);

- the amount and intensity of the aid must be limited to the strict minimum needed to enable restructuring to be undertaken;
- the restructuring plan must be implemented in full, and any conditions and obligations it lays down must be discharged; and
- detailed reports must be submitted, to enable the Commission to monitor the progress of the restructuring programme.

In applying these conditions the Commission will take account of the specific problems of assisted areas and SMEs.

As regards the treatment of aid to cover the social costs of restructuring, the guidelines indicate which schemes are considered to include a State aid component, and make it clear that the Commission will give sympathetic consideration to such assistance. Aid to finance social measures exclusively for the benefit of employees who are displaced by restructuring will be disregarded in determining the size of any capacity reduction required.

The Commission will follow these guidelines for three years from the date of their publication, and will review their operation before the end of that period. Special Community rules in force in sensitive sectors like steel and synthetic fibres will continue to apply.

*1.2.43.* Commission decision extending the validity of the code on aid to the synthetic fibres industry.

**Previous decision:** OJ C 346, 30.12.1992; Bull. 12-1992, points 1.3.73 and 1.3.74

*Adopted on 19 July.* The code on aid for the synthetic fibres industry was to expire on 31 December 1994; the Commission here extends it for a further six months, until 30 June 1995, subject to the proviso that it may review or cancel it before that date.

Aid to the synthetic fibres industry has been subject to strict control since 1977, because of

overcapacity in the industry, the low rate of capacity utilization, and the danger that State aid might adversely affect competition to an extent contrary to the common interest. Under the code all cases of aid to synthetic fibre manufacturers have to be notified in accordance with Article 93(3) of the EC Treaty.

*1.2.44.* Commission decisions and other measures in respect of State aid in transport, agriculture and fisheries are covered under the headings for those industries (→ points 1.2.91 to 1.2.97, 1.2.141 to 1.2.149, and 1.2.155).

### *Decisions to raise no objection*

#### **Shipbuilding**

**Reference:** Seventh Council Directive 90/684/EEC on aid to shipbuilding (OJ L 380, 31.12.1990; Bull. 12-1990, point 1.3.64), as last amended by Council Directive 93/115/EC: OJ L 326, 28.12.1993; Bull. 12-1993, point 1.2.71

#### *Greece*

*1.2.45.* Commission decision on aid to Salamis Shipyards.

**Reference:** Commission decision on the Greek shipbuilding aid scheme: OJ C 3, 7.1.1992

*Adopted on 19 July.* An investment of DR 3 519 (ECU 12.3 million), 50% of it being State aid, is envisaged under a plan for the restructuring and modernization of Salamis Shipyards, which will employ 200 workers thereafter. The yard has been at a standstill for several years; it will now specialize mainly in the conversion of ships to enable them to transport special chemical cargoes. About 70% of the business of the yard is to be conversion and about 30% repair.

The restructuring plan was drawn up in accordance with the Greek shipbuilding aid scheme which the Commission approved in 1991. The yard's capacity is to be reduced from 600 000 t to 400 000 t, and Greek ship-repair capacity has been falling in terms of both the tonnage and the number of vessels repaired; the Commission therefore concludes that the aid complies with Article 6(1) of the seventh Directive.

#### **Synthetic fibres**

**Reference:** Code on aid to the synthetic fibres industry: OJ C 346, 30.12.1992; Bull. 12-1992, points 1.3.73 and 1.3.74

### *United Kingdom*

1.2.46. Commission decision on aid to Hoechst (UK) plc, located in Limavady, Co. Londonderry, Northern Ireland.

*Adopted on 6 July.* The UK Government proposes to grant UKL 70 878.15 (ECU 90 000) to Hoechst (UK), to support 35% of the cost of a three-year training programme, which is intended to improve the quality and flexibility of the company's employees by investing in the acquisition of knowledge and skills relating to problem-solving and decision-making so as to enable them to switch between different parts of the company.

The aid is being provided under the Company Development Programme (Northern Ireland), which the Commission has already authorized under Article 92(3)(a) of the EC Treaty. However, as Hoechst is a synthetic fibres producer, the Commission has also considered the plan under the code on aid to the synthetic fibres industry. The aid is being granted only towards the training programme; it has no effect on production capacity, and its sectoral consequences are unlikely to be significant; the Commission accordingly takes the view that it satisfies the tests laid down in the code, and is compatible with the common market.

### **Other measures**

#### *Spain*

1.2.47. Commission decision on a State holding in the aluminium producer Inespal.

*Adopted on 19 August.* In 1992, the Inespal group, a public enterprise, received a capital injection of PTA 34 200 million (ECU 258 million) from the Spanish Government, to finance investment aimed at expanding production in its aluminium processing division.

At the time the group's financial position was sound, and prospects for the aluminium market were very bright; the Commission accordingly takes the view that a private investor operating in a market economy might well have acted in the same way, so that the capital injection did not constitute State aid for the purposes of Article 92 of the EC Treaty.

### **Aid for small businesses**

**Reference:** Community guidelines on State aid for small and medium-sized enterprises (SMEs): OJ C 213, 19.8.1992; Bull. 5-1992, point 1.1.33

### *Germany*

1.2.48. Commission decision on aid to SMEs in Thuringia in the former GDR.

*Adopted on 27 July.* The Government of Thuringia proposes to establish a fund, the *Thüringer Industriebeteiligungsfonds* (TIF), with a budget of DM 400 million, which would take holdings in manufacturing companies in Thuringia.

Where this fund acquires a shareholding in a healthy company, that is to say one earning a return acceptable to an investor in a market economy, there will not be any State aid within the meaning of Article 92(1) of the EC Treaty. In other cases such acquisition is likely to involve State aid.

The primary target group is that of SMEs employing no more than 250 people, and minority holdings will be the rule. Here the Commission decides to raise no objection to the scheme. But if the company is a larger one, or if the fund is to become the majority shareholder, the Commission will have to be notified in advance in accordance with Article 93(3) of the EC Treaty.

If the fund is to take a holding in an ailing company, there must be a restructuring plan which would reduce the company's production capacity and which has been approved by an outside expert; the holding must be for a period of three to five years only; and the other shareholders and the company's banks must make a significant contribution to implementation of the plan.

The Commission has taken account of the fact that Thuringia is one of the new *Länder*, and has serious unemployment, so that it qualifies for the exemption in Article 92(3)(a) of the EC Treaty. The decision also requires detailed annual reports on all holdings acquired by the fund.

### *Belgium*

1.2.49. Commission decision on a scheme to promote the establishment of business centres in the Brussels-Capital Region.

*Adopted on 27 July.* A 'business centre' is a place equipped to house new businesses; its infrastructure includes common administrative and management consultancy services. To qualify under the scheme both the centre and the

business to be housed must be SMEs within the meaning of the Community guidelines on State aid for SMEs, though aid will be given only to the centre itself, and not to the businesses established in it. Aid will be payable on the basis of a contract with the regional authorities, which will lay down the financial terms on which businesses have access to the centre's premises and services; a firm may be housed by the centre for no more than three years. Any specialized consultancy or other special services provided by the staff of the centre will be billed at the going market rate. Centres will be required to vet any aid applications from the businesses they house to ensure they comply with the Community ceilings.

The Commission authorizes the scheme after satisfying itself that the aid complies with the conditions and ceilings laid down in the guidelines for aid to SMEs. The types of aid available are:

- an investment grant of not more than 15% gross for small businesses and 7.5% for medium-sized businesses;
- an annual subsidy equal to not more than 50% of the cost of a manager and secretary for the centre, and
- an annual subsidy equal to 50% of promotion costs (advertising the centre's existence).

## Environment

**Reference:** Community guidelines on State aid for environmental protection: OJ C 72, 10.3.1994; Bull. 12-1993, point 1.2.73

### Germany

*1.2.50.* Commission decision on an environmental assistance scheme in Mecklenburg-Western Pomerania.

*Adopted on 6 July.* The scheme is intended to promote the use of renewable energy; aid may not exceed 40%, and may be granted only to SMEs. The scheme will apply in 1995 and 1996, and has an annual budget of DM 9.5 million (ECU 4.75 million). It is compatible with the guidelines on State aid for environmental protection.

*1.2.51.* Commission decision on a waste management scheme in Lower Saxony.

*Adopted on 27 July.* Aid may be given to SMEs towards investment aimed at reducing the volume of certain hazardous waste products and treating them with a view to environment-friendly reuse. Projects should go significantly beyond the legal environmental requirements. Aid may also be given towards research and development and towards consultancy in connection with waste disposal, and for measures to detect and deal with actual or potential environmental damage (including water pollution) caused by certain hazardous waste products.

The aid takes the form of grants which may not exceed 35% of the cost of applied R&D, 40% of the cost of investment projects, and 50% of the cost of consultancy. The scheme has an annual budget of ECU 12 million until 1998, and ECU 5 million for the rest of 1994.

### Denmark

*1.2.52.* Commission decision on a scheme to promote the use of district heating by individual households.

*Adopted on 27 July.* A grant of DKR 4 000 (ECU 500) can be given to district heating plants for each new private household which changes over from individual heating to the district heating grid. The grant must be passed on to the household, either to cover part of the cost of connection to the grid, or in the form of reduced heating prices for no more than five years. It is available only in certain regions where district heating is particularly expensive, owing to the high cost of installing the grid and the small number of users; without some incentive the decision to change over from individual to district heating might be deferred or indeed might never be taken.

The scheme is to apply until the year 2000; approximately 60 000 consumers will benefit, and the overall budget is DKR 240 million (ECU 30 million). According to estimates it will help to reduce CO<sub>2</sub> emissions by 130 000 t.

The Commission finds that the scheme is in line with the Community objectives of promoting the efficient use of energy and reducing CO<sub>2</sub> emissions, which are laid down in Article 130r of the EC Treaty and in the guidelines on State aid for environmental protection.

*Spain*

1.2.53. Commission decision on a scheme to promote the recycling and reuse of waste materials in Catalonia.

**Previous decision:** OJ C 261, 10.10.1992

*Adopted on 19 July.* A number of changes have been made to a Catalan scheme, approved by the Commission in 1992, which is aimed at encouraging recycling, making better use of natural resources and improving waste management. Grants can be given to existing companies which invest in projects enabling them to use waste and recycled materials in their production processes, or to prepare waste for reuse. The maximum grant per recipient is now PTA 50 million (ECU 315 000) for investment and PTA 10 million (ECU 63 000) for studies and pilot programmes. The annual budget is to be PTA 500 million (ECU 3.15 million) for the years 1994-97, and it is expected that there will be up to 50 recipients a year. The Commission raises no objection to the changes.

1.2.54. Commission decision on new rules governing financing for the treatment of waste oils and plastic residues in Andalusia.

**Reference:** Council Directive 75/439/EEC on the disposal of waste oils: OJ L 194, 25.7.1975

*Adopted on 19 August.* Grants are offered to SMEs, both public and private, which engage in the recycling, treatment, storage, analysis and classification of waste oils and plastic residues. The scheme has a budget of PTA 90 million (ECU 600 000) for 1994. The aid towards the treatment of waste oils is in line with the Waste Oils Directive, which requires Member States to take the measures necessary to ensure that waste oils are collected. The Commission raises no objection to the plastic residues arrangements either, as they are in line with Commission policy on the environment and waste disposal.

*Italy*

1.2.55. Commission decision on an environmental aid scheme introduced by the Province of Trento.

*Adopted on 6 July.* The Commission here gives conditional authorization for the application in Trento of Provincial Act No 7/91, which estab-

lishes a scheme to encourage environmental protection measures by awarding grants for investment in pollution control, the recycling and reuse of waste, the relocation and restructuring of firms for environmental reasons, the cleaning up of polluted sites, and energy efficiency measures. Only voluntary measures qualify; the aid is limited to 30% of the environmental costs. The scheme is to operate for an indefinite period; a budget of LIT 45 billion (ECU 24.1 million) has been set aside for each year up to 2001. Aid will be subject to the conditions laid down in the guidelines on State aid for environmental protection.

The Italian authorities have undertaken to notify the Commission in advance, in accordance with Article 93(3) of the EC Treaty, of all cases where there is relocation, or where the amount of aid exceeds 15% of eligible environmental costs, or where new plant is involved, or where capacity is to be increased.

*The Netherlands*

1.2.56. Commission decision on a scheme of tax allowances for environmental investment.

**Previous decision:** OJ C 249, 24.9.1991

*Adopted on 6 July.* The Dutch authorities propose to modify a scheme of assistance, authorized by the Commission in 1991, providing for tax allowances for investment in advanced equipment which is not yet in widespread use in the Netherlands and is likely to help with pollution control in one of a number of areas, namely water, soil and air pollution, waste and noise, and energy conservation; the loss in tax revenue is not expected to exceed HFL 115 million a year.

The main change is that firms are now free to choose the method of depreciation they wish to apply. The Commission raises no objection to the modified scheme, which satisfies the requirements in the guidelines on State aid for environmental protection.

1.2.57. Commission decision on a scheme for environmental management

*Adopted on 19 July.* The scheme aims to encourage projects related to environmental management, the setting up of environmental business advisory services, and the development of train-

ing in environmental management, in order to improve awareness at all levels of company management and to facilitate compliance with environmental legislation. Projects are selected for their impact on broad classes of firms and should innovate in their particular trade or industry. Grants can be given to firms, public utility and transport companies, local authorities, trade associations and chambers of commerce. The scheme is to last for two years, and the budget is HFL 3.8 million (ECU 1.75 million) for each of the two years 1994 and 1995.

The scheme is in line with Commission environmental policy, and is within the ceilings laid down in the guidelines on State aid for environmental protection; its budget is small, its duration is limited, and the intensity of the aid component is low. The Commission has accordingly authorized it.

*1.2.58.* Commission decision on aid to PID Oil Recovery BV for an investment in waste oil treatment.

*Adopted on 27 July.* The Dutch Government proposes to grant HFL 6.3 million (ECU 2.9 million) to PID Oil Recovery BV, a wholly-owned subsidiary of the oil storage company Paktank Nederland BV, towards an investment estimated at HFL 25 million (ECU 11.6 million) in the construction of a central treatment unit for waste oils. The present centrifuge system is relatively simple, but does cause pollution; the new process is based on the distillation of the waste oil followed by treatment with sodium, and is the best currently available.

The new process should help substantially to reduce pollution, in line with Commission policy on environmental protection and the treatment of waste oils. In this decision the Commission authorizes the proposed aid, having established that it complies with the guidelines on State aid for environmental protection. The Commission has also taken account of the particular environmental merits of the project: the new process goes considerably beyond the requirements of the Community's policy on the disposal of waste oils, and demands much heavier investment than conventional processes.

### Regional aid

**Reference:** Commission communication on the principles of coordination of regional aid systems: OJ C 31, 31.2.1979

### Germany

*1.2.59.* Commission decision on the 23rd framework plan for the joint federal government/*Länder* scheme for improving regional economic structures, and several other regional aid measures.

**Twenty-second framework plan:** OJ C 74, 12.3.1994; Bull. 11-1993, point 1.2.57

**Previous decisions:** Bull. 1/2-1994, point 1.2.57; Bull. 3-1994, point 1.2.52

*Adopted on 19 July.* In January and March 1994 the Commission approved the list of assisted areas in Germany, and it here approves the 23rd framework plan for the joint federal government/*Länder* scheme for improving regional economic structures. The new plan essentially rolls forward the 22nd framework plan, and the aid it provides for is compatible with the ceilings and mechanisms laid down in the principles of coordination of regional aid systems. The new plan is to run from 1994 to 1998; it earmarks DM 15.3 billion (ECU 7.8 billion) for 1994, including European Regional Development Fund moneys. The money available under the joint scheme is supplemented in a number of *Länder* by additional *Land* funds. In this context the Commission has approved the use of additional *Land* funds of DM 60 million in Rhineland-Palatinate and DM 50 million in Mecklenburg-Western Pomerania.

The Commission has also approved two programmes covering restructuring projects undertaken by ailing firms in the new *Länder*. The consolidation programme of the *Land* of Mecklenburg-Western Pomerania is to last for five years and has an annual lending ceiling of DM 50 million; firms in difficulty in those areas of the *Land* worst affected by unemployment are eligible for loans not exceeding DM 5 million for up to 12 years. The liquidity safeguards programme of the *Land* of Brandenburg allows loans not exceeding DM 2 million to be granted to firms in difficulty for up to two years, from a revolving fund of DM 100 million. In both cases the aid, mainly for SMEs, may be granted only on the basis of a sound restructuring plan, and restructuring aid for large enterprises must be notified case by case.

### Belgium

*1.2.60.* Commission decisions on two schemes of assistance to firms in the Province of Hainaut, Walloon Region.

**Reference:** Council Regulation (EEC) No 2081/93 amending Regulation (EEC) No 2052/88 on the tasks of the Structural Funds: OJ L 193, 31.7.1993; Bull. 7/8-1993, points 1.2.114 and 1.2.115

*Adopted on 6 July 1994.* The ACE scheme will provide assistance towards the creation of new businesses generating more than 20 jobs, and the AIDE scheme will help with expansions and the setting up of small enterprises. Both comply with the rates the Commission has set for Hainaut, namely 25% net grant equivalent (NGE) for large firms and 30% NGE for SMEs. Both schemes are being introduced in pursuit of Objective 1, that is to say the development and structural adjustment of regions whose development is lagging behind; they are to run for five years (1994-99), which is the Structural Funds programming period for that Objective.

## Research and development

**Reference:** Community framework for State aid for research and development: OJ C 83, 11.4.1986; Bull. 3-1986, points 1.1.1 to 1.1.6

### Germany

*1.2.61.* Commission decision on the *Innovationsprogramm der Kreditanstalt für Wiederaufbau* scheme.

*Adopted on 19 July.* The loan programme is aimed at promoting applied research and the development and marketing of new products, production processes and services, focusing mainly on information and communication, materials technology and biotechnology.

Aid for applied R&D is available to SMEs and other enterprises with an annual turnover of less than DM 500 million. The aid in the form of subsidized loans may cover 100% of the cost of projects, up to a maximum of DM 10 million (ECU 5.2 million); the intensity of the aid component may not exceed 25% to 40% depending on the case.

Only SMEs qualify for aid towards the commercial launch of a new product, process or service; aid is available for three years after the launch. A loan of no more than DM 2 million (ECU 1.4 million) can be obtained, covering no more than 50% of eligible costs; the aid component may

not exceed ECU 200 000 or 25% of eligible costs.

The programme is to run for five years, with a total budget of DM 600 million (ECU 312 million). The aid is within the ceilings allowed by the framework for State aids for research and development, and the Commission here decides to authorize it.

*1.2.62.* Commission decision on the *Förderung von Produkterneuerungen bei gewerblichen Unternehmen in den neuen Bundesländern* scheme.

*Adopted on 27 July.* The programme sets out to help the new *Länder* to overcome the serious problems they have with the competitiveness of their products on the German and international markets. It is to run until 1996, and has a budget of DM 75 million (ECU 37 million); it will provide financing for basic industrial research and applied research and development in advanced information technology, biotechnology, and materials technology. The aid is within the ceilings allowed by the framework for State aids for research and development, and the Commission accordingly authorizes it.

### France

*1.2.63.* Commission decision on aid to SGS-Thomson Microelectronics.

*Adopted on 27 July.* Thomson has drawn up an R&D programme designed to enable it to master all the key techniques and architectures of semiconductor products. The total cost of the programme is FF 8 300 million (ECU 1 261 million) over a period of four years. The aid is in the form of a capital grant of FF 2 120 million (ECU 321 million) payable over three years. The aid intensity is thus 25.4%.

The Commission authorized the granting of the aid because it is in the Community's interest to encourage research by European companies in an area of advanced technology such as semiconductors and microprocessors, especially since the sector is dominated by US and Japanese manufacturers and within the European Union demand exceeds supply. Furthermore, the semiconductor market is characterized by very rapid obsolescence of production technologies and products, and this necessitates heavy invest-

ment in production and R&D. The aid is within the limits laid down in the Community framework for State aids for research and development.

### *The Netherlands*

1.2.64. Commission decision on an amended aid scheme for environmental technology.

*Adopted on 6 July.* The proposed scheme rolls forward the environmental technology promotion scheme approved by the Commission on 19 December 1990. The aid is given in the form of outright grants to recipients comprising firms, research institutes, universities, consultancies and local authorities. The budget for 1994 amounts to some HFL 15 million (ECU 6.9 million). The decision approves the extended scheme, which remains in line with the guidelines on aid for R&D and environmental protection.

### *Decision to initiate proceedings under Article 93(2) of the EC Treaty in respect of part of a measure.*

### **Italy**

1.2.65. Commission decision on aid to the paper manufacturer Cartiere del Garda (autonomous province of Trento).

*Adopted on 19 July.* The provincial authorities of Trento intend to grant aid of LIT 41 billion (ECU 22 million), in the form of 14 half-yearly grants, to Cartiere del Garda, a manufacturer of printing paper located in a residential area of the town of Riva del Garda, for an investment programme totalling LIT 111 billion (ECU 59 million) and designed to reduce the waste, noise, traffic and dust which the company generates. The anticipated improvements go beyond the official requirements for environmental protection.

After examining the investment in the light of the Community guidelines on State aid for environmental protection, which allow aid of up to 30% in the case of investment that goes beyond statutory requirements, the Commission concluded that:

□ LIT 61.9 billion represent the cost of improvements that will enhance environmental

protection; it therefore approved aid of 30% towards this part of the investment;

□ in the case of the remaining cost of LIT 49.1 billion, proceedings under Article 93(2) of the EC Treaty have to be initiated, since LIT 20.1 billion represent replacement investment, which is not eligible for aid, while the remaining LIT 29 billion relate mainly to an automated storage system and stock and quality control. Such investment is carried out by other companies in the normal course of their business, and there are serious doubts as to its environmental nature.

### *Decision to initiate proceedings under Article 93(2) of the EC Treaty*

### **Germany**

1.2.66. Commission decision on aid for the rapeseed oil methylester pilot plant to be set up at Kiel by Raiffeisen Hauptgenossenschaft Nord AG.

#### **References:**

Council Decision 91/504/EEC adopting a specific research and technological development and demonstration programme in the field of agriculture and agro-industry: OJ L 265, 21.9.1991; Bull. 9-1991, point 1.2.37

Community framework for State aids for research and development: OJ C 83, 11.4.1986; Bull. 3-1986, points 1.1.2 to 1.1.6

Community guidelines on State aid for environmental protection: OJ C 72, 10.3.1994; Bull. 12-1993, point 1.2.73

*Adopted on 19 July.* A contract was concluded in October 1992, under Council Decision 91/504/EEC, between the Commission and the European Economic Interest Grouping (EEIG) Eurobiodiesel to promote research and technological development relating to the use of vegetable oils and their derivatives as diesel fuel. The Community aid covers 30% of the cost of the various projects.

One of the projects covered by the contract is the construction of a 10 000 tonnes per annum rapeseed oil methylester pilot plant by the EEIG member Raiffeisen Hauptgenossenschaft. The investment represents a cost of DM 18.96 million (ECU 9.8 million). The German authorities propose to grant aid of 36.66% (ECU 3.6 million) on top of the Community aid of 30%. At a later stage, production capacity is to be extended

to 25 000 tonnes per annum, a level at which profitable production should be possible. The biodiesel market is a growing market which is expected in future to supply 5% of total annual fuel needs.

After examining the aid to see whether it was compatible with the Community guidelines on aid for environmental protection and on aid for research and development, the Commission decided to initiate Article 93(2) proceedings, since the intensity of the aid exceeds the limits allowed under the two sets of guidelines. In addition, as regards the Community guidelines on aid for research and development, the investment in land, buildings and equipment does not seem to be intended exclusively for research and development, but also, at a later stage, for production, since the demonstration project is limited to one year and will be followed by commercial production of some 25 000 tonnes a year. It is not therefore possible, at the present stage, to determine what proportion of costs is linked to research and development and, consequently, to calculate the level of aid that can be allowed in this respect (the aid intensity will at all events be less than 66.66%). If the entire investment were to be deemed to fall within the scope of the guidelines on environmental aid, the maximum admissible aid intensity would be 30% gross of eligible costs.

### Spain

*1.2.67.* Commission decision on aid for the Basque marine diesel engine and standby industrial generator producer, Guascor SA.

*Adopted on 19 August.* In January 1992 the Basque Government granted to Guascor a 18-month guarantee covering loans amounting to PTA 730 million (ECU 5.25 million) to finance a restructuring plan designed to make the company viable once again. Since the company's very precarious financial situation would not have allowed it to obtain loans without such guarantee, the Commission took the view that the guarantee constituted State aid and that it was unlawful, since it had not been notified in advance. No fee was payable for the guarantee, which was mobilized in November 1993 when the deterioration in Guascor's financial situation obliged it to suspend all payments. For these reasons, and because of the overcapacity which appears to

exist in this sector at Community level and the lack of any capacity reduction in return for the aid, the Commission decided to initiate Article 93(2) proceedings.

### Italy

*1.2.68.* Commission decision on aid to the fertilizer producer Enichem Agricoltura.

**Previous decision:** Bull. 1/2-1994, point 1.2.68

*Adopted on 27 July.* Proceedings under Article 93(2) of the EC Treaty were initiated by the Commission in February in respect of a capital injection of LIT 1 270 billion (ECU 670 million) since it appeared to constitute State aid to the recipient company. Since that date, the Commission has been informed of subsequent aid in the form of a capital injection of LIT 648 billion (ECU 347 million) and a grant of LIT 900 billion (ECU 483 million). This funding, like the previous capital injection, appears to have been aimed in particular at helping the company to resolve its financial difficulties and could therefore include a State aid component. The Commission accordingly decided to include examination of the most recent measures in the Article 93(2) proceedings already initiated.

*1.2.69.* Commission decision on aid for the building and civil and industrial engineering company Iritecna.

*Adopted on 19 August.* Since 1991, Iritecna, a company forming part of the holding company IRI, has received capital injections from IRI totalling LIT 5 092 billion (ECU 2 752 million). Since they are intended to help the company improve its precarious financial situation, such capital injections may contain elements of State aid. The Italian Government communicated an overall plan for restructuring the group, but the plan did not provide for any reductions in Iritecna's capacity or any specific measures to restore its viability. Furthermore, the sector is one in which there is substantial trade between Member States. The Commission therefore decided to initiate proceedings under Article 93(2) of the EC Treaty.

Iritecna is one of the companies being monitored in respect of their debt reduction over the next three years, in accordance with the agreement reached between the Italian Government and the



Commission in July 1993. Nevertheless, the agreement provides that, as restructuring and debt reduction might involve State aid, each case will be treated individually in accordance with the rules on State aid.

### *Decision to initiate proceedings under Article 6(4) of the Steel Aid Code*

#### **Germany**

**1.2.70.** Commission decision on aid for EKO Stahl GmbH, Eisenhüttenstadt (Brandenburg).

**Previous decision:** OJ L 112, 3.5.1994; Bull. 4-1994, point 1.2.58

*Adopted on 6 July and 27 July.* In April the Commission authorized the granting of aid to EKO Stahl under the privatization and restructuring plan drawn up by the Treuhandanstalt. Under that plan all the shares in the company were to be acquired by the Italian Riva group, which was to undertake a far-reaching investment programme. The authorization, which was granted under Article 95 of the ECSC Treaty, was linked to the implementation of a restructuring programme and the further reduction of capacity. Following the Riva group's decision in early May not to go ahead with the takeover of EKO Stahl, these conditions are no longer met.

The Commission therefore re-examined EKO Stahl's financial situation and found that the Treuhandanstalt is granting the company a steady stream of loans to cover its losses and maintain its liquidity. By the end of 1993, the loans amounted to DM 379.5 million. A further loan of more than DM 15.6 million was granted to the company in May 1994, and the Treuhandanstalt decided to help the company maintain its liquidity by means of loans to meet demonstrated needs.

The Kreditanstalt für Wiederaufbau, a public financial institution, is also granting the company soft loans for the modernization of its cold-rolling capacity. Such loans, which amounted to a total of DM 148.8 million by the end of June 1994, are fully backed by a guarantee by the Treuhandanstalt and are being topped up as the investment progresses.

Both the various loans and the Treuhandanstalt guarantee may contain State aid components

prohibited under the ECSC Steel Aid Code. It is doubtful whether the terms on which they have been granted can be regarded as being in line with market conditions. On 6 July the Commission accordingly decided to initiate proceedings under Article 6(4) of the Steel Aid Code in respect of the various loans and the guarantee.

The Commission also initiated proceedings in respect of a plan to grant the company regional investment aid amounting to DM 300 million. Following the failure of the restructuring and privatization plan based on agreements with the Riva group, there is at present no viable investment plan for EKO Stahl, and the proposed aid therefore constitutes operating aid rather than investment aid.

**1.2.71.** Commission decision on aid to Neue Hamburger Stahlwerke GmbH (NHSW).

*Adopted on 6 July.* Hamburger Stahlwerke arose out of a company with the same name which went bankrupt in 1983 and was taken over by Protei Produktionsbeteiligungen GmbH & Co KG, a holding company whose members are the company's former managing director and the former bankruptcy trustee.

Hamburger Stahlwerke has received a number of loans on special terms from the Hamburgische Landesbank (HLB):

□ a DM 20 million loan on which interest and redemption payments are to be made only if and when Hamburger Stahlwerke makes a profit. In addition, the borrowers can redeem the loan by transferring all the shares in Hamburger Stahlwerke to the HLB, irrespective apparently of their commercial value. This means that those taking over the bankrupt company did not incur any economic risk at all, the entire risk being borne by the HLB. It is moreover possible that the risk was ultimately assumed by the City of Hamburg;

□ a credit line of DM 130 million granted by the HLB in 1984 and recently taken over by the City of Hamburg, as regards both the existing credit line and its extension to maintain the company's liquidity in the face of continuing losses. Under the HLB's charter, the City of Hamburg has to reimburse the HLB's entire expenditure with regard to these credits.

Apparently the company is not receiving any loans from private banks. It is indeed doubtful

whether, given its precarious financial situation, the company could obtain any loans on market terms, and this is borne out by the fact that the HLB felt unable to maintain its credit line without cover from the City of Hamburg. The Commission takes the view that the loans granted by the HLB to Hamburger Stahlwerke are, economically speaking, loans from the City of Hamburg and that they probably involve State aid components that are incompatible with the Steel Aid Code. It therefore decided to initiate proceedings under Article 6(4) of the Code.

*Decisions to terminate proceedings initiated under Article 93(3) of the EC Treaty.*

**Positive final decision**

*Germany*

1.2.72. Commission decision on aid for the motor vehicle manufacturer Volkswagen in the new *Länder*.

**Initiation of proceedings:** OJ C 68, 19.3.1992

**Reference:** Community framework on State aid to the motor vehicle industry: OJ C 123, 18.5.1989

*Adopted on 27 July.* In December 1991 the Commission initiated Article 93(2) proceedings in respect of aid for VW Sachsen, a Volkswagen group company, and Sächsische Automobilbau (SAB), a Treuhandanstalt (THA) company in which at that time Volkswagen AG (VW) had a minority shareholding of 12.5% (early in 1994, VW became the sole owner by purchasing SAB's 87.5% stake). The purpose of the aid was to restructure existing production plants at Mosel, Chemnitz and Eisenach, in Saxony and Thuringia, and to build two new plants at Chemnitz (engines — Chemnitz II) and Mosel (cars — Mosel II). The current decision, however, relates only to the restructuring aid, and the Commission will decide later on the aid relating to the new plants.

The Chemnitz engine production plant and the Eisenach cylinder head plant have been restructured with a view to their takeover by VW through the granting of aid amounting to DM 84.8 million (ECU 44.13 million) for the Chemnitz plant and DM 10.55 million (ECU 5.49 mil-

lion) for the Eisenach plant. The Commission authorized the aid because it was necessary and was in the Community's interest: the closure of the present Chemnitz and Eisenach plants in 1996, when VW's planned new integrated engine plant is to start operation at Chemnitz, suggests that VW will not increase its market share at the expense of its competitors.

With regard to the restructuring of the Mosel plant owned by SAB (THA and VW) and intended for the assembly and painting of VW Golf cars, the proposed aid amounts to DM 430 million in loss compensation and DM 141 million in regional investment aid, giving a total of DM 571 million (ECU 297.6 million). The Commission approved a total of DM 483.1 million (ECU 251.4 million), including DM 363.1 million in loss compensation, but prohibited the payment of interest on arrears to SAB by the THA. It took account of the high cost of the necessary investment, which would not initially provide any return, and of the halving of capacity following restructuring as compared with previous total capacity at Mosel and Zwickau (the other motor vehicle manufacturing plant in Saxony, which is switching to the production of motor vehicle components and, temporarily, car bodies).

On the other hand, it decided to prohibit additional aid totalling DM 88.5 million (ECU 46.2 million) by way of loss compensation (ECU 35 million) and investment aid (ECU 11.2 million) because they amounted to operating aid and aid for replacement or modernization investment, prohibited under the guidelines on aid for the motor vehicle industry.

The Commission also required DM 16.173 million (ECU 8.44 million) to be recovered from SAB, plus interest, this sum being the difference between the regional aid declared compatible and that already paid to SAB by the German authorities.

Lastly, the Commission took the view that the terms on which the THA sold its 87.5% share in SAB to VW did not contain any aid components. With regard to VW's purchase of the Chemnitz plant, the Commission required the price to be increased to take account of revenue from the continuation of existing production until it is terminated.

*Italy*

1.2.73. Commission decision on aid to the chemical company Enichem SpA.

**Initiation of proceedings:** Bull. 1/2-1994, point 1.2.68

*Adopted on 27 July.* In February the Commission initiated Article 93(2) proceedings in respect of two capital injections totalling LIT 1 794 billion (ECU 940 million) into Enichem. The injections were apparently made to help the company solve its financial difficulties. They appeared to constitute operating aid for an ailing firm without being accompanied by any clearly defined restructuring plan.

The Italian Government provided detailed information on the plant closures carried out by Enichem over the last three years, closures which have led to the losses covered by the aid. Since such closures can clearly help to improve the overall performance not only of Enichem, but also of the chemical industry as a whole, the Commission took the view that the aid was in the Community's interest and qualified for exemption under Article 92(3)(c) of the EC Treaty. It therefore terminated the proceedings initiated against it.

The Italian Government also provided the Commission with detailed information on the restructuring plan to be implemented in the period 1994-97. The plan, which will be financed through a third capital injection amounting to LIT 3 000 billion (ECU 1 560 million), consists mainly of a cutback in excess capacity, rationalization of administrative and commercial structures, resulting in a reduction in fixed costs, concentration on the basic chemical products, polymers and elastomers, and, consequently, the sale or liquidation of other activities so as to cut loss-making production and help finance the restructuring programme. The plan aims to improve the firm's financial performance and reduce its indebtedness and financial charges to levels comparable to those of its main competitors.

The Commission took the view that there was a reasonable probability of the plan being achievable and took account of the fact that it would largely be financed by Enichem itself. It concluded that the further injection of LIT 3 000 billion could be regarded as acceptable to a private investor operating under normal market

conditions, and it therefore decided that the injection did not constitute State aid within the meaning of Article 92(1) of the EC Treaty and Article 62(1) of the EEA Agreement.

## Industrial policy

### Individual industries

#### *Steel*

1.2.74. Forward programme for steel for the second half of 1994.

**Commission draft:** Bull. 6-1994, point 1.2.76  
**ECSC Consultative Committee opinion:** Bull. 6-1994, point 1.2.76

*Formally adopted by the Commission on 20 July.*

OJ C 210, 30.7.1994

## Enterprise policy

### Small and medium-sized businesses

1.2.75. Commission communication to the Council on the financial problems experienced by small and medium-sized companies.

**Commission communication:** COM(93) 528; Bull. 11-1993, point 1.2.71

*Endorsed by the Economic and Social Committee on 6 July.* The Committee welcomes the Commission communication and recommends the use of guarantee arrangements by Member States as a policy instrument for the financing of companies unable to provide sufficient security.

### Cooperative, mutual and non-profit sector

1.2.76. Proposal for a Council Decision relating to a multi-annual programme (1994-96) of work for cooperatives, mutual societies, associations and foundations in the Community.

**Commission proposal:** OJ C 87, 24.3.1994; COM(93) 650; Bull. 1/2-1994, point 1.2.76

*Endorsed by the Economic and Social Committee on 6 July.* The Committee nevertheless questions the justification and advisability of including foundations in the title of the programme. It recommends that a European consultative committee be set up and feels that the budget for the programme should be increased.

## Research and technology

### Framework programme 1994-98

#### *Specific programmes*

1.2.77. Proposal for a Council Decision concerning the rules for the dissemination of the research results from the specific research, technological development and demonstration programmes of the European Community.

**Commission proposal:** OJ C 81, 18.3.1994; COM(94) 12; Bull. 1/2-1994, point 1.2.80

**Parliament opinion (first reading):** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.68

**Economic and Social Committee opinion:** Bull. 6-1994, point 1.2.83

**Amended Commission proposal:** OJ C 175, 28.6.1994; COM(94) 242; Bull. 6-1994, point 1.2.83

**Council agreement on a common position:** Bull. 6-1994, point 1.2.83

*Common position (EC) No 34/94 formally adopted by the Council on 18 July.*

OJ C 244, 31.8.1994

1.2.78. Proposal for a Council Decision concerning the rules for the participation of undertakings, research centres and universities in the specific research, technological development and demonstration programmes of the European Community.

**Commission proposal:** OJ C 81, 18.3.1994; COM(94) 12; Bull. 1/2-1994, point 1.2.80

**Parliament opinion (first reading):** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.67

**Economic and Social Committee opinion:** Bull. 6-1994, point 1.2.84

**Amended Commission proposal:** OJ C 175, 28.6.1994; COM(94) 242; Bull. 6-1994, point 1.2.84

**Council agreement on a common position:** Bull. 6-1994, point 1.2.84

*Common position (EC) No 35/94 formally adopted by the Council on 18 July.*

OJ C 244, 31.8.1994

1.2.79. Council Decision 94/572/EC adopting a specific programme for research and technological development, including demonstration, in the field of advanced communication technologies and services (1994-98).

**Commission proposal:** COM(94) 68; Bull. 3-1994, point 1.2.69

**Parliament opinion:** OJ C 205, 25.7.1994; Bull. 5-1994, points 1.2.53 and 1.2.55

**Economic and Social Committee opinion:** Bull. 6-1994, point 1.2.87

**Amended Commission proposal:** COM(94) 243; Bull. 6-1994, point 1.2.87

**Council agreement:** Bull. 6-1994, point 1.2.87

*Formally adopted by the Council on 27 July.*

OJ L 222, 26.8.1994

1.2.80. Council Decision 94/571/EC adopting a specific programme for research and technological development, including demonstration, in the field of industrial and materials technologies (1994-98).

**Commission proposal:** COM(94) 68; Bull. 3-1994, point 1.2.69

**Parliament opinion:** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.53 and 1.2.57

**Economic and Social Committee opinion:** Bull. 6-1994, point 1.2.88

**Amended Commission proposal:** COM(94) 243; Bull. 6-1994, point 1.2.88

**Council agreement:** Bull. 6-1994, point 1.2.88

*Formally adopted by the Council on 27 July.*

OJ L 222, 26.8.1994

1.2.81. Proposal for a Council Decision adopting a specific research, technological development and demonstration programme in the field of telematics applications of common interest (1994-98).

**Commission proposal:** COM(94) 68; Bull. 3-1994, point 1.2.69

**Parliament opinion:** OJ C 205, 25.7.1994; Bull. 5-1994, points 1.2.53 and 1.2.54

**Amended Commission proposal:** COM(94) 243; Bull. 6-1994, point 1.2.90

*Endorsed by the Economic and Social Committee on 6 July.* However, the Committee called in particular for a reduction in the percentage of funding allocated to staff and administrative expenditure, the introduction of a theme concerning applications of mobile communications in the health field, and an adjustment to the breakdown of the total amount in accordance with the objectives laid down in the programme.

operability of telematic networks at European level, and in particular the Caddia programme (cooperation in automation of data and documentation for imports/exports and agriculture), and ensure the rapid implementation of Regulation (EEC) No 3330/91 on the statistics relating to the trading of goods between Member States (Intrastat) through increased use of automatic data processing and electronic data transmission.

OJ L 183, 19.7.1994

## Trans-European networks

### Interadministration telematic networks

*1.2.82.* Council Decision 94/445/EC on interadministration telematic networks for statistics relating to the trading of goods between Member States (Edicom: electronic data interchange on commerce).

**References:**

Council Regulation (EEC) No 3330/91 on the statistics relating to the trading of goods between Member States (Intrastat): OJ L 316, 16.11.1991; Bull. 11-1991, point 1.6.1

Council Decision concerning the extension of the period of validity of the Decision concerning cooperation in the automation of data and documentation for imports/exports and agriculture (Caddia): OJ L 145, 5.6.1987; Bull. 6-1987, point 2.1.55

**Commission proposal:** OJ C 87, 27.3.1993; COM(93) 73; Bull. 3-1993, point 1.2.62

**Economic and Social Committee opinion:** OJ C 249, 13.9.1993; Bull. 6-1993, point 1.2.102

**Parliament opinion:** OJ C 315, 22.11.1993; Bull. 10-1993, point 1.2.78

**Council agreement:** Bull. 12-1993, point 1.2.117

**Parliament opinion on the legal basis:** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.71

*Adopted by the Council on 11 July.* The purpose of this Decision, which was adopted on the basis of Article 235 of the EC Treaty, is to continue and consolidate the efforts to facilitate the inte-

## Energy

### Community energy strategy

#### *Promotion of energy technology*

*1.2.83.* Commission Decision on the granting of financial support to projects for the promotion of energy technology (Thermie programme) in the fields of rational use of energy, renewable energy sources, solid fuels and oil and gas.

**Basic Regulation:** Council Regulation (EEC) No 2008/90 on the promotion of energy technologies for Europe (Thermie programme): OJ L 185, 17.7.1990; Bull. 6-1990, point 1.3.256

*Adopted by the Commission on 19 July.* Purpose: to grant ECU 147.1 million, in the form of a non-repayable financial contribution, to 183 projects for the promotion of energy technology.

### Individual sectors

#### *Nuclear energy*

*1.2.84.* Report on the operation of Euratom safeguards (1991-92).

**Previous report:** Bull. 1/2-1992, point 1.3.119

*Adopted by the Commission on 6 July.* In this report the Commission provides a comprehensive survey of the operation of Euratom safeguards in the civil nuclear field with particular

reference to 1991 and 1992. It gives details of the issues under discussion or examination with operators, national authorities and the International Atomic Energy Agency (IAEA). The Commission also reports on the illicit trade in nuclear materials, cooperation with the Commonwealth of Independent States and the Central and Eastern European countries with regard to safeguards, takes stock of the available resources, and indicates the trends and challenges concerning safeguards for the years to come, in particular as regards the automation of safeguards systems.

COM(94) 282

### **Relations with third country energy producers or importers**

*1.2.85.* Proposal for a Council Decision giving the Commission a mandate to negotiate bilateral nuclear cooperation agreements between the European Atomic Energy Community and Kazakhstan, Kyrgyzstan, Tadjikistan, Ukraine and Uzbekistan.

#### **References:**

Council Decision giving the Commission guidelines for negotiations on cooperation between Euratom and the Soviet Union: Bull. 6-1991, point 1.2.99

Proposal for a Council Decision authorizing the Commission to conclude with the Russian Federation cooperation agreements based on Article 101(2) of the Euratom Treaty: Bull. 9-1992, point 1.2.74

*Adopted by the Commission on 22 July.* Purpose: to authorize the Commission to negotiate bilateral cooperation agreements with Kazakhstan and Ukraine concerning trade in nuclear materials, nuclear safety and thermonuclear fusion, and with Kyrgyzstan, Tadjikistan and Uzbekistan concerning trade in nuclear materials.

## **Transport**

### **Infrastructure**

#### *Financial support for projects of Community interest.*

*1.2.86.* Commission Decisions concerning the granting of financial support for transport infrastructure projects under the 1994 budget.

*Adopted by the Commission on 25 July.* Purpose: to grant financial support totalling ECU 188.5 million to 54 transport infrastructure projects.

### **Inland transport**

#### *Rail transport*

*1.2.87.* Proposal for a Council Directive on the allocation of railway infrastructure capacity and the charging of infrastructure fees.

**Commission proposal:** OJ C 24, 28.1.1994; COM(93) 678; Bull. 12-1993, point 1.2.130

**Parliament opinion (first reading):** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.81

*Amended proposal adopted by the Commission on 14 July.* This proposal takes over certain amendments proposed by the European Parliament, in particular concerning the procedures for the allocation of railway capacity.

OJ C 225, 13.8.1994; COM(94) 316

*1.2.88.* Proposal for a Council Directive on the licensing of railway undertakings.

**Commission proposal:** OJ C 24, 28.1.1994; COM(93) 678; Bull. 12-1993, point 1.2.130

**Parliament opinion (first reading):** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.81

*Amended proposal adopted by the Commission on 14 July.* This proposal takes over certain European Parliament amendments aimed in particular at easing the obligations on railway undertakings to provide information for licensing purposes.

OJ C 225, 13.8.1994; COM(94) 316

#### *Road transport*

*1.2.89.* Proposal for a Council Regulation amending Council Regulation (EEC) No 3821/85 and Council Directive 88/599/EEC on recording equipment in road transport.

**Regulation to be amended:** Council Regulation (EEC) No 3821/85 (OJ L 370, 31.12.1985; Bull. 12-1985, point 2.1.214), as last amended by Regulation (EEC) No 3688/92 (OJ L 374, 22.12.1992; Bull. 12-1992, point 1.3.130)

**Directive to be amended:** Council Directive 88/599/EEC: OJ L 325, 29.11.1989; Bull. 11-1989, point 2.1.257

*Adopted by the Commission on 22 July.* Purpose: to provide for the mandatory fitting of an additional device to the recording equipment (tachograph) now used in road transport, with the aim of improving the enforcement of, and compliance with, legislation concerning driving periods and rest periods.

OJ C 243, 31.8.1994; COM(94) 323

**1.2.90.** Proposal for a Council Directive on uniform procedures for checks on the transport of dangerous goods by road.

**Commission proposal:** OJ C 26, 29.1.1994; COM (93) 665; Bull. 12-1993, point 1.2.131

**Economic and Social Committee opinion:** OJ C 195, 18.7.1994; Bull. 4-1994, point 1.2.89

**Parliament opinion (first reading):** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.82

*Amended proposal adopted by the Commission on 29 July.* This amended proposal takes over certain European Parliament amendments concerning in particular the need for Member States to inform the Commission about the enforcement of controls and the setting of the date of entry into force of the Directive at 1 January 1996.

OJ C 238, 26.8.1994; COM(94) 340

## State aid

### *Decisions to raise no objections*

#### France

**1.2.91.** Commission Decision concerning measures to assist dockers.

*Adopted by the Commission on 19 August.* The proposed aid covers re-employment measures, age-related benefits and retirement pensions for dockers made redundant as a result of a restructuring programme for French ports. The measures will be in force for 12 years (1992-2004) and the total aid involved is ECU 607 million.

The Commission took the view that the effects of the law providing for the aid were compatible with the common market since they meet the conditions provided for in Article 92(3)(c) of the EC Treaty.

### *Decisions to initiate proceedings under Article 93(2) of the EC Treaty.*

#### Italy

**1.2.92.** Commission Decision concerning a plan to recapitalize two shipping companies in Italy.

*Adopted by the Commission on 19 August.* The aid scheme proposed by the Italian Government involves the use of State funding to recapitalize two shipping companies (Lloyd Triestino SpA di Navigazione and Italia SpA di Navigazione) which face serious financial problems.

### *Decisions to terminate proceedings under Article 93(2) of the EC Treaty.*

#### France

**1.2.93.** Commission Decision 94/653/EC concerning the recapitalization of Air France.

**Reference:** initiation of procedure: OJ C 152, 3.6.1994

*Adopted by the Commission on 27 July.* The plan submitted by the French authorities concerns a FF 20 billion capital increase for Air France to be paid in three instalments over the period 1994-96. This capital injection forms part of a restructuring plan intended to enable the airline to return to economic and financial viability.

The Commission regards this capital influx as being compatible with the common market provided that the French authorities comply with certain conditions designed to limit distortions of competition, in particular concerning the end-use of the aid, the behaviour of the French authorities, which should be that of a normal shareholder, restrictions on increases in Air France's fleet and services, and compliance with commercial and competition rules.

OJ L 254, 30.9.1994

#### Greece

**1.2.94.** Commission Decision concerning aid granted to Olympic Airways.

**Reference:** initiation of procedure: OJ C 94, 31.3.1994

*Adopted by the Commission on 27 July.* The aid granted by the Greek Government to Olympic Airways takes the form of loan guarantees, writing-off of debts, conversion of debts to equity and capital injections. The aid in question amounts to DR 545 billion and is backed up a programme to restructure the company. The Commission considers that this aid is compat-

ible with the common market provided that, in particular, the company does not act as price leader on certain routes, and that throughout the period of validity of the plan the number of seats offered on scheduled flights within the European Economic Area does not exceed the number offered in 1993, taking into account an increase proportional to the increase in the market.

### Portugal

1.2.95. Commission Decision 94/666/EC concerning compensation for TAP's deficit on routes to the Azores and Madeira.

**Reference:** initiation of procedure: OJ L 178, 30.6.1993

*Adopted by the Commission on 6 July.* The aid scheme is intended to compensate the Portuguese airline TAP for its deficit on routes to the Azores and Madeira on which the Portuguese Government has imposed tariff obligations. The compensation is calculated on the basis of the difference between normal fares and promotional fares.

After verifying whether or not the calculation method overcompensated TAP, the Commission considers that the aid is compatible with the common market provided that the compensation does not exceed TAP's actual deficit on the routes in question until 1 January 1996 when the routes will be opened up to competition.

OJ L 260, 8.10.1994.

1.2.96. Commission Decision concerning the recapitalization of, and guarantees and tax exemptions for, the Portuguese airline TAP.

**Reference:** initiation of procedure: OJ C 93, 30.3.1994

*Adopted by the Commission on 6 July.* The aid to be granted by the Portuguese Government to TAP concerns a capital increase of ESC 180 billion to be paid in four instalments over the period 1994-97 in the form of borrowing guarantees and tax exemption.

The Commission considers that the aid is compatible with the common market and that, linked with a restructuring plan, it will help finance a genuine restructuring of the company and enable it to attain viability. However, it makes its agreement conditional on compliance with cer-

tain conditions concerning, in particular, the forecast operating results, abolition of the tax exemption by the end of the restructuring period, services on the European market, and the submission of an annual report on the restructuring.

### *Final decision ruling against aid.*

### France

**Reference:** initiation of procedure: OJ C 334, 9.12.1993

1.2.97. Commission Decision 94/662/EC concerning the subscription by CDCP to bonds issued by Air France.

*Adopted by the Commission on 27 July.* The scheme concerns the subscription by CDCP to bonds issued by Air France in the form of bonds repayable in shares and progressive-interest subordinated securities carrying share-subscription warrants totalling FF 1.5 billion. Applying the market economy investor principle, the Commission considers that the scheme constitutes State aid given the economic and the financial situation of the airline and the public status of CDCP. It also points out that it was not notified of this operation in advance and that it was not linked to a restructuring plan designed to enable the company to return to viability. The Commission therefore considers that the aid is not compatible with the common market and adopted a final decision ruling against the aid.

OJ L 258, 6.10.1994

### International cooperation

1.2.98. Visit to the Commission by Mr Novac, the Romanian Transport Minister on 4 July.

Mr Oreja received Mr Novac, the Romanian Transport Minister. Their discussions focused on the integration of the Romanian transport system into the European Union's system, in particular as regards inland and air transport, and matters concerning transit through Romania. Mr Novac also stressed that Romania would like Commission support to promote the involvement of private capital in the funding of the development of Romanian transport infrastructure.



# Telecommunications, information services and industry

## General

1.2.99. Commission communication to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions — Europe's Way to the Information Society: an Action Plan.

### References:

Commission White Paper on Growth, Competitiveness and Employment: The challenges and ways forward into the 21st century — COM(93) 700; Bull. 12-1993, point 1.2.44; Supplement 6/93 — Bull.

Report of the high-level group on Europe and the global information society — recommendations to the European Council — Bull. 6-1994, point 1.2.9; Supplement 2/94 — Bull.

Conclusions of the Corfu European Council — Bull. 6-1994, point I.8

Commission Green Paper on pluralism and media concentration in the internal market — COM(92) 480; Bull. 12-1992, point 1.3.18

*Adopted by the Commission on 19 July.* In its communication, which was drawn up in response to the request from the Corfu European Council and draws on the conclusions of the Bangemann group on moving towards the information society, the Commission sets out a specific programme accompanied by a schedule of work, lists the measures being taken and proposes new measures in the following areas:

□ a suitable regulatory and legal framework: the Commission will seek a commitment from the Member States on a clear deadline for infrastructure liberalization in the telecommunications sector. It intends to organize a workshop on standardization, network interconnection and the interoperability of services and to issue two Green Papers on intellectual property rights and legal protection for encrypted broadcasts, plus a communication on the follow-up to the Green Paper on media concentration in the internal market;

□ promotion of initiatives and partnerships in the private sector: the Commission proposes to initiate a 'European forum for basic services'

dealing with electronic mail, file transfer and interactive video and to set up an 'Information Society Project Office' to act as an interface between the Commission and those taking initiatives in the various areas;

□ understanding and coping with the information society, particularly as regards its social and cultural impact: the Commission will conduct studies in collaboration with other organisations such as the OECD on economic and social adaptation to the new technologies and new sources of employment and will consider ways of preventing cultural fragmentation and promoting language-based industries;

□ activities to increase European citizens' awareness of the information society: the Commission proposes to organize 'information days', multimedia demonstrations and a conference on the global information society and to make audiovisual material available to non-specialized audiences.

COM(94) 347

1.2.100. Commission communication to the Council and Parliament on the participation of the European Union in the Budapest International Exposition in 1996.

*Adopted by the Commission on 27 July.* The Commission stresses the importance of participation by the European Union in the Budapest International Exposition to be organized by Hungary from 11 May to 4 October 1996 on the theme of 'Communication for a better world'. It points out that Central and Eastern Europe show a keen interest in the European Union and that participation is necessary in view of the Union's involvement in that part of the world.

## Telecommunications

### Legislation

1.2.101. Proposal for a European Parliament and Council Directive on the application of open network provision (ONP) to voice telephony.

**Commission proposal:** OJ C 263, 12.10.1992; COM(92) 247; Bull. 7/8-1992, point 1.3.86

**Economic and Social Committee opinion:** OJ C 19, 25.1.1993; Bull. 11-1992, point 1.3.92

**Parliament opinion (first reading):** OJ C 115, 26.4.1993; Bull. 3-1993, point 1.2.75

**Amended Commission proposal:** OJ C 147, 27.5.1993; COM(93) 182; Bull. 5-1993, point 1.2.77

**Council agreement on a common position:** Bull. 5-1993, point 1.2.77

**Council common position:** Bull. 6-1993, point 1.2.124

**Proposal subject to the codecision procedure since 1 November 1993**

**Parliament amendments (second reading):** OJ C 44, 14.2.1994; Bull. 1/2-1994, point 1.2.102

**Commission opinion:** COM(94) 48; Bull. 3-1994, point 1.2.102

**Conciliation Committee meeting:** Bull. 3-1994, point 1.2.102

**Council agreement confirming its common position:** Bull. 5-1994, point 1.2.88

**Formal confirmation of the Council common position:** Bull. 6-1994, point 1.2.122

*Confirmed common position rejected by Parliament (third reading) on 19 July.* Following the rejection by Parliament of the common position, pursuant to Article 189B(6) the proposed Directive was declared not to have been adopted.

OJ C 261, 19.9.1994

## Economic and social cohesion

### General matters

*1.2.102.* Commission communication 'Europe 2010: cooperation for European territorial development'.

**Reference:** Report 'Europe 2000: outlook for the development of the Community's territory': Bull. 10-1991, point 1.2.92

*Adopted by the Commission on 27 July.* This report to the Council, Parliament, the Economic

and Social Committee and the Committee of the Regions reviews the Commission's work on territorial planning and presents the conclusions of discussions with the Member States in the Committee on Spatial Development set up following publication of the 'Europe 2000' report.

The Commission stresses the importance of stronger cooperation on territorial planning and identifies the tasks that can best be tackled at Union level. Orientations are suggested for a policy of cooperation designed to make Europe more competitive and viable by establishing trans-European transport, energy, telecommunication and information networks in the framework of sustainable development.

Against this perspective the Commission analyses European territorial development from various standpoints:

□ key issues for territorial organization: population density and human settlement trends, population and employment mobility, the regional impact of internationally mobile investment, trans-European networks and protection of open spaces and water resources

□ developments in specific types of area: urban, rural and border

□ distinctive transnational geographical regions: central, internal and maritime (including outermost) regions of the Union and neighbouring country regions

□ territorial planning systems and public transfers in the Member States.

COM(94) 354

*1.2.103.* Fifth periodic report on the social and economic situation and development of the Community's regions.

**Reference:** Council Regulation (EEC) No 4254/88 on reform of the ERDF (OJ L 374, 31.12.1988; Bull. 12-1988, point 2.1.200), last amended by Regulation (EEC) No 2083/93: OJ L 193, 31.7.1993; Bull. 7/8-1993, point 1.2.117

**Previous report:** COM(90) 609; Bull. 12-1990, point 1.3.107

*Adopted by the Commission on 19 July.* The Commission's report, required under Article 8

of Regulation (EEC) No 4254/88, covers regional employment and development trends, discusses interregional inequalities and examines the contribution of both national and Community policies to reduction of these, and assesses the impact of widening and deepening of the Community on its regions. The economic recession has worsened the differences in unemployment rates between regions since 1991 and unevenness of development between the poorest and richest regions remains substantial, reflecting disparities in infrastructure provision, level of foreign investment and volume of research and innovation.

COM(94) 322

## Cohesion Fund

### Financing

1.2.104. Commission decisions: see Table 1.

Table 1 — Aid from cohesion financial instrument

<i>(million ECU)</i>	
Country/General purpose	Total assistance
<i>Spain</i> Environment	0.039
<i>Portugal</i> Transport	0.362

## Structural action, regional policies

### Planning and orientation

#### Community structural action in Objective 1 areas

##### Single programming documents

1.2.105. On the basis of regional development plans presented by the relevant authorities the Commission has, under the new Structural Fund Regulations, drawn up in partnership with them single programming documents (SPDs) for Objective 1 (development and adjustment of

regions lagging behind in development) for France (Corsica, Guadeloupe, French Guiana, Martinique, Nord/Pas-de-Calais and Réunion) and the United Kingdom (Northern Ireland, Highlands and Islands, Merseyside) for the period 1994-99 (→ points 1.2.106 to 1.2.114).

#### France

1.2.106. Commission Decision approving the single programming document for Community structural action in Corsica under Objective 1.

*Draft Decision approved on 19 July.*

*Formally adopted on 29 July.* The single programming document for Corsica sets the following priorities:

- improving the road network and water quality and distribution
- developing agriculture and fisheries; inland areas will be opened up and the island's strong individual identity capitalized
- university education, research and new sources of energy
- boosting the economic benefits of tourism for both coastal and inland areas by exploiting the cultural heritage and other touristic assets in a way that will promote high quality tourism
- the environment, including processing and recycling of household waste
- adaptation of enterprises to the market and encouragement of new economic activities
- upgrading of human resource use through action to boost job creation and expansion of education, training and job placement schemes
- technical assistance.

Community assistance from the Structural Funds will total a maximum of ECU 680 million.

1.2.107. Commission Decision approving the single programming document for Community structural action in Guadeloupe under Objective 1.

*Draft Decision approved on 19 July.*

*Formally adopted on 29 July.* The single programming document for Guadeloupe sets five priorities:

- seeking social balance and upgrading human resource use by improving access to education

and training and the quality of these, enabling workers to adjust to changing production systems and improving work opportunities for people at risk of exclusion from the labour market

- seeking economic balance by promoting sustainable locally generated development
- seeking spatial balance by improving external access to Guadeloupe and promoting the creation of economic and touristic focal points
- seeking ecological balance and preventing economic and social development from adversely affecting the environment
- technical assistance.

The total Community contribution through the Structural Funds will be ECU 345 million.

*1.2.108.* Commission Decision approving the single programming document for Community structural action in French Guiana under Objective 1.

*Draft Decision approved on 19 July.*

*Formally adopted on 29 July.* The single programming document for French Guiana sets the following priorities:

- infrastructure helping to integrate French Guiana into the Community's trade with the region
- support for industry, crafts and services: encouragement of undertakings to make direct investments in modernization or new products and activities
- encouragement of tourism
- exploitation of agricultural resources and rural development
- renewal and modernization of the fishing fleet, facilities at fishing ports and processing and marketing of fishery products
- developing support infrastructure for economic activities; this will involve environmental protection and improvement
- upgrading of human resource use, in particular improving education in remote areas
- technical assistance.

The Community's contribution from the Structural Funds will be ECU 165 million.

*1.2.109.* Commission Decision approving the single programming document for Community

structural action on Martinique under Objective 1.

*Draft Decision approved on 19 July.*

*Formally adopted on 29 July.* The single programming document for Martinique sets the following priorities:

- expansion of tourism: site development, renovation and modernization of touristic infrastructure, diversification of product offer and general facilitation of tourist visits
- strengthening industry and services by continuation of existing aid schemes plus new types of action
- strengthening and modernization of commerce and the craft sector in line with changes in consumption and living habits
- improvement of public amenities, in particular seafronts and public transport
- improvement of external access: ports and airports
- the environment
- skill acquisition and upgrading of human resource use through better training and improvements of the financial situation of undertakings
- agriculture: support for traditional agricultural industries, improved market access for diversification products, more intense rural development, innovation and environmental protection
- fisheries and aquaculture: resource exploitation, infrastructure improvement, management and technical assistance, modernization and training
- technical assistance and training.

The total Community contribution through the Structural Funds will be ECU 329.94 million.

*1.2.110.* Commission Decision approving the single programming document for Community structural action in the part of Nord/Pas-de-Calais covered by Objective 1.

*Draft Decision approved on 19 July.*

*Formally adopted on 29 July.* The single programming document for these areas of Nord/Pas-de-Calais sets four priorities:

- relaunching economic activity by fostering industrial competitiveness and locally generated development

- research, development and dissemination of technology, the aim being to stimulate innovation by SMEs and boost the zone's technological image by strengthening existing research activities
- upgrading of human resource use, principally through training schemes
- boosting the area's attractiveness as a location for business and industry; this priority will cover urban development, transport, rural development and environmental protection and improvement.

The Community's total contribution from the Structural Funds will be ECU 440 million.

*1.2.111.* Commission Decision approving the single programming document for Community structural action under Objective 1 on Réunion.

*Draft Decision approved on 19 July.*

*Formally adopted on 29 July.* The single programming document for Réunion sets eight priorities:

- development of productive sectors and competitiveness through support for creation and modernization of undertakings, development of start-up and advisory services for investors, promotion of local goods and services and stepping-up of technology transfer
- improving access by means of new transport infrastructure and improvements to the airport
- the environment; development support infrastructure
- modernization of agriculture and better exploitation of its products
- support for agricultural and rural development
- development of fisheries and aquaculture
- improving skills and other upgrading of human potential
- technical assistance and regional cooperation.

The Community contribution from the Structural Funds will be ECU 660 million.

#### **United Kingdom**

*1.2.112.* Commission Decision approving the single programming document for structural action in Northern Ireland under Objective 1.

*Draft Decision approved on 13 July.*

*Formally adopted on 29 July.* The single programming document for Northern Ireland is based on a five-part development strategy:

- promoting economic growth and competitiveness; focuses will include small and medium-sized enterprises, research and technological development, and tourism
- investment in communities and people in order to strengthen economic and social cohesion
- reducing the effects of peripherality by pursuing investment in ports, airports, roads and railways and building gas and electricity interconnectors
- development of agriculture, fisheries and the rural economy
- protection and enhancement of the natural and built environment by pollution control and water supply investment.

The total Community contribution through the Structural Funds will be ECU 1.23 billion.

*1.2.113.* Commission Decision approving the single programming document for Community structural action under Objective 1 in the Highlands and Islands enterprise area.

*Draft Decision approved on 13 July.*

*Formally adopted on 29 July.* The single programming document for Highlands and Islands sets six priorities:

- expansion of economic activity
- promotion of tourism, including heritage and culture-linked initiatives
- protection and improvement of the environment
- development of the primary sector and related food industries
- social investment in communities
- improvement of communications and service networks.

The total Community contribution through the Structural Funds will be ECU 311 million.

*1.2.114.* Commission Decision approving the single programming document for Community structural action under Objective 1 in Merseyside.

*Draft Decision approved on 13 July.*

*Formally adopted on 29 July.* The single programming document for Merseyside is based on

a development strategy for relaunching the region's industrial dynamic through

- inward investment and key corporate business development
- local business development
- development of knowledge-based industries and advanced technology
- development of the culture, media and leisure industries
- action to help the people of Merseyside, in particular 'pathways to integration'.

The total Community contribution through the Structural Funds will be ECU 816 million.

#### *Community support frameworks*

##### **Germany**

1.2.115. Commission Decision establishing the Community support framework for structural action in the German Objective 1 regions.

**Approval of draft Decision:** Bull. 6-1994, point 1.2.130

*Formally adopted on 29 July.*

##### **Greece**

1.2.116. Commission Decision establishing the Community support framework for structural action in Greece under Objective 1.

**Approval of draft Decision:** Bull. 6-1994, point 1.2.129

*Formally adopted on 13 July.*

##### **Ireland**

1.2.117. Commission Decision establishing the Community support framework for structural action in Ireland under Objective 1.

**Approval of draft Decision:** Bull. 6-1994, point 1.2.128

*Formally adopted on 13 July.*

##### **Italy**

1.2.118. Commission Decision establishing the Community support framework for structural action in the Italian Objective 1 regions.

**Approval of draft Decision:** Bull. 6-1994, point 1.2.131

*Formally adopted on 29 July.*

#### **Structural action under Objective 3**

1.2.119. The Commission, acting in partnership with the relevant national, regional and local authorities, has for Objective 3 drawn up Community support frameworks covering Germany, Spain and Italy and approved the single programming documents for the Danish, Dutch, French and United Kingdom regions (→ points 1.2.120 to 1.2.126).

#### *Community support frameworks*

##### **Germany**

1.2.120. Commission Decision establishing the Community support framework for European Social Fund assistance for Objective 3 purposes in Germany.

*Draft Decision approved on 18 July.*

*Formally adopted on 16 August.* The Community support framework for Germany for Objective 3 sets five priorities for action:

- improving the job prospects of the long-term and potentially long-term unemployed
- improving the job prospects of young people in search of employment
- improving the job prospects of people threatened by exclusion from the labour market
- promoting equality of opportunity
- technical assistance and pilot and demonstration projects.

The European Social Fund assistance scheduled is ECU 1 682 134 000 for the period 1994-99.

##### **Spain**

1.2.121. Commission Decision establishing the Community support framework for European Social Fund assistance for Objective 3 purposes in Spain (non-Objective 1 regions).

*Draft Decision approved on 19 July.*

*Formally adopted on 5 August.* The chief aims of the Objective 3 Community support framework for Spain are to promote access to the labour market by action to stimulate the job-seeking process, improve the market's function-

ing by removal of the existing barriers to labour mobility and improve the vocational qualifications of jobseekers. Four priority action areas are defined:

- facilitating job-finding for the long-term and potentially long-term unemployed
- facilitating job-finding for young people seeking work
- promoting integration of people subject to exclusion from the labour market
- promoting equality of opportunity for men and women on the labour market.

The scheduled assistance from the European Social Fund is a maximum amount of ECU 1 474 400 000.

### Italy

1.2.122. Draft Decision establishing the Community support framework for European Social Fund Assistance for Objective 3 purposes in the non-Objective 1 Italian regions.

*Draft Decision approved on 18 July.* The Objective 3 Community support framework for the non-Objective 1 Italian regions sets five priorities for action:

- integration or reintegration into the labour market of the long-term unemployed
- strengthening the initial training and integration of young people into the labour market
- integration or reintegration into the labour market of people threatened with social exclusion
- promotion of equality of opportunity between men and women on the labour market
- strengthening training systems and employment services.

The assistance scheduled from the European Social Fund amounts to ECU 1 316 million.

### *Single programming documents*

#### Denmark

1.2.123. Draft Commission Decision approving the single programming document covering European Social Fund assistance for Objective 3 purposes in Denmark.

*Draft Decision approved on 19 July.* The single programming document for Denmark is based on four priorities:

- action to upgrade the vocational prospects of young people who never began or failed to complete vocational training after they left school, who were at school for only nine or ten years or who are threatened with long-term unemployment or excluded from the labour market
- support for the unemployed threatened with long-term unemployment: vocational training, work-directed counselling and job experience
- support action for those liable to exclusion from the labour market: the handicapped, migrants and the very long-term unemployed
- technical assistance.

A maximum of ECU 263 million will be granted from the European Social Fund for the period 1994-99.

#### France

1.2.124. Commission Decision approving the single programming document for Community structural action under Objective 3 in France.

*Draft Decision approved on 27 July.*

*Formally adopted on 5 August.* The single programming document for the French non-Objective 1 regions is based on the following priorities:

- 'pathways to integration' for the unemployed threatened with long-term unemployment: assessment, training, guidance, help with job-seeking, etc.
- improving the prospects for young people in search of work: apprenticeship and sandwich training schemes, job placement initiatives, work creation
- facilitating access to the labour market of persons liable to exclusion
- boosting equality of opportunity between men and women on the labour market
- technical assistance (information, publicity, management, assessment of SPD measures) and pilot projects of specific interest.

A maximum amount of ECU 2 562 400 000 will be granted from the European Social Fund for the period 1994-99.

#### Netherlands

1.2.125. Commission Decision approving the single programming document for

Community structural action under Objective 3 in the Netherlands.

*Draft Decision approved on 19 July.*

*Formally adopted on 17 August.* The single programming document for non-Objective 1 regions in the Netherlands is based on two priorities:

- training and placement schemes, etc. giving access to the labour market for the long-term unemployed and other excluded categories
- support for general training and integration structures.

Maximum assistance of ECU 928 million will be granted from the European Social Fund for the period 1994-99.

#### United Kingdom

1.2.126. Commission Decision approving the single programming document covering assistance from the European Social Fund for Objective 3 purposes in the United Kingdom.

*Draft Decision approved on 19 July.*

*Formally adopted on 5 August.* The single programming document for United Kingdom non-Objective 1 regions sets four priorities:

- 'pathways to employment' designed to combat long-term unemployment through targeted training and employment assistance for the long-term unemployed of all ages
- 'pathways to a good start in working life': integration of jobless young people into working life by provision of up to two years of quality initial training
- 'pathways to integration' aimed at integrating those exposed to exclusion into working life by targeted action of first priority type with in addition specialized help for the particular needs of excluded groups
- 'pathways of equal opportunity' for unemployed men and women.

A maximum amount of ECU 1 501 million will be granted from the European Social Fund for the period 1994-99.

#### Community initiatives

1.2.127. Commission Decision on financial allocation of Community initiative appropriations.

**Reference:** Commission notices to Member States setting guidelines for the operational programmes and global grant applications they are invited to present under the Community initiatives Konver, SMEs, Regis II, Retex, Resider II, Interreg II, Leader II, Pesca, Adapt, Employment and Development of Human Resources, Urban and Modernization of the Portuguese Textile and Clothing Industry: OJ C 180, 1.7.1994; Bull. 6-1994, point 1.2.133

*Adopted on 13 July.* The Commission set the indicative financial allocation among Member States of appropriations for 1994-99 for nine of the 13 initiatives: see Table 2. The criteria applied were:

- Interreg: allocation was determined by Objective and on the basis of the population (weighted) of each eligible region
- REGIS: size of population, level of development, degree of remoteness and other handicaps such as periodic natural disaster and fragmentation into an archipelago
- SMEs: the basic criterion was level of employment in SMEs in the Objective 1, 2 and 5(b) regions
- URBAN: size of population
- Employment and Development of Human Resources: the basic criterion for the NOW strand was total female population of working age, for the Horizon strand total population adjusted for long duration unemployment rate and for Youth-start the unemployment rate for the under-25s
- ADAPT: the basic criteria were total employed population and unemployment rate measured against the Community average
- Leader: total eligible zone area, size of active agricultural working population and number of farms
- PESCA: level of employment in the sector as a whole and need for socio-economic accompanying measures.



Table 2 — *Indicative allocation among Member States of appropriations for nine Community initiatives (1994-99)*

(million ECU)

Country	Interreg		REGIS	Leader	Employment and development of human resources	ADAPT	Modernization of Portuguese textile and clothing industry	SMEs	URBAN	PESCA
	Total	REGEN component								
Belgium	82	—	—	8	32.1	31.2	—	12.1	10.5	2.0
Denmark	17.7	—	—	8	11.0	29.5	—	2.5	1.5	16.4
Germany	402.2	—	—	174	156.8	228.8	—	183.0	96.8	23.0
Greece	595	200	—	146	64.4	30.1	—	82.2	45.2	27.1
Spain	564.7	80	214	330	366.6	256.4	—	227.7	130.4	41.5
France	246	—	262	187	146.5	249.7	—	57.7	55.0	27.9
Ireland	133.5	—	—	46	46.1	21.2	—	28.4	15.5	3.7
Italy	347.4	80	—	282	348.7	190	—	187.8	115.3	33.7
Luxembourg	3.5	—	—	1	0.3	0.3	—	0.3	0.5	—
Netherlands	69.1	—	—	7	40.7	55.2	—	9.8	9.9	10.2
Portugal	339.7	140	124	116	40.3	21	400	122.3	43.7	25.6
United Kingdom	99.4	—	—	61	146.5	286.6	—	61.3	75.6	33.9

### ECSC social aid

1.2.128. 1993 report on European Coal and Steel Community activities: readaptation aid for workers.

**Reference:** Commission Decision suspending ECSC funding of certain social aid: OJ C 178, 30.6.1994; Bull. 6-1994, point 1.2.134

**Previous report:** Bull. 12-1991, point 1.2.160

*Adopted by the Commission on 1 July.* The report specifies how aid was granted in 1993, assesses the readaptation aid programme and examines the national industrial and employment situations in which the programme was applied.

Details are provided of amounts committed and the types of social measure implemented, including supplementary steel sector measures introduced despite budgetary constraints, and integration of certain ECSC measures into the European Social Fund provisions is discussed.

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### Financing

#### Regions lagging behind in development

1.2.129. Commission decisions: see Table 3.

Table 3 — *Financing under Objective 1*

<i>(million ECU)</i>			<i>(million ECU)</i>		
Country/region/purpose	Fund	Total assistance	Country/region/purpose	Fund	Total assistance
<i>Germany</i>			<b>Regional programmes</b>		
<b>Regional programmes</b>			• Attica	ERDF, ESF, EAGGF	685.7
• Berlin (East)	ERDF, ESF, EAGGF	743.1	• Crete	ERDF, ESF, EAGGF	312.3
• Brandenburg	ERDF, ESF	964.8	• Epirus	ERDF, ESF, EAGGF	236.5
• Mecklenburg-Western Pomerania	ERDF, ESF	785.1	• Central Greece	ERDF, ESF, EAGGF	371.5
• Saxony	ERDF, ESF	2081.0	• Western Greece	ERDF, ESF, EAGGF	301.5
• Saxony-Anhalt	ERDF, ESF	1 190.0	• Ionian Islands	ERDF, ESF, EAGGF	170.7
• Thuringia	ERDF, ESF	964.8	• Northern Aegean Islands	ERDF, ESF, EAGGF	210.2
<b>Agriculture and rural development</b>			• Southern Aegean Islands	ERDF, ESF, EAGGF	224.1
• Brandenburg	ERDF, ESF, EAGGF	730	• Central Macedonia	ERDF, ESF, EAGGF	588.5
• Mecklenburg-Western Pomerania	ERDF, ESF, EAGGF	677	• Western Macedonia	ERDF, ESF, EAGGF	217.0
• Saxony	ERDF, ESF, EAGGF	621	• Macedonia-Thrace	ERDF, ESF, EAGGF	494.3
• Saxony-Anhalt	ERDF, ESF, EAGGF	583	• Peloponnese	ERDF, ESF, EAGGF	286.0
• Thuringia	ERDF, ESF, EAGGF	521	• Thessaly	ERDF, ESF, EAGGF	375.8
<i>Greece</i>			<i>Ireland</i>		
<b>Energy</b>	ERDF	352.1	<b>Environmental services</b>	ERDF	78
<b>Environment</b>	ERDF	76.7	<b>Economic infrastructure</b>	ERDF	108
<b>Natural gas</b>	ERDF	354.6	<b>Tourism</b>	ERDF, ESF	456
<b>Industry</b>	ERDF, ESF	720.0	<b>Transport</b>	ERDF	888
<b>Research and technology</b>	ERDF, ESF	316.2	<i>Portugal</i>		
<b>Health services and social benefits</b>	ERDF, ESF	226.4	<b>Prinest (statistical information system)</b>	ERDF	30

**Fisheries structures**

1.2.130. Commission decisions: see Table 4.

Table 4 — *Fisheries : financing of structural action*

<i>(million ECU)</i>		
Description/country	Fund	Total assistance
Improvement and adaptation of fisheries and aquaculture structures — Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Spain, United Kingdom	EAGGF	29.1
Exploratory fishing and joint ventures — France, Italy, Portugal, Spain	EAGGF	7.23
Promotion of fish consumption — Belgium, Netherlands, Spain	EAGGF	0.43
Facilities at fishing ports — Belgium, France, Ireland, Italy, Portugal, Spain, United Kingdom	EAGGF	7.14
Redeployment operations — Portugal, Spain	EAGGF	2.32
Processing and marketing of fishery and aquaculture products — France, Italy, Portugal, Spain	EAGGF	7.73

**Other financing**

1.2.131. Commission decisions: see Table 5.

Table 5 — *Other financing*

<i>(million ECU)</i>			
Purpose	Description	Fund	Total assistance
Conference	Second Conference on Baltic Sea Sub-regional Cooperation	ERDF	0.018
Operating expenditure	Agency for modernization of Lisbon's economic base	ERDF	0.170
Pilot project	Transfer of tools, operations and know-how	ERDF	0.327
	Village +	ERDF	0.165
Study	European commercial policy and its impact at undertaking-activity level	ERDF	0.071

## Agriculture

### Orientation of CAP

*1.2.132.* Council Regulation (EC) No 2100/94 on Community plant variety rights.

**Commission proposal:** OJ C 244, 28.9.1990; COM(90) 347; Bull. 7/8-1990, point 1.3.166

**Economic and Social Committee opinion:** OJ C 60, 8.3.1991; Bull. 12-1990, point 1.3.183

**Parliament opinion:** OJ C 305, 23.11.1992; Bull. 10-1992, point 1.3.111

**Amended Commission proposal:** OJ C 113, 23.4.1993; COM(93) 104; Bull. 3-1993, point 1.2.114

**Council agreement:** Bull. 6-1994, point 1.2.140

*Formally adopted on 27 July.*

OJ L 227, 1.9.1994

### Quality of agricultural products

*1.2.133.* Proposal for a Council Regulation amending Regulation (EEC) No 2092/91 on organic production of agricultural products and indications referring thereto on agricultural products and foodstuffs.

**Reference:** Council Regulation (EC) No 1468/94 amending Regulation (EEC) No 2092/91; OJ L 159, 28.6.1994; Bull. 6-1994, point 1.2.143

**Commission proposal:** OJ C 326, 3.12.1993; COM(93) 558; Bull. 11-1993, point 1.2.141

**Economic and Social Committee opinion:** OJ C 148, 30.5.1994; Bull. 3-1994, point 1.2.121

**Parliament opinion:** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.112

*Amended proposal adopted by the Commission on 7 July.* This amended version of the part not yet adopted by the Council of proposal COM (93) 558, which formed the basis of Regulation (EC) No 1468/94 of 20 June, takes account of some changes in the wording requested by Parliament.

OJ C 222, 10.8.1994; COM(94) 292

### Prices and related measures

*1.2.134.* Council Regulations (EC) Nos 1866/94 to 1882/94 and 1884/94 to 1895/94 fixing agricultural prices and providing for certain related measures (1994/95).

**Commission proposals:** OJ C 83, 19.3.1994; COM(94) 10; Bull. 1/2-1994, point 1.2.121

**Economic and Social Committee opinion:** OJ C 148, 30.5.1994; Bull. 3-1994, point 1.2.122

**Parliament opinion:** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.113

*Agreed by the Council on 19 July.*

*Formally adopted on 27 July.* These Regulations were adopted as part of a global compromise which also includes Regulation (EC) No 1883/94 on milk quotas (→ point 1.2.137). They are designed to maintain stability and continuity in agriculture, while at the same time encouraging production cuts.

The proposals relating to definitions of broken rice and of butter eligible for intervention, the transfer of the entire amount of the aid for the consumption of olive oil to production and the introduction of a flat-rate aid for dried fodder were withdrawn. The other Commission proposals were adopted with some amendments, the main ones being the following:

- an additional 1 % reduction (instead of the 3 % proposed) in the intervention price for butter;
- extension of the scope of the aid scheme for durum wheat;
- the introduction of a system of quotas for the production of potato starch;
- an increase in the amount of the monthly reimbursement of storage costs for sugar.

Details of the prices adopted are given in Tables 6 and 7.

OJ L 197, 30.7.1994

Table 6 — Price decisions for agricultural products

Product, price/amount description and period of application	Amount (ECU/tonne except as otherwise indicated)	Product, price/amount description and period of application	Amount (ECU/tonne except as otherwise indicated)
Cereals 1.7.1994 to 30.6.1995		Silkworms 1.4.1994 to 31.3.1995	
Target price	118.45	Aid per box of eggs	110.41
Intervention price	16.60		
Rice 1.9.1994 to 31.8.1995		Cotton 1.9.1994 to 31.8.1995	
Target price — husked rice	530.60	Guide price	1 014.60
Intervention price — paddy rice	309.60	Minimum price	963.90
Sugar 1.8.1994 to 31.7.1995		Milk products 1.7.1994 to 30.6.1995	
Basic beet price	39.48	Target price for milk	256.60
White sugar intervention price <sup>1</sup>	52.33	Intervention price	
		Butter	2 718.00
		Skimmed milk powder	1 702.00
Olive oil 1.11.1991 to 31.10.1995		Beef/veal 1.8.1994 to 31.7.1995	
Production target price	3 178.20	Guide price for adult animals	1 974.20
Intervention price	1 624.00		
Representative market price	1 900.60	Sheepmeat 2.1.1995 to 25.12.1995	
Production aid	1 177.60 <sup>2</sup>	Basic price (carcasses weight)	4 174.50
Consumption aid	100.00		
Dried fodder 1.5.1994 to 30.4.1995		Pigmeat 1.7.1994 to 30.6.1995	
Guide price	176.29	Basic price (carcasses weight)	1 300.00
Linseed 1.8.1994 to 31.7.1995		Table wine 1.9.1994 to 31.8.1995	
Compensatory payment <sup>3</sup>	87.00	Guide price type RI <sup>5</sup>	3.17
		RII <sup>5</sup>	3.17
		RIII <sup>6</sup>	51.47
		AI <sup>5</sup>	3.17
		AII <sup>6</sup>	68.58
		AIII <sup>6</sup>	78.32
Flax fibre 1.8.1994 to 31.7.1995			
Fixed aid <sup>4</sup>	774.86		
Hemp 1.8.1931 to 31.7.95			
Fixed aid <sup>4</sup>	641.60		

<sup>1</sup> ECU/100 kg.<sup>2</sup> ECU 1 068.40/t for Spain and Portugal.<sup>3</sup> Multiply by regional historic yield for cereals to obtain amount in ECU/ha.<sup>4</sup> ECU/ha.<sup>5</sup> ECU/% vol/hl.<sup>6</sup> ECU/hl.

Table 7 — *Fruit and vegetables: basic prices*

(ECU/100 kg net)

	1994							1995				
	June	July	August	September	October	November	December	January	February	March	April	May
Cauliflowers <sup>1</sup>	24.58	21.79	21.79	23.56	24.45	29.48	29.48	29.48	27.48	28.92	29.28	—
Tomatoes	(11-20) 28.15 (21-30) 25.61	23.08	20.67	21.94	23.27	28.02	—	—	—	—	—	—
Aubergines	—	17.55	17.55	17.55	17.55	—	—	—	—	—	—	—
Peaches	44.77	42.38	42.38	42.38	—	—	—	—	—	—	—	—
Nectarines	58.37	53.99	53.99	—	—	—	—	—	—	—	—	—
Apricots	41.16	41.16	—	—	—	—	—	—	—	—	—	—
Lemons	41.98	42.99	42.56	38.18	36.01	35.00	34.37	35.38	34.12	36.00	37.16	38.04
Pears	—	38.27	26.37	25.22	26.24	26.63	27.00	27.25	27.25	27.25	27.25	—
Table grapes	—	—	35.83	32.03	32.03	(1-20) 32.03	—	—	—	—	—	—
Apples	—	—	26.08	26.08	26.08	26.79	29.18	31.58	31.58	31.58	31.58	31.58
Mandarins	—	—	—	—	—	(16-30) 36.48	36.10	35.60	33.84	—	—	—
Satsumas	—	—	—	—	(16-31) 28.37	25.13	27.29	(1-15) 26.21	—	—	—	—
Clementines	—	—	—	—	—	—	33.41	31.22	(1-15) 35.98	—	—	—
Sweet oranges	—	—	—	—	—	—	34.02	30.47	31.09	33.00	33.63	33.63

<sup>1</sup> For May 1994: ECU 30.57/100 kg.

## Market organization

### Cereals

1.2.135. Council Regulation (EC) No 1799/94 on special arrangements for imports of maize and sorghum into Spain for the year 1994.

**Commission proposal:** COM(94) 246; Bull. 6-1994, point 1.2.144

*Adopted on 18 July.*

OJ L 189, 23.7.1994

### Fruit and vegetables

1.2.136. Commission communication to the Council and Parliament on the development and future of Community policy in the fruit and vegetables sector.

**Reference:** Council Regulation (EEC) No 1035/72 on the common organization of the market in fruit and vegetables (OJ L 118, 20.5.1972), as last amended by Regulation (EC) No 3669/93: OJ L 338, 31.12.1993; Bull. 12-1993, point 1.2.149

*Adopted on 27 July.* The communication, in the form of a discussion paper, is intended to give rise to as broad a debate as possible on the future of Community policy on fruit and vegetables, prior to the presentation of more detailed proposals by the Commission.

The Commission stresses that the fruit and vegetables sector differs from the other major sectors subject to a common market regime because of the large number and diversity of products concerned, the perishable nature of most of them (need for rapid marketing, limited storage possibilities), the more market-oriented approach to production (less prominent role of intervention), and the fairly decentralized system of market regulation, largely in the hands of the producers' organizations. Broadly speaking, it takes the view that this system has proved its worth and that all its positive features, which correspond well to the specific characteristics of the sector (market orientation, decentralization, grouping of supplies) should be maintained or even reinforced.

It notes, however, that close analysis of the market organization mechanisms reveals a number of weaknesses: the unsatisfactory operation of certain producers' organizations; the scale of subsidized withdrawals, which have become structural for some crops and regions; criticism of quality standards from the public and the trade and shortcomings in statistics.

The Commission's aim is to put forward proposals for reform which would consolidate the positive features of the current market organization, while simplifying the system and eliminating weaknesses. To that end it envisages a combination of various measures:

- better grouping of supplies, in particular by tightening up the criteria for the recognition of producers' organizations and setting up a part-financing system to enable recognized producers' organizations to maintain 'operating funds';
- a new way of managing short-term surpluses, based on stricter rules on withdrawal;
- promoting a better balance between fresh produce and processed products;
- redefinition of the role of standards;
- a specific approach to specific problems affecting produce such as garlic, asparagus, mushrooms and soft fruit;
- more stringent controls.

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## *Milk and milk products*

*1.2.137.* Council Regulation (EC) No 1883/94 amending Regulation (EEC) No 3950/92 establishing an additional levy in the milk and milk products sector.

**Regulation amended:** Council Regulation (EEC) No 3950/92 (OJ L 405, 31.12.1992; Bull. 12-1992, point 1.3.232), as last amended by Council Regulation (EEC) No 1560/93: OJ L 154, 25.6.1993; Bull. 6-1993, point 1.2.186

**Commission proposal:** OJ C 108, 16.4.1994; COM(94) 64; Bull. 3-1994, point 1.2.128

**Amended Commission proposal:** OJ C 125, 6.5.1994; COM(94) 150; Bull. 4-1994, point 1.2.120

**Parliament opinion:** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.120

*Agreed by the Council on 19 July.*

*Formally adopted on 27 July.* This Regulation was adopted as part of the overall compromise on the prices package (→ point 1.2.134). It confirms the increase in the milk quotas for Greece (+ 100 000 tonnes), Spain (+ 500 000 tonnes) and Italy (+ 900 000 tonnes) subject to an adjustment of the amount of the Italian reserve. The general 1 % cut in quotas for all the Member States proposed by the Commission to restore market equilibrium, on the other hand, was not adopted, the quotas being kept at their current level.

OJ L 197, 30.7.1994

## **EAGGF Guarantee Section**

*1.2.138.* Proposals for Council Regulations amending, respectively, Regulation (EEC) No 729/70 on the financing of the common agricultural policy and the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities.

### **Regulations to be amended:**

Council Regulation (EEC) No 729/70 (OJ L 94, 28.4.1970), as last amended by Regulation (EEC) No 2048/88: OJ L 185, 15.7.1988; Bull. 6-1988, point 2.3.15

Financial Regulation of 21 December 1977 (OJ L 356, 31.12.1977), as last amended by Council

Regulation (Euratom, ECSC, EEC) No 610/90: OJ L 70, 16.3.1990; Bull. 3-1990, point 1.4.6

*Adopted by the Commission on 1 July.* Would rationalize the clearance of the accounts of the EAGGF Guarantee Section by splitting it into two separate procedures: a purely accounting clearance with a short deadline and an audit of compliance of Member States' expenditure with the Community rules, involving a conciliation procedure if necessary.

COM(94) 240

*1.2.139.* Proposal for a Council Regulation amending Regulation (EEC) No 3508/92 establishing an integrated administration and control system for certain Community aid schemes.

**Regulation to be amended:** Regulation (EEC) No 3508/92: OJ L 355, 5.12.1992; Bull. 11-1992, point 1.3.163

*Adopted by the Commission on 6 July.* Would extend until 1995 the arrangements for Community part-financing of expenditure for the introduction of the integrated administration and control system for Community aids.

COM(94) 286

*1.2.140.* Council Regulation (EC) No 1999/94 on the supply of agricultural products free of charge to the populations of Georgia, Armenia, Azerbaijan, Kyrgyzstan and Tadjikistan (→ point 1.3.39).

## State aid

### *Decision to raise no objection*

#### Germany

*1.2.141.* Commission decision on aids to make good losses caused by polychlorinated biphenyls.

*Adopted on 27 July.* The aids in question are intended to compensate farmers who, between 1989 and 1991, were obliged to remove quantities of milk and meat from the market following contamination of cattle feed by PCBs used to treat string binding hay bales. The rules governing such aids, which are so designed as to exclude any possibility of farmers receiving

compensation in excess of losses actually suffered, are compatible with the rules on competition laid down in the Treaty.

#### Spain

*1.2.142.* Commission decision on aids to cushion the impact of drought on farms.

*Adopted on 27 July.* The aids in question are in the form of extension of time limits for the payment of water bills and property tax; interest-rate subsidies and advances on aids under the common agricultural policy. The Spanish authorities undertook to allocate the aids in accordance with the relevant Community criteria.

#### United Kingdom

*1.2.143.* Commission decision on the reorganization of the Scottish Milk Marketing Boards.

*Adopted on 6 July.* The aids in question are granted in connection with the replacement of the Scottish Milk Marketing Boards by voluntary cooperatives. The Commission took the view that the allocation of shares in the new cooperatives to former members of the Milk Marketing Boards was in accordance with normal market conditions and did not discriminate against those who chose not to join the new cooperatives.

### *Decisions to initiate procedure*

#### Spain

*1.2.144.* Commission decision on an aid scheme for cooperatives and other agricultural groupings.

*Adopted on 19 July.* According to the information available to the Commission, the aids in question constituted operating aids not contributing to the long-term structural development of the sectors in question and were therefore incompatible with the common market.

#### Italy

*1.2.145.* Commission decision on measures to assist agricultural holdings experiencing difficulties in Sardinia.



*Adopted on 6 July.* According to the information available to the Commission, the aids in question consist of the short-term consolidation of debt of the eligible holdings and are not therefore compatible with the Community rules.

*1.2.146.* Commission decision on aids for slaughterhouses in Sardinia.

*Adopted on 6 July.* According to the information available to the Commission, the aids in question consist in meeting the operating costs of the beneficiary undertakings and having no lasting effect on the improvement of structures and are therefore incompatible with the common market.

### *Decision to rescind a decision initiating the procedure*

#### **Germany**

*1.2.147.* Commission decision on aids for ware potatoes.

**Reference:** initiation of procedure: Bull. 5-1994, point 1.2.107

*Adopted on 19 July.* The German authorities withdrew the measure in question.

### *Negative final decisions*

#### **France**

*1.2.148.* Commission decision on aids for pig producers introduced by the 'Caisse professionnelle de régulation porcine' (Stabiporc).

**Reference:** initiation of procedure: OJ C 107, 15.4.1994

*Adopted on 27 July.* The aids in question consist of reduced-interest loans without a sufficient guarantee of repayment of these advances to Stabiporc by the producers. The Commission regards the aids as unlawful and asked France to abolish such aids in future and to recover payments already made. In the light of information received from the French authorities, it also initiated the procedure against a State guarantee on loans to pig producers, via Stabiporc, from private funds.

*1.2.149.* Commission decision on aids in the pigmeat sector.

**Reference:** initiation of procedure: OJ C 107, 15.4.1994

*Adopted on 27 July.* The Commission decided that aids in the form of relief on annual payments due in 1993 in connection with modernization loans could be regarded as compatible with the common market as they were within the authorized ceilings but that aids in the form of relief on annual payments due for 1993 in connection with loans for the installation of young farmers were incompatible with the common market since they did exceed the above-mentioned ceilings, taking into account other aids such as installation loans and the installation grant. It therefore requested the French Government to abolish the latter aid and to ensure that that part of the aid already paid in excess of the ceiling was reclaimed.

### **International cooperation**

*1.2.150.* Draft bilateral agreement between the Community and Switzerland on agriculture.

**Reference:** Council conclusions on future relations with Switzerland: Bull. 11-1993, point 1.3.4

*Recommendation for a Decision adopted by the Commission on 20 July.* The recommendation covers the general approach by the Council to future relations between the Union and Switzerland, with provision for the negotiation of a new bilateral agricultural agreement.

## **Fisheries**

### **Orientation of common fisheries policy**

*1.2.151.* Commission communication to the Council and Parliament on the crisis in the Community's fishing industry.

**References:**

Council Regulation (EEC) No 3759/92 on the common organization of the market in fishery

and aquaculture products (OJ L 388, 31.12.1992; Bull. 12-1992, point 1.3.284), as last amended by Regulation (EEC) No 1891/93: OJ L 172, 15.7.1993; Bull. 7/8-1993, point 1.2.189

Council Regulation (EEC) No 2080/93 laying down provisions for implementing Regulation (EEC) No 2052/88 as regards the financial instrument for fisheries guidance: OJ L 193, 31.7.1993; Bull. 7/8-1993, point 1.2.120

Council Regulation (EEC) No 2847/93 of 12 October 1993 establishing a control system applicable to the common fisheries policy: OJ L 261, 20.10.1993; Bull. 10-1993, point 1.2.153

Council Regulation setting the terms under which fishing vessels flying a third country flag may directly land and market their catches at Community ports: Bull. 5-1994, point 1.2.118

*Adopted on 19 July.* In its communication, which it hopes will launch a debate in the Council and Parliament, the Commission analyses the causes of the current crisis in the fishing industry and outlines solutions for safeguarding the future of the industry.

The Commission takes the view that the fall in prices for the majority of species since the beginning of 1993 is not the only factor responsible for the profitability problems of undertakings in the fishing industry but that the causes of the crisis are multiple:

- the situation of dependence of the Community market, which has to meet demand from consumers and from the processing industry, while at the same time safeguarding the interests of Community producers against a background of increasing imports;
- cyclical factors (recession, exchange rate movements and fluctuations in catches);
- excess capacity in some segments of the Community fleet in relation to the stocks available, given the imperatives of conservation; insolvency of the businesses concerned;
- unsuitable marketing structures.

The Commission notes that the implementation of the new monitoring arrangements and of the Regulation on direct landings prevents unfair competition from outside the Community and draws attention to the international commitments entered into by the European Union on import conditions. It also takes the view that the following actions may help to remedy the crisis:

- improved resource management and more effective monitoring of catches;

- restructuring of the industry within the framework of the new structural rules; restoration of competitiveness; implementation of appropriate socio-economic accompanying measures;
- improvement of market management, in particular by reinforcing the role of the producers' organizations.

COM(94) 335

*1.2.152.* Proposal for a Council Regulation establishing the rules for access to certain Community fishing areas and resources; proposal for a Council Regulation amending Regulation (EEC) No 2847/93 establishing a control system applicable to the common fisheries policy.

**References:**

Act of Accession of Spain and Portugal: OJ L 302, 15.11.1985

Council Regulation (EC) No 1275/94 on adjustments to the arrangements in the fisheries chapters of the Act of Accession of Spain and Portugal: OJ L 140, 3.6.1994; Bull. 5-1994, point 1.2.109

**Regulation to be amended:** Council Regulation (EC) No 2847/93: OJ L 261, 20.10.1993; Bull. 10-1993, point 1.2.153

*Adopted by the Commission on 13 July.* The proposals form part of the integration of Spain and Portugal into the general rules of the common fisheries policy as provided for by Regulation (EC) No 1275/94. The first proposal concerns conditions of access to zones and resources already subject to restrictions under the rules of accession of Spain and Portugal. It aims to regulate the fishing effort of the Member States in the areas and for the resources in question by allocating to each of them a number of 'standard-vessel days'.

The second proposal establishes appropriate control measures for ensuring that the rules on fishing effort are observed and provides for integrating Spain and Portugal into the general control arrangements applicable to the common fisheries policy.

OJ C 247, 3.9.1994; COM(94) 308; COM(94) 309

**Conservation and management of resources**

*Internal aspects*

*1.2.153.* Council Regulation (EC) No 1796/94 amending for the fifteenth time Regulation (EEC) No 3094/86 laying down certain tech-

nical measures for the conservation of fishery resources.

**Regulation amended:** Council Regulation (EEC) No 3094/86 (OJ L 288, 11.10.1986; Bull. 10-1986, point 2.1.174), as last amended by Regulation (EC) No 3676/93; OJ L 341, 31.12.1993; Bull. 12-1993, point 1.2.236

**Commission proposal:** OJ C 346, 24.12.1993; COM(93) 615; Bull. 11-1993, point 1.2.174

**Parliament opinion:** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.128

*Adopted on 18 July.* Incorporates into Regulation (EEC) No 3094/86 a number of technical measures hitherto covered by the annual regulation on TACs and quotas.

OJ L 187, 22.7.1994

### External aspects

#### Mauritius

1.2.154. Protocol defining, for the period 1 December 1993 to 30 November 1996, the fishing opportunities and the financial contribution provided for by the Agreement between the Community and the Government of Mauritius on fishing in the waters of Mauritius.

**Commission proposal for conclusion:** COM (94) 32; Bull. 1/2-1994, point 1.2.149

**Parliament opinion:** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.117

*Regulation (EC) No 1797/94 relating to the conclusion of the Protocol adopted by the Council on 18 July.* The Protocol provides for the following fishing opportunities for the Community fleet in the waters of Mauritius:

- 20 ocean-going tuna seiners;
- 100 grt/month on an annual average for vessels fishing by line, except tuna trollers and tuna surface longliners.

Fishing licences may also be granted for tuna trollers and surface tuna longliners. The financial compensation for the duration of the Protocol is set at ECU 975 000, plus ECU 50 per additional tonne of tuna fished by Community vessels over and above 6 000 tonnes a year.

OJ L 187, 22.7.1994

#### State aid

1.2.155. Commission guidelines for the examination of national aids for fisheries.

**Reference:** previous guidelines: OJ C 268, 19.10.1985; Bull. 10-1985, point 2.1.128

*Adopted on 27 July.* The new guidelines, which define the framework in which the Commission administers derogations to the principle of incompatibility of State aid with the common market (Article 92 of the EC Treaty) and apply to the entire fishing industry, take account of all the changes in the rules under the common fisheries policy which have occurred in the past few years. After setting out in detail the criteria for assessing compatibility of the various types of aid (general aid, aid for sea-fishing and aid for processing and marketing) with the common market, the Commission also draws the attention of the Member States to the obligation of notification prior to payment of aids and to the consequences of failure to comply with this obligation.

OJ C 260, 17.9.1994

### International cooperation

1.2.156. Proposal for a Council Decision on accession of the EC to the Agreement to promote compliance with international conservation and management measures by fishing vessels on the high seas.

**Reference:** Twenty-seventh meeting of the FAO Conference: Bull. 11-1993, point 1.3.49

*Adopted by the Commission on 22 July.* The Agreement to promote compliance with international conservation and management measures by fishing vessels on the high seas, approved by the FAO Conference in November 1993, lays down that the contracting parties are to monitor the fishing activities on the high seas of vessels flying their flag with regard to international conservation and management measures.

OJ C 229, 18.8.1994; COM(94) 331

## Environment

### Industry and environment

#### Waste management

1.2.157. Proposal for a Council Directive on the incineration of hazardous waste.

**Commission approval:** Bull. 1/2-1992, point 1.3.149

**Commission proposal:** OJ C 130, 21.5.1992; COM(92) 9; Bull. 3-1992, point 1.2.128

**Economic and Social Committee opinion:** OJ C 332, 16.12.1992; Bull. 10-1992, point 1.3.101

**Parliament opinion (first reading):** OJ C 115, 26.4.1993; Bull. 3-1993, point 1.2.99

**Amended Commission proposal:** OJ C 190, 14.7.1993; COM(93) 296; Bull. 6-1993, point 1.2.160

**Council agreement:** Bull. 6-1993, point 1.2.160

**Second Parliament opinion (first reading):** OJ C 91, 28.3.1994; Bull. 3-1994, point 1.2.151

*Common position (EC) No 26/94 adopted by the Council on 11 July.* In accordance with the agreement reached within the Council in June 1993, this common position was adopted on the basis of Article 130s(1) of the EC Treaty. It is intended to reduce the adverse effects of the incineration of hazardous waste on the environment and on human health by laying down appropriate operating conditions for incineration plants and emission limit values for hazardous substances. These measures will be implemented in two phases, whereby the limit values laid down initially will be reviewed in the medium term on the basis of experience, technological progress and environmental requirements. In addition, the legal basis chosen will allow Member States to maintain or introduce more stringent provisions.

OJ C 232, 20.8.1994

## Environmental quality and natural resources

### *Urban environment, air quality, transport and noise*

*1.2.158.* Proposal for a Council Directive on ambient air quality assessment and management

**Reference:** fifth Community programme of policy and action in relation to the environment and sustainable development: COM(92) 23; Bull. 3-1992, point 1.2.115

*Adopted by the Commission on 4 July.* In this proposal for a framework Directive, which comes under the Community's fifth environment programme, the Commission sets out the basic principles underlying a joint strategy designed to ensure satisfactory air quality while leaving it to the Member States to take specific

measures to reduce pollution levels on their territory. The objectives of this strategy are as follows:

- to establish ambient air quality objectives and set, for each harmful substance, limit values to be achieved in the medium term, alert thresholds, and provisional margins of exceedance;
- to assess the ambient air quality in Member States in a uniform manner;
- to inform the public about ambient air quality, particularly if it is poor;
- to take appropriate measures to maintain or improve ambient air quality, in particular through programmes to be implemented by the Member States.

OJ C 216, 6.8.1994; COM(94) 109

### *Global environment: climate change, geosphere and biosphere*

*1.2.159.* Proposal for a Council Regulation on substances that deplete the ozone layer.

**Commission proposal:** OJ C 232, 28.8.1993; COM(93) 202; Bull. 6-1993, point 1.2.173

**Economic and Social Committee opinion:** OJ C 52, 19.2.1994; Bull. 12-1993, point 1.2.182

**Parliament opinion (first reading):** OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.2.173

**Amended Commission proposal:** OJ C 109, 19.4.1994; COM(94) 75; Bull. 3-1994, point 1.2.156

**Council agreement on a common position:** Bull. 6-1994, point 1.2.187

*Common position formally adopted by the Council on 27 July.*

## Nuclear safety

### *Radiation protection*

*1.2.160.* Proposal for a Council Directive laying down the basic safety standards for the protection of the health of workers and the general public against the dangers arising from ionizing radiation.

**Draft Commission proposal:** Bull. 7/8-1992, point 1.3.159

**Economic and Social Committee opinion:** OJ C 108, 19.4.1993; Bull. 1/2-1993, point 1.2.163

**Commission proposal:** OJ C 245, 9.9.1993; COM(93) 349; Bull. 7/8-1993, point 1.2.146

**Parliament opinion:** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.153

*Amended proposal adopted by the Commission on 8 July.* This amended proposal takes over certain European Parliament amendments, in particular concerning social protection for workers exposed and the requirements for controlled and supervised areas.

OJ C 224, 12.8.1994; COM(94) 298

## International cooperation

### *People's Republic of China*

1.2.161. Visit by Mr Paleokrassas from 2 to 4 July.

**Reference:** United Nations Conference on Environment and Development: Bull. 6-1992, point 1.3.127

Mr Paleokrassas saw Mr Song Jian, State Councillor for Science and Technology, and Mrs Deng Nan, Vice-President of the State Commission for Science and Technology. Their talks concerned the environment policies of the People's Republic of China and the European Union, in particular as regards the implementation of Agenda 21 adopted by the Rio Conference. It was the first visit by a Commission Member with special responsibility for the environment to the People's Republic of China.

### *Republic of Korea*

1.2.162. Visit by Mr Paleokrassas from 30 June to 1 July.

Mr Paleokrassas saw Mr Han Sung-Joo, the Minister for Foreign Affairs, Mr Park Yung-Heun, the Environment Minister, and Mr Kim Chul-Su, the Minister for Trade, Industry and Energy. Their talks concerned the prospects for cooperation on the environment between the Republic of Korea and the European Union in the context of the preparation of a framework agreement providing in particular for exchanges of information and technology and joint projects in the field of environmental research, education and training. It was also the first visit by a Com-

mission Member with special responsibility for the environment to the Republic of Korea.

## Social policy

### General

1.2.163. Commission White Paper on European social policy: a way forward for the Union.

#### References:

Commission communication concerning its action programme for the implementation of the Community Charter of the Fundamental Social Rights of Workers: COM(89) 568; Bull. 11-1989, point 2.1.80

Commission Green Paper on European social policy: options for the Union: COM(93) 551; Bull. 11-1993, point 1.2.119

Commission White Paper on growth, competitiveness and employment: the challenges and ways forward into the 21st century: COM(93) 700; Bull. 12-1993, point 1.2.44; Supplement 6/93 — Bull.

*Adopted by the Commission on 27 July.* Following on from the Green Paper on social policy published in November 1993 and the debate which it engendered, the White Paper is intended to serve as a basis for discussion of a new social action programme to be adopted in 1995.

In this document, the Commission confirms that the pursuit of stable jobs, an objective of the White Paper on growth, competitiveness and employment, has to be the Union's top priority. It points out also that social progress is not an obstacle to economic competitiveness and the resultant creation of jobs, but is in fact a key element of this process, and advocates integration of social and economic policies. In this connection, the Commission notes that the wide-ranging reactions to the publication of the Green Paper on the subject of employment reveal a general desire for a European social model based on solidarity and high social standards. Accordingly, it pinpoints the following areas for action:

□ completion of the legislative programme laid down in the Community Charter of the Funda-

mental Social Rights of Workers: the Commission points out that it has put forward the 21 proposals envisaged, and that 13 of them have been adopted; while important progress has recently been made in the legislative sphere, a number of proposals have yet to be adopted by the Council;

- proper implementation of existing legislation, particularly in the field of health and safety, in which most of the Member States have not yet transposed all of the directives adopted;
- strengthening of cooperation in respect of social security systems;
- introduction of a new action programme on equal opportunities for women and men, along with measures to combat all forms of discrimination, racism and xenophobia;
- review of the operation of the internal market with regard to the free movement of people;
- strengthening of international cooperation, especially from the point of view of the World Summit on Social Development to be held in March 1995 and the consideration of social issues within the future World Trade Organization.

COM(94) 333

## Implementation of the Protocol on social policy

*1.2.164.* Proposal for a Council Directive on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees.

**Commission proposal:** OJ C 135, 18.5.1994; COM(94) 134; Bull. 4-1994, point 1.2.154

**Parliament opinion (first reading):** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.133

**Economic and Social Committee opinion:** Bull. 6-1994, point 1.2.190

**Amended Commission proposal:** OJ C 199, 21.7.1994; COM(94) 228; Bull. 6-1994, point 1.2.190

**Council agreement on a common position:** Bull. 6-1994, point 1.2.190

*Common position (EC) No 32/94 formally adopted by the Council on 18 July.*

OJ C 244, 31.8.1994

## Health and safety at work

*1.2.165.* Council Regulation (EC) No 2062/94 establishing a European Agency for Safety and Health at Work.

**Commission proposal:** OJ C 271, 16.10.1991; COM(90) 564; Bull. 9-1991, point 1.2.61

**Economic and Social Committee opinion:** OJ C 169, 6.7.1992; Bull. 4-1992, point 1.3.91

**Parliament opinion:** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.158

**Amended Commission proposal:** OJ C 176, 29.6.1994; COM(94) 233; Bull. 6-1994, point 1.2.191

**Council agreement:** Bull. 6-1994, point 1.2.191

*Formally adopted by the Council on 18 July.*

OJ L 216, 20.8.1994

*1.2.166.* Proposal for a Council Directive on the minimum health and safety requirements regarding the exposure of workers to the risks arising from physical agents.

**Commission proposal:** OJ C 77, 18.3.1993; COM(92) 560; Bull. 12-1992, point 1.3.158

**Economic and Social Committee opinion:** OJ C 249, 13.9.1993; Bull. 6-1993, point 1.2.149

**Parliament opinion (first reading):** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.160

*Amended proposal adopted by the Commission on 8 July.* The proposal incorporates various amendments of both form and substance adopted by Parliament.

OJ C 230, 19.8.1994; COM(94) 284

## Education, vocational training and youth

### Cooperation in the field of education

*1.2.167.* Proposal for a Parliament and Council Decision establishing the Community action programme 'Socrates'.

**Commission proposal:** OJ C 66, 3.3.1994; COM(93) 708; Bull. 1/2-1994, point 1.2.184

**Parliament opinion (first reading):** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.165

**Economic and Social Committee opinion:** OJ C 195, 18.7.1994; Bull. 4-1994, point 1.2.165

**Amended Commission proposal:** OJ C 164, 16.6.1994; COM(94) 180; Bull. 5-1994, point 1.2.137

**Committee of the Regions opinion:** Bull. 5-1994, point 1.2.137

**Council agreement on a common position:** Bull. 6-1994, point 1.2.197

*Common position No 33/94 formally adopted by the Council on 18 July.*

OJ C 244, 31.8.1994

## Higher education

1.2.168. 1993 annual report on the Erasmus programme.

**Reference:** Council Decision 89/663/EEC amending Decision 87/327/EEC adopting the European Community action scheme for the mobility of university students (Erasmus): OJ L 395, 30.12.1989; Bull. 12-1989, point 2.1.123

**Previous report:** Bull. 6-1993, point 1.2.96

*Adopted by the Commission on 6 July.* The report reviews the development of the Erasmus programme in the 1993 calendar year and the various interuniversity cooperation activities funded during the 1993/94 academic year. Interuniversity cooperation continued to expand, with 2 153 Interuniversity Cooperation Programmes (ICPs) being funded, of which 469 were new programmes. There was also a considerable expansion of activities within these programmes, occasioned by a 30% increase in the number of participating institutions and students involved in mobility schemes (67 531 students eligible to spend a period of study abroad); a total of 8 060 members of teaching staff were expected to travel to another country, an increase of 56% compared with 1992/93. Moreover, 1993 marked the second year of participation by EFTA countries in the Erasmus programme.

COM(94) 281

## Vocational training

1.2.169. Proposal for a Council Decision establishing an action programme for the implementation of a European Community vocational training policy 'Leonardo da Vinci'.

Bull. EU 7/8-1994

**Commission proposal:** OJ C 67, 4.3.1994; COM (93) 686; Bull. 12-1993, point 1.2.113

**Economic and Social Committee opinion:** OJ C 148, 30.5.1994; Bull. 3-1994, point 1.2.169

**Parliament opinion (first reading):** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.138

**Amended Commission proposal:** OJ C 176, 29.6.1994; COM(94) 215; Bull. 5-1994, point 1.2.138

**Council agreement on a common position:** Bull. 6-1994, point 1.2.198

*Common position No 31/94 formally adopted by the Council on 18 July.*

OJ C 244, 31.8.1994

## Foreign language learning

1.2.170. 1993 annual report on the Lingua programme.

**Reference:** Council Decision 89/489/EEC establishing an action programme to promote foreign language competence in the European Community (Lingua): OJ L 239, 16.8.1989; Bull. 7/8-1989, point 2.1.113

**Previous report:** COM(93) 194; Bull. 5-1993, point 1.2.67

*Adopted by the Commission on 6 July.* 1993 saw a significant strengthening and development of the Lingua programme, in terms of both quantity and quality, with a budget totalling ECU 41.8 million. The programme's actions are divided into two categories according to the way they are managed:

□ decentralized actions, which are administered by Member States in collaboration with the European Commission, gave 6 037 teachers an opportunity to undertake a training course in the country whose language they teach and enabled 23 053 young people and 2 435 teachers to take part in joint educational projects through 1 259 partnerships between schools in the 12 Member States;

□ centralized actions, which are administered by the Commission and are geared mainly to in-service training of language teachers, promotion of languages in economic life and learning of less widely used, less taught languages, led to the setting up of 199 partnerships involving 935 partners and 48 institutions, and to the running of 226 interuniversity cooperation projects bringing together 1 147 partners and enabling 8 847 students to travel abroad.

COM(94) 280

## Youth

*1.2.171.* Proposal for a Parliament and Council Decision adopting the 'Youth for Europe III' programme designed to promote the development of exchanges among young people and of youth activities in the Community.

**Commission proposal:** OJ C 160, 11.6.1994; COM(93) 523; Bull. 11-1993, point 1.2.81

**Economic and Social Committee opinion:** OJ C 148, 30.5.1994; Bull. 3-1994, point 1.2.170

**Parliament opinion (first reading):** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.2.167

**Amended Commission proposal:** OJ C 170, 23.6.1994; COM(94) 186; Bull. 5-1994, point 1.2.141

**Committee of the Regions opinion:** Bull. 5-1994, point 1.2.141

**Council agreement on a common position:** Bull. 6-1994, point 1.2.199

*Common position No 28/94 formally adopted by the Council on 11 July.*

OJ C 232, 20.8.1994

## Cooperation with non-member countries on education, training and youth

*1.2.172.* Council Regulation (EC) No 2063/94 amending Regulation (EEC) No 1360/90 establishing a European Training Foundation.

**Regulation amended:** Council Regulation (EEC) No 1360/90; OJ L 131, 23.5.1990; Bull. 5-1990, point 1.3.2

**Commission proposal:** OJ C 82, 19.3.1994; COM(94) 21; Bull. 1/2-1994, point 1.2.187

**Economic and Social Committee opinion:** OJ C 195, 18.7.1994; Bull. 4-1994, point 1.2.169

**Parliament opinion:** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.142

*Adopted by the Council on 27 July.* One of the main aims of the Regulation is to extend the scope of the Foundation's activities to the independent States of the former Soviet Union and Mongolia.

OJ L 216, 20.8.1994

*1.2.173.* Commission financing decision concerning the implementation of the trans-European cooperation scheme for higher education (Tempus).

## References:

Council Decision 90/233/EEC establishing a trans-European mobility scheme for university studies (Tempus): OJ L 131, 23.5.1990; Bull. 5-1990, point 1.3.2

Council Decision 93/246/EEC adopting the second phase of the trans-European cooperation scheme for higher education (Tempus II) (1994 to 1998): OJ L 112, 6.5.1993; Bull. 4-1993, point 1.2.73

Council Regulation (EEC) No 3906/89 on economic aid for certain countries of Central and Eastern Europe (Phare programme) (OJ L 375, 23.12.1989; Bull. 12-1989, point 2.2.25), as last amended by Council Regulation (EEC) No 1764/93: OJ L 162, 3.7.1993; Bull. 6-1993, point 1.3.13

*Adopted by the Commission on 1 July.* Purpose: to grant ECU 97.9 million for implementation of the trans-European cooperation scheme for higher education in the countries covered by the Phare programme.

## Public health and solidarity

### Public health

#### General

*1.2.174.* Commission communication on the framework for action in the field of public health.

**Commission communication:** COM(93) 559; Bull. 11-1993, point 1.2.191

*Economic and Social Committee opinion delivered on 6 July,* approving the priorities listed by the Commission but favouring an overall coherent approach to public health and a broad interpretation of Article 129 of the Treaty going beyond prevention and information.

### Solidarity

#### Measures to help disabled people

*1.2.175.* Proposal for a Council Decision concerning the continued development of the Handynet system within the framework of Deci-



sion 93/136/EEC establishing a third Community action programme to assist disabled people (Helios II (1993-96)).

**Reference:** Council Decision 93/136/EEC establishing a third Community action programme to assist disabled people (Helios II (1993-96)): OJ L 56, 9.3.1993; Bull. 1/2-1993, point 1.2.208

*Adopted by the Commission on 12 July.* The proposal is designed to continue development of the Handynet multilingual computerized information and documentation system for disabled people up to 31 December 1996.

OJ C 222, 10.8.1994; COM(94) 303

### *Measures to help disaster victims*

**1.2.176.** Commission decision to grant emergency aid to victims of the fires in Spain.

*Adopted on 8 July.* The Commission decided to grant ECU 500 000 in aid to the victims of the forest fires in Spain.

## Consumers

### **Protection of consumers' health and safety**

**1.2.177.** Proposal for a Parliament and Council Decision introducing a Community system of information on home and leisure accidents (Ehlass).

**Commission proposal:** OJ C 104, 12.4.1994; COM(94) 17; Bull. 1/2-1994, point 1.2.195

**Economic and Social Committee opinion:** Bull. 4-1994, point 1.2.174

**Parliament opinion (first reading):** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.2.147

**Amended Commission proposal:** OJ C 157, 8.6.1994; COM(94) 192; Bull. 5-1994, point 1.2.147

**Council agreement on a common position:** Bull. 5-1994, point 1.2.147

*Common position (EC) No 36/94 formally adopted by the Council on 11 July.*

OJ C 244, 31.8.1994

## Culture

**1.2.178.** Commission communication to Parliament and the Council on European Community action in support of culture, accompanied by two proposals for Parliament and Council Decisions: one establishing a programme to support artistic and cultural activities with a European dimension (Kaleidoscope 2000) and the other establishing a support programme in the field of books and reading (Ariane).

*Adopted on 27 July.* In the communication the Commission seeks to establish a reference framework for cultural action with a view to matching the action already agreed by the Community more closely to the provisions of the new Article 128 of the Treaty, restructuring existing support measures and making them more effective, exploring the possibilities for achieving the cultural objectives set out in the Treaty which are not already covered by specific measures, integrating culture into other Community activities and taking into account the implications of the burgeoning information society.

Three priority areas of action in support of culture are defined: the cultural heritage, artistic activities, and books and reading.

On the heritage front the Commission is planning to redirect and expand existing initiatives after holding consultation meetings with the other European institutions, the competent authorities in the Member States, professionals and representatives of the international organizations concerned. The aim is to include the movable heritage and museums and to take into account technological developments, notably in the audiovisual industry.

On the grounds that support for artistic activities with a European dimension is one of the best means of encouraging cultural creativity, developing cooperation and exchanges and ensuring that artistic works make a greater impact and enjoy wider distribution, the Commission is presenting a proposal for a Decision on the Kaleidoscope 2000 programme making provision for action over a five-year period from 1996 geared to the promotion and spread of culture in Europe, especially in the fields of the performing arts, the visual or spatial arts, multimedia arts and the applied arts, through cultural exchanges and 'emblematic' events.

With respect to books and reading, the Commission is presenting a proposal for a Decision establishing a multiannual programme, Ariane, which seeks to promote the knowledge and dissemination of European literary works, particularly through translation.

COM(94) 356

1.2.179. Community financial support for cultural cooperation with non-member countries.

**Previous decision:** Bull. 7/8-1993, point 1.2.200

*Projects selected by the Commission.* In the context of cultural cooperation with non-member countries the Commission has selected the cultural projects which are to receive a total of ECU 1.4 million in Community aid for 1994. In view of the inclusion of detailed cultural clauses in the association agreements concluded by the Community and the countries of Central and Eastern Europe and Latin America, priority has been given to submissions by these countries.

Of 155 projects presented, 37 involving restoration of the architectural heritage and events aimed at enhancing mutual knowledge and intercultural dialogue will receive aid amounting to ECU 980 000, of which ECU 100 000 has been allocated for the European Community Baroque Orchestra tour in Latin America, ECU 150 000 for the organization of European Cultural Month in Budapest, ECU 100 000 for the Winter Festival in Sarajevo and ECU 170 000 for the European Community Youth Orchestra tour in Russia.

## Information, communication and audiovisual media

### Information and communication

1.2.180. Jean Monnet Project for Poland and Hungary.

**Reference:** Jean Monnet Project 1994: Bull. 4-1994, point 1.2.178

*Projects selected for the 1994/95 academic year.* Following consultation of the European Uni-

versity Council for the Jean Monnet Project, the Commission has decided to provide support for 79 projects in Poland and 13 in Hungary. These new initiatives involve the creation of six new chairs, 18 permanent study courses, six European modules and 17 research grants, including 14 grants for teaching materials and eight grants for doctoral studies, for Poland, and the creation of five permanent study courses, two research grants, five grants for teaching materials and one grant for doctoral studies for Hungary, and will last at least seven years.

With this decision the Jean Monnet Project for Poland and Hungary continues to expand geographically and to encourage the development of centres of excellence on issues concerning European integration.

### Audiovisual policy

1.2.181. European Audiovisual Conference.

**Reference:** Commission Green Paper entitled 'Strategy options to strengthen the European programme industry in the context of the audiovisual policy of the European Union': COM(94) 96; Bull. 4-1994, point 1.2.179

*Held in Brussels from 30 June to 2 July.* Organized within the framework of the Commission Green Paper, the Conference was attended by some 300 people selected by professional organizations representing the industry at European level or invited directly by the Commission to participate in a debate designed to help define a Community audiovisual policy.

Also attended by Mr Delors, Commission President, and Mr Pinheiro, Member responsible for the audiovisual industry, the proceedings were conducted on the basis of two complementary modules: the first designed to examine the four central topics of the Green Paper, namely Community support instruments, pan-European prospects, the rules of the game, and the convergence of national support systems, and the second to discuss the major issues at stake for the future of the European programme industry at the beginning of the 21st century.

Participants generally expressed their concern regarding the situation of European cinema, pre-

sent and future, stressing the need to ensure that television had the resources to remain the largest investor in television and cinema programmes and to support independent production, and the importance of intra-European distribution for the development of the programme industry. They also emphasized the urgency of giving the countries of Central and Eastern Europe access to Community programmes.

The conference highlighted certain broad trends, namely the links between the audiovisual sector and the information society, the genuine possibility of creating a worldwide market for the European audiovisual sector, and the need to encourage creative and productive capacity, to ensure adequate funding and to make sure that regulations draw a distinction between access and content.

### 3. Role of the Union in the world

#### Common foreign and security policy

#### Joint action by the European Union

##### *Bosnia-Herzegovina*

#### Support for humanitarian aid convoys

*1.3.1.* Council Decision 94/510/CFSP supplementing Decision 93/603/CFSP concerning the joint action decided on by the Council on the basis of Article J.3 of the Treaty on European Union on support for the conveying of humanitarian aid in Bosnia-Herzegovina.

**Reference:** Council Decision 93/603/CFSP: OJ L 286, 20.11.1993; Bull. 11-1993, point 1.4.1, as supplemented by Council Decision 93/729/CFSP (OJ L 339, 31.12.1993; Bull. 12-1993, point 1.4.5) and extended by Council Decision 94/158/CFSP (OJ L 70, 12.3.1994; Bull. 3-1994, point 1.3.7) and Council Decision 94/308/CFSP (OJ L 134, 30.5.1994; Bull. 5-1994, point 1.3.3)

*Adopted by the Council on 27 July.* The latest Council Decision establishes the procedure for disbursing a sum of ECU 7.15 million as part of the Member States' contributions to the joint action to support humanitarian aid convoys in Bosnia-Herzegovina, approved in November 1993.

OJ L 205, 8.8.1994

#### Administration of Mostar

##### **References:**

Council conclusions on Mostar: Bull. 4-1994, point 1.3.30

Conclusions of the Corfu European Council: Bull. 6-1994, point 1.22

Memorandum of understanding on the administration of Mostar: Bull. 6-1994, point 1.3.6

Presidency press statement on Mostar: Bull. 6-1994, point 1.3.9

Presidency press statement on the former Yugoslavia: point 1.3.9 of this Bulletin

*1.3.2.* Memorandum of understanding on the administration of Mostar.

**Adopted by the Council:** Bull. 6-1994, point 1.3.6

*Signed in Geneva on 5 July.* The memorandum of understanding, which establishes conditions for European Union administration of Mostar for a maximum of two years, was signed by the EU 'troika', i.e. the foreign ministers of Germany, Greece and France (Mr Klaus Kinkel, Mr Karolos Papoulias and Mr Alain Juppé), Mr Hans van den Broek for the Commission, and Mr Peter Kooijmans on behalf of the Presidency of the Western European Union, and by the representatives of the Republic and the Federation of Bosnia-Herzegovina, Mr Alija Izetbegovic and Mr Kresimir Zubak, and the mayors of East and West Mostar, Mr Orucevic and Mr Brajkovic. Also present was Mr Hans Koschnick, the man appointed as Mostar's administrator on behalf of the European Union.

*1.3.3.* The troika's visit to Mostar on 23 July.

The EU troika, consisting of the foreign ministers of Germany and Greece, Mr Kinkel and Mr Papoulias, and France's ambassador in Bosnia-Herzegovina, plus a representative of the European Commission, visited Mostar to establish the European Union administration. The Union's administrator, Mr Koschnick, took up his post on 23 July for a maximum two-year term.

#### *Non-proliferation of nuclear weapons*

*1.3.4.* Council Decision 94/509/CFSP concerning the joint action adopted by the Council on the basis of Article J.3 of the Treaty on European Union regarding preparation for the 1995 Conference of the States parties to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT).

##### **References:**

Parliament resolution on energy priorities in the revised NPT: OJ C 128, 9.5.1994; Bull. 4-1994, point 1.3.1

Conclusions of the Corfu European Council:  
Bull. 6-1994, point I.21

Presidency press statement on joint action concerning nuclear non-proliferation: point 1.3.17 of this Bulletin

*Agreed by the Council on 18 July.*

*Adopted by the Council on 25 July.* The objective of the joint action is to strengthen the international nuclear non-proliferation system by promoting the universality of the NPT and by extending it indefinitely and unconditionally. It includes approaches to non-Community countries not yet party to the NPT, and the possibility of assisting them with a view to accession and establishing the procedures necessary for meeting obligations under the Treaty, if possible before the 1995 Conference of Signatories to the NPT. The European Union will also try to help build a consensus around its approach to nuclear non-proliferation with an eye to the conference.

OJ L 205, 8.8.1994

## **European Union Statements and press Statements on behalf of the presidency**

The European Union Statements and presidency press Statements published in July and August are set out below.

### *Nagorno-Karabakh*

1.3.5. The following presidency press statement on behalf of the European Union was published in Brussels and Bonn on 5 August:

'The European Union welcomes the fact that, on 27 July 1994, the defence ministers of Armenia and Azerbaijan and the commander of the troops of Nagorno-Karabakh confirmed in writing the cease-fire observed since 12 May 1994. This constructive step taken by the parties to the conflict opens the perspective for a negotiated political solution in the future.

The European Union therefore calls on the parties to cooperate closely to this end with the CSCE Minsk Group and to use its expertise to arrive at a peaceful and lasting solution. The European Union seizes this opportunity to renew its wholehearted support for the efforts of the Minsk Group. However, confirmation of the cease-fire can only be the first step in what must be a continued negotiating effort in order to secure a lasting political settlement. The European Union wel-

comes the parties' intention to accelerate negotiations during the month of August and sign an agreement allowing the deployment of CSCE monitors. The European Union therefore calls on the parties to the conflict to accept the earliest possible deployment of the first phase of the CSCE monitoring mission.

The four acceding countries associate themselves with this statement.'

### *Burundi*

1.3.6. The following presidency press statement on behalf of the European Union was published in Brussels and Bonn on 27 July:

'The European Union expresses its concern at the fact that the situation in Burundi has not yet stabilized and that, more than three months after the death of President Cyprien Ntaryamira, the question of the installation of a new head of State has not been settled.

The European Union expresses the hope that a new president of the Republic may be invested as soon as possible in a climate of goodwill. This will reassure the population which fervently wishes for peace and security, and initiate the economic recovery which the country so urgently needs. The European Union urges those in power in Burundi to redouble their efforts to bring their country quickly out of the crisis affecting it.

The European Union reiterates that it is ready, together with a stable and democratic Burundi, faithful to the principles of the rule of law, to pursue fruitful cooperation contributing to the positive development of the country.'

### *Baltic States*

1.3.7. The following presidency press statement on behalf of the European Union concerning Russo-Baltic relations was published in Brussels and Bonn on 28 July:

'The European Union welcomes the agreement reached by President Meri and President Yeltsin to the effect that the Russian forces will be withdrawn from Estonia with effect from 31 August 1994 in fulfilment of the obligation expressed in paragraph 15 of the declaration adopted at the 1992 CSCE Summit in Helsinki.

It also welcomes the adoption of a nationality law by the Latvian Parliament last week. The Union considers this law to be a good basis for progress in the integration of ethnic minorities and the development of intercommunity relations in Latvia. The Union welcomes the fact that the law takes account of the recommendations of the CSCE and the Council of Europe and of appeals from the Union.

Both are major events in the history of the independent Baltic states. They will help considerably to strengthen the foundations for future-oriented cooperation among the nations of north-eastern Europe in a spirit of mutual confidence. They are thus also a contribution to security and stability in Europe as a whole. The Union especially appreciates the efforts which the countries concerned have made in the last few days to achieve these results. They mark the attainment of major goals which the international community has been pursuing intensively for some considerable time. The Union is confident that this latest development, which also represents a valuable contribution to the Union's initiative for a stability pact for Europe, will provide a viable basis for further progress in all areas of Russo-Baltic relations.

The acceding countries Austria, Finland and Sweden associate themselves with this statement.'

1.3.8. The following presidency press statement on behalf of the European Union concerning the withdrawal of former Soviet troops from Estonia and Latvia was published in Brussels and Bonn on 31 August:

'The European Union welcomes the withdrawal of former Soviet troops from Estonia and Latvia as an event of historic significance. The withdrawal closes one of the last remaining questions arising from the Second World War. It represents a major step forward with a view to future-oriented cooperation between the Baltic States and Russia and will thus enhance security and stability in the Baltic Sea region as well as in the whole of Europe. In this context the European Union considers the strict implementation of the concluded agreements to be of prime importance. This success, which also contributes to the European Union's initiative for a pact on stability, has been made possible through the continued efforts of all parties concerned and their readiness to compromise. The European Union in particular appreciates that, although the withdrawal of troops from the Baltic States represents in many respects a difficult task, Russia has fulfilled its obligations and has acted according to the Helsinki Summit Declaration of 1992. The European Union hopes that the Baltic States and Russia will build upon this achievement good cooperative relations and strive for the solution of still open questions in a spirit of dialogue and mutual understanding.

The four acceding countries associate themselves with this statement.'

### *Former Yugoslavia*

1.3.9. The following European Union statement was published in Brussels and Bonn on 18 July:

'One day before the expiry of the deadline set for the parties, we, the Council of the European Union,

strongly appeal once again to all those concerned to seize the opportunity to achieve peace. We are convinced that the plan transmitted to them on 6 July offers the only viable basis for a peaceful solution. It should be accepted without any ifs or buts in the interest of the suffering people of the former Yugoslavia.'

### *Gambia*

1.3.10. The following presidency press statement on behalf of the European Union was published in Brussels and Bonn on 25 July:

'The European Union has learnt with great dismay of the attempted overthrow of the democratically elected government of the Gambia. It calls on the Gambian army to return to barracks immediately and to give its full allegiance to the legitimate Government of the Gambia, with which the European Union enjoys excellent relations. The European Union reaffirms its attachment to the principles of representative democracy and the rule of law. It also draws attention to the implications of the reported coup for the economy of the Gambia if Member States are obliged to review their aid programmes.'

### *Guatemala*

1.3.11. The following presidency press statement on behalf of the European Union was published in Brussels and Bonn on 7 July:

'The European Union welcomes the agreements reached in Oslo between the Government of Guatemala and the Guatemalan National Revolutionary Union (URNG) on the re-establishment of refugees and displaced persons and the setting-up of a committee of inquiry into past events.

The European Union congratulates those involved on the conclusion of the agreements and takes a very positive view of the mediation by the Secretary-General's representative, Mr Jean Arnault, by the Group of Friends of the peace process and in particular by the Norwegian Government, which is hosting the talks. Their participation was of great importance in the success of the negotiations.

The European Union trusts that the signing and subsequent implementation of the agreements will lay the bases for establishing firm and lasting peace in Guatemala. It would urge those concerned to continue their efforts for peace and national reconstruction. In this context, the European Union reiterates its political will to continue to give its moral and material support to these efforts.'

### *Guinea-Bissau*

1.3.12. The following presidency press statement on behalf of the European Union concerning the elections in Guinea-Bissau was published in Brussels and Bonn on 22 July:

'The European Union welcomes the holding of the first multi-party elections in Guinea-Bissau, which were considered by the United Nations and international observers as transparent, free and fair, and expresses satisfaction for the maturity shown by its people in this first exercise of democracy.

The European Union appeals to all political parties to accept the official results as announced by the National Electoral Commission and to engage fully and constructively on the consolidation of democracy as an indispensable basis for political, social and economic development.

The European Union expresses its confidence that the second round of presidential elections will also reflect the will of the people of Guinea-Bissau for a peaceful and complete transition towards democracy.'

### *Israel and Jordan*

1.3.13. The following presidency press statement on behalf of the European Union concerning the meeting between King Hussein and the Israeli Prime Minister Mr Rabin was published in Brussels and Bonn on 26 July:

'The European Union warmly welcomes the meeting of his Majesty King Hussein of Jordan and Prime Minister Rabin of Israel in Washington on 26 July 1994.

This meeting and the talks which took place previously between Jordanian and Israeli representatives in the Middle East region itself, as well as the signing of the declaration in Washington, represent another important breakthrough in the peace process. The European Union pays tribute to the vision and courage of the Jordanian and Israeli leaders which have made such direct talks and agreements possible.

The European Union expresses the hope that, on the basis of the declaration signed in Washington, further negotiations between the two sides on the solution of outstanding questions can be brought to a successful completion in the near future and thus lead to an agreement which would be of paramount importance for comprehensive peace in the Middle East.

The European Union reiterates its firm commitment to contribute to the success of the Middle East peace process through both political and material support.'

### *Kyrgyzstan*

1.3.14. The following presidency press statement on behalf of the European Union concerning the accession of Kyrgyzstan to the Non-Proliferation Treaty was published in Brussels and Bonn on 29 July:

'The European Union welcomes the fact that Kyrgyzstan deposited on 5 July in Moscow its instrument of accession to the Non-Proliferation Treaty as a non-nuclear-weapon state.

The European Union stresses the importance of an early start to negotiations between Kyrgyzstan and the IAEA concerning a safeguards agreement, in order to complete the requirements following the accession to the NPT.

The European Union takes the opportunity to reiterate its belief in universal adherence to the NPT and calls upon all States which have not yet done so to accede to the NPT as non-nuclear-weapon States.

The acceding country Sweden associates itself with this communiqué.'

### *Lesotho*

1.3.15. The following presidency press statement on behalf of the European Union was published in Brussels and Bonn on 24 August:

'The European Union condemns the purported suspension of the Lesotho constitution and dissolution of the Lesotho Parliament and Government by King Letsie III, and calls upon the King and the armed forces to abide by the provisions of the constitution and to respect the democratically elected government of Lesotho. The European Union also condemns the shooting of demonstrators at the Royal Palace on 17 August 1994 and hopes that there will be no repetition of such acts of violence against the population.

The European Union is also concerned that the long-standing political crisis in Lesotho that triggered the current events might lead to further confrontation with potentially devastating consequences and appeals to all political forces in the country to seek a lawful solution through negotiation and mediation.

Unless the constitutional process is immediately restored and the purported removal of the democratically elected government reversed, the European Union will proceed to a review of the relations between the European Union and Lesotho, including the programmes for development cooperation.

The acceding country Sweden associates itself with this communiqué.'

### *Nigeria*

1.3.16. The following presidency press statement on behalf of the European Union was published in Brussels and Bonn on 26 August:

'The European Union is gravely concerned at the latest news coming from Nigeria. Last year the European

Union deplored the annulment of the June 12 elections and, in November, condemned the decision of the Nigerian armed forces to reverse the democratic process. On 30 June, the European Union condemned the arrest of Chief Abiola and appealed forcibly to the Nigerian Government to respect the fundamental human rights of all its citizens.

Now the European Union learns with great concern that against a background of political turmoil and rapid economic decline, the Nigerian authorities have closed several newspapers and have dissolved the executives of two trade unions and of the Nigerian Labour Congress.

This has been followed by the arrest of several well-respected political figures and of trade union leaders, in addition to the continuing detention without bail of Chief Abiola.

As a long-standing friend and partner of Nigeria, the European Union deeply regrets these developments, which can only damage further the already fragile political and economic situation. The European Union accordingly calls on the Nigerian military authorities to reverse these trends and to move rapidly to restore Nigeria to a civil democracy to which all Nigerians, including the present regime, have pledged their support.

The acceding country Austria associates itself with this communiqué.'

### *Nuclear non-proliferation*

1.3.17. The following presidency press statement on behalf of the European Union concerning joint action for nuclear non-proliferation was published in Brussels and Bonn on 18 July:

**Reference:** Council Decision 94/509/CFSP concerning the joint action regarding preparation for the 1995 Conference of the States party to the NPT: point 1.3.4 of this Bulletin

'The Council agreed in principle to a European joint action on preparations for the 1995 Conference of the States party to the Treaty on the Non-Proliferation of Nuclear Weapons.

This decision, which constitutes the Union's first "joint action" in the sphere of security policy, is based on the general guidelines adopted by the European Council at Corfu and gives practical form to its long-standing commitment to nuclear non-proliferation.

The joint action is intended to strengthen the international non-proliferation system by promoting the objectives of the universality of the Treaty, i.e. that all States should accede to it, and of its indefinite and unconditional renewal.

The joint action provides for European Union initiatives, which will include démarches by the troika,

with the aim of broadening the consensus of the European Union's approach to non-proliferation prior to the conference in 1995.'

### *Rwanda*

1.3.18. The following presidency press statement on behalf of the European Union was published in Brussels and Bonn on 22 July:

'The European Union reiterates its abhorrence at the killings and the plight of millions of Rwandan refugees and people displaced within the country, who face a situation of hunger, disease and death. The European Union will try its utmost to ease the suffering of the affected Rwandan population and hopes for a general world-wide response regarding support for Rwanda. Apart from the significant bilateral contributions of its Member States, the European Union has already provided substantial humanitarian assistance, amounting to about ECU 200 million since October 1993, in favour of the population of Rwanda and neighbouring countries. In addition, the Commission has released over ECU 22 million in recent days and is negotiating with ACP States the release within the next week of a part of residual funds from the European Development Fund.

The European Union urges countries neighbouring Rwanda to play a constructive role by exercising their influence on the conflicting parties to find a political solution to the crisis. In this context, the European Union takes note of the formation of a new government in Kigali, which comprises various political groups. The European Union appeals to the political forces to work together in the spirit of the Arusha Agreement and calls upon all parties of good faith to participate in a broad-based democratic administration, representative of all forces of moderation and commanding the support of the Rwandan people. The European Union expects that all means will be used by the new government to allay the fears of the population and to persuade them to return to their homes. The European Union also believes that those responsible for the crimes against humanity of recent months should be brought to justice.

It will be a difficult task to bring about national reconciliation, to reconstruct buildings and lay the foundations for a return to normal life for all citizens traumatized by a civil war with unprecedented massacres. The European Union is ready to support the new government in its efforts to rebuild the country. It urges the deployment of the expanded UNAMIR as rapidly as possible. The European Union applauds the untiring work of the non-governmental and UN organizations in Rwanda, as well as the efforts of UNAMIR and France, which have saved the lives of so many Rwandans.'



## *Tadjikistan*

1.3.19. The following presidency press statement on behalf of the European Union was published in Brussels and Bonn on 28 July:

### **References:**

- Joint statement: Bull. 6-1993, point 1.4.14
- Joint statement: Bull. 7/8-1993, point 1.4.11
- Presidency press statement: Bull. 5-1994, point 1.3.18

'The European Union, referring to its declarations on Tadjikistan dated 29 June and 23 July 1993, and to its press communiqué of 17 May 1994, reiterates the necessity for a peaceful settlement of the present conflict in Tadjikistan without further delay.

The European Union therefore calls on the parties immediately involved in the conflict to stop the violence, and calls on States in the region to use their contacts to urge the parties to the conflict to pursue their political objectives through peaceful means only.

The European Union calls on all participants to come to an understanding at the next round of talks scheduled to be held in Islamabad and to agree to an early cessation of hostilities.

The European Union believes that progress can only be made if the Tadjik Government shows its willingness to initiate a genuine process of democratization, eventually leading to national reconciliation. To this end, the European Union urges the Tadjik parties to make full use of the CSCE mission in Dushanbe. It stresses the need for a constitution and an electoral law which take into account agreed CSCE principles. The EU hopes that, eventually, after a certain period of transition, free and fair elections in accordance with CSCE principles can be held in Tadjikistan.

The acceding countries Sweden and Austria associate themselves with this statement.'

## *Occupied Territories*

1.3.20. The following presidency press statement on behalf of the European Union concerning Mr Yasser Arafat's visit to Gaza and Jericho was published in Brussels and Bonn on 7 July:

'The European Union welcomes the first visit of the Chairman of the Palestinian Authority, Mr Yasser Arafat, to the Gaza Strip and the Jericho area. This event is proof of the progress already achieved in the Middle East peace process and, in particular, relations between the Israeli and Palestinian sides.

At the same time, the European Union welcomes the establishment of the Palestinian Authority in Jericho. The European Union hopes that this body, and the

Palestinian administrative structure put in place in the economic field, will become operational in the near future and, as a consequence, partners for dialogue with the European Union in those areas identified in the agreement signed in Cairo on 4 May 1994 by Israel and the PLO, as well as partners for the European Union economic assistance programmes.

The European Union encourages both sides and the other regional parties in the peace process to continue their search for solutions to outstanding issues in the context of the bilateral and multilateral tracks.'

## *East Timor*

1.3.21. The following European Union statement was published in Brussels and Bonn on 18 July:

'The European Union has learned with concern of the recent incidents in Dili (East Timor) which have heightened tension in the territory.

The European Union reaffirms the need for observance of human rights, particularly as regards freedom of worship and free access to the territory for international organizations. This is the only way in which the necessary conditions can be created for the success of efforts undertaken under the auspices of the United Nations Secretary-General with a view to a just, lasting and internationally acceptable solution to the East Timor question.'

## *Yemen*

1.3.22. The following presidency press statement on behalf of the European Union was published in Brussels and Bonn on 19 July:

'The European Union welcomes the end of the fighting in the Republic of Yemen.

The European Union calls on the Yemeni Government to engage in political dialogue with all parties to bring about lasting peace and stability in the Yemen. It welcomes the Yemeni Government's statement of 12 July, in particular, for its commitment to democratic order, political pluralism, freedom of opinion and respect for human rights, and its readiness to pay compensation for loss of property.

States of the region should respect international obligations including sovereignty and territorial integrity.

The European Union has contributed over ECU 2 million to the relief effort in and around Aden. It continues to attach great importance to the flow of humanitarian aid to the Yemeni people.'

## *Zaire*

1.3.23. The following presidency press statement on behalf of the European Union was published in Brussels and Bonn on 27 July:

'In Zaire the government of Prime Minister Kengo Wa Dondo was officially installed by the High Council of the Republic — transitional parliament — on 11 July 1994. The European Union notes that, under the terms of the agreement negotiated by the entire political class in Zaire, ministerial posts are available to all parties and two ministerial posts are reserved for Mr Tshisekedi's party.

The European Union also expresses the hope that the installation of this government will be followed by specific actions that will permit the genuine democratization of the country and rapidly halt the constant deterioration in the economic and social situation of the Zairean population.

In this perspective the European Union considers it essential that measures be taken to improve security markedly, to stop hyperinflation and to draw up an emergency economic reconstruction programme — including the independence of the Central Bank — designed to facilitate the resumption of dialogue with the Bretton Woods institutions. The Union also asks that the government commit itself to respect for human rights and freedom of expression and to a timetable for free elections.

The European Union calls upon all political and economic forces in Zaire to cooperate now towards democratic transition and economic stabilization. They urge President Mobutu to respect the autonomy of the transitional government and to invest it with all necessary means for the exercise of its function.

The European Union will, in the meantime, continue its humanitarian assistance for those Zairean population groups who are the victims of the crisis and will examine ways to gradually increase this assistance.'

## European Economic Area (EEA), European Free Trade Area (EFTA)

### EFTA countries

**Reference:** Accession of the Republic of Austria, the Kingdom of Sweden, the Republic of Finland and the Kingdom of Norway to the European Union: Bull. 6-1994, point 1.3.15

### *Finland*

1.3.24. Visit by Mr Delors to Finland from 21 to 23 July.

**Reference:** Agreement establishing the European Economic Area: Bull. 1/2-1994, point 1.3.27

Mr Delors saw Mr Martti Ahtisaari, President of the Republic, Mr Esko Aho, the Prime Minister, and other members of the government. The talks covered the development of relations between Finland and the European Union, particularly since the implementation of the EEA Agreement, and the accession of Finland to the European Union. Mr Delors stressed in particular that there was no contradiction between the objectives of Finland's agricultural policy and those of the common agricultural policy and that the type of society which existed in the Nordic countries would be maintained within the European Union.

### *Iceland*

1.3.25. Visits to the Commission by Mr Jón Baldvin Hannibalsson, Iceland's Foreign Minister and current President of EFTA and the EEA, on 14 and 15 July, and by Mr Davíð Oddson, Iceland's Prime Minister, on 27 July.

Mr Oddson was received by Mr Delors and Mr Hannibalson by Sir Leon Brittan and Mr Van den Broek. The talks mainly covered future relations between Iceland and the European Union, particularly following the accession of Austria, Finland, Norway and Sweden.

## Central and Eastern Europe and the independent States of the former Soviet Union

### Central and Eastern Europe

#### *Relations with the associated countries of Central and Eastern Europe*

##### **References:**

Council Regulation (EEC) No 3906/89 on economic aid for certain countries of Central and Eastern Europe (Phare programme) (OJ L 375, 23.12.1989; Bull. 12-1989, point 2.2.25), as last amended by Regulation (EEC) No 1764/93: OJ L 162, 3.7.1993; Bull. 6-1993, point 1.3.13

Draft Europe (Association) Agreement between the European Communities and their

Member States, of the one part, and Bulgaria, of the other part: Bull. 10-1993, point 1.3.12

Draft Europe (Association) Agreement between the European Communities and their Member States, of the one part, and Romania, of the other part: Bull. 10-1993, point 1.3.16

Draft Europe (Association) Agreement between the European Communities and their Member States, of the one part, and Slovakia, of the other part: Bull. 10-1993, point 1.3.14

Draft Europe (Association) Agreement between the European Communities and their Member States, of the one part, and the Czech Republic, of the other part: Bull. 10-1993, point 1.3.14

Draft Europe (Association) Agreement between the European Communities and their Member States, of the one part, and Hungary, of the other part: Bull. 12-1993, point 1.3.20

Draft Europe (Association) Agreement between the European Communities and their Member States, of the one part, and Poland, of the other part: Bull. 12-1993, point 1.3.20

Conclusions of the Copenhagen European Council: Bull. 6-1993, point I.26

Conclusions of the Corfu European Council: Bull. 6-1994, point I.13

1.3.26. Commission communication to the Council entitled 'The Europe Agreements and Beyond: a Strategy to Prepare the Countries of Central and Eastern Europe for Accession'. *Adopted by the Commission on 13 July.* As a follow-up to the conclusions of the Copenhagen and Corfu European Council meetings, this communication outlines the Commission's overall strategy for further development of the Europe Agreements and laying the groundwork for the associated countries to become increasingly integrated with the European Union. The Commission is proposing to use the Europe Agreements as a basis for providing a more elaborate structure for relations between the countries in question and the Union institutions by holding regular consultation meetings and promoting convergence, integration and regional cooperation in fields in which the Community is involved (particularly those which have a trans-European component and most significantly transport, telecommunications, research and any significant matter of common interest).

COM(94) 320

1.3.27. Commission communication entitled 'follow-up to the Commission communication on The Europe Agreements and Beyond: a Strategy to Prepare the Countries of Central and Eastern Europe for Accession'.

*Adopted by the Commission on 27 July.* In this communication the Commission provides further details of the overall strategy adopted on 13 July and puts forward specific proposals to prepare for the accession of the associated countries. The proposals deal in particular with the following:

□ laying the groundwork for closer relations, chiefly by providing for more regular and structured cooperation at all levels. This would cover all areas of common interest (trans-European networks, the common foreign and security policy, and justice and home affairs for example) and could involve the associated countries in joint efforts with the European Union;

□ establishing a legal and institutional environment in which the associated countries can ready themselves to assume the responsibilities of a Member State, particularly in connection with competition, State aid and harmonization of laws;

□ increasing trade and achieving free trade in industrial products in 1995 (1996 in the case of steel and 1997 in the case of textiles), chiefly by reducing the use of fair-trade instruments and incorporating cumulation into the rules of origin;

□ encouraging macroeconomic and structural change through dialogue and cooperation relating in particular to the promotion of private investment, transport, energy, agriculture, the environment, regional policy, social policy and culture;

□ providing active backing for reform and integration by revising PHARE and drawing up multiannual programmes in order to be able to offer the associated countries more effective macrofinancial assistance through PHARE grants and EIB and EBRD loans.

COM(94) 361

### *Assistance for Central and Eastern Europe*

**Reference:** Council Regulation (EEC) No 3906/89 on economic aid for certain countries of Central and Eastern Europe (PHARE programme) (OJ L 375, 23.12.1989; Bull. 12-1989, point 2.2.25), as last amended by Regulation (EEC) No 1764/93: OJ L 162, 3.7.1993; Bull. 6-1993, point 1.3.13

1.3.28. Commission Regulation (EC) No 1628/94 concerning the implementation of a programme

for cross-border cooperation between countries in Central and Eastern Europe and Member States of the Community in the framework of the PHARE programme.

**Reference:** Commission communication on the future of initiatives under the Structural Funds (Interreg II): COM(94) 46; Bull. 1/2-1994, point 1.2.105

**Commission approval:** Bull. 4-1994, point 1.3.20

*Formally adopted by the Commission on 4 July.*  
OJ L 171, 6.7.1994

1.3.29. Commission financing decisions (see Table 8).

Table 8 — PHARE assistance for Central and Eastern Europe

(million ECU)		
Country	Description	Amount
Lithuania	General technical assistance programme	1
	Programme for developing transport infrastructure	4.6
	Energy programme	6.9
Poland	Economic development programme	12.5
	Environmental protection programme	1
	Cross-border cooperation programme	55
Romania	Programme for the promotion of a statistical information system	4.6
	Transport infrastructure programme	25
Slovakia	Reform programme for education and vocational training programme	4
	Programme for developing the private sector	5
	Land survey and agricultural reform programme	5
	Energy programme	4
Slovenia	Cross-border cooperation programme	4
	General technical assistance programme	12.5
Czech Republic	Cross-border cooperation programme	25
	Land survey and agricultural reform programme	4.5
Hungary	Civil society programme	2
	Multidisciplinary cross-border technical assistance fund	2
	Cross-border cooperation programme	2
Latvia	Regional energy programme	13
	R&D network programme	4
	Regional consumer-protection programme	2
Albania	Cross-border cooperation programme	20
	Agriculture programme (farming credit, land sales, restructuring of agro-industry)	5
	General technical assistance programme	4.6
Bulgaria	Cross-border cooperation programme	25
	Energy programme	15
Estonia	Economic development programme	8
	Energy programme	3
	General technical assistance programme	1.5

		(million ECU)
Country	Description	Amount
	Programme for regional cooperation in distance-learning	3
	Regional copyright protection programme	2
	Extension of regional industrial property programmes	2
	PHARE information programme	3
	Inter-European liaison programme	5
	Regional posts and telecommunications programme	1
	Inter-State transport programme	30

1.3.30. Commission financing decision concerning the implementation of the trans-European mobility scheme for university studies (Tempus) (→ point 1.2.173).

### Opening up of Community programmes to the countries of Central and Eastern Europe

1.3.31. Draft Additional Protocols to the Europe Agreements enabling certain Community programmes to be opened up to the associated countries of Central and Eastern Europe.

**Commission recommendation:** Bull. 5-1994, point 1.3.28

*Negotiating directives adopted by the Council on 27 July.*

### Bilateral relations

#### Baltic States

1.3.32. The free-trade agreements between the European Communities and Estonia, Latvia and Lithuania were signed in Brussels on 18 July. They are intended to replace the trade provisions of the 1992 agreements and establish free trade with the Baltic States, and as such represent an important step in furthering the three countries' integration with Europe. They contain trade pro-

visions specific to each country, leave intact the institutional framework established by the 1992 Agreement (joint committees) and include a clause regarding respect for democratic principles, human rights and the tenets of the market economy. (→ points 1.3.33 to 1.3.35).

1.3.33. Draft agreement on free trade and trade-related matters between the European Communities and Estonia.

**Reference:** Agreement on trade and commercial and economic cooperation between the European Communities and Estonia: OJ L 403, 31.12.1992; Bull. 12-1992, point 1.4.9

**Commission recommendation:** Bull. 12-1993, point 1.3.13

**Amended Commission recommendation:** Bull. 1/2-1994, point 1.3.39

**Negotiating directives:** Bull. 1/2-1994, point 1.3.39

*Proposal for a Council Decision (EC) approved by the Commission on 13 July.*

*Draft Decisions (ECSC and Euratom) on the conclusion of the Agreement approved by the Commission on 13 July. Agreement initialled in Brussels on 14 July.*

*Proposal for a Council Decision (EC) and draft ECSC and Euratom Decisions formally adopted by the Commission on 15 July.*

COM(94) 330

*Decision on the signing of the Agreement adopted by the Council on 18 July.*

*Agreement signed in Brussels on 18 July by Mr Jüri Luik, Estonia's Foreign Minister, Mr Klaus Kinkel, German Foreign Minister and President of the Council, and Sir Leon Brittan. The Agreement provides for free trade in all industrial products from its entry into force on 1 January 1995, seeks to bring free and non-discriminatory competition based on Community rules, will bind the suspension of non-specific quantitative restrictions and will establish new reciprocal concessions in agriculture and fisheries.*

1.3.34. Draft agreement on free trade and trade-related matters between the European Communities and Latvia.

**Reference:** Agreement on trade and commercial and economic cooperation between the European Communities and Latvia: OJ L 403, 31.12.1992; Bull. 12-1992, point 1.4.9

**Commission recommendation:** Bull. 12-1993, point 1.3.13

**Amended Commission recommendation:** Bull. 1/2-1994, point 1.3.39

**Negotiating directives:** Bull. 1/2-1994, point 1.3.39

**Initialling:** Bull. 6-1994, point 1.3.24

*Proposal for a Council Decision (EC) approved by the Commission on 13 July.*

COM(94) 326

*Draft Decisions (ECSC and Euratom) on the conclusion of the Agreement approved by the Commission on 13 July.*

*Decision on the signing of the Agreement adopted by the Council on 18 July.*

*Agreement signed in Brussels on 18 July* by Mr Valdis Birkavs, Latvia's Prime Minister and Foreign Minister, Mr Klaus Kinkel, German Foreign Minister and President of the Council, and Sir Leon Brittan. Where industrial products are concerned, the agreement provides for a two-speed process: gradual introduction of free trade over a maximum of four years on Latvia's part and immediate liberalization on the Community's part. Where agriculture and fisheries are concerned, the agreement will bind the suspension of non-specific quantitative restrictions and will establish new reciprocal concessions.

1.3.35. Draft agreement on free trade and trade-related matters between the European Communities and Lithuania.

**Reference:** Agreement on trade and commercial and economic cooperation between the European Communities and Lithuania: OJ L 403, 31.12.1992; Bull. 12-1992, point 1.4.9

**Commission recommendation:** Bull. 12-1993, point 1.3.13

**Amended Commission recommendation:** Bull. 1/2-1994, point 1.3.39

**Negotiating directives:** Bull. 1/2-1994, point 1.3.39

**Initialling:** Bull. 6-1994, point 1.3.25

*Proposal for a Council Decision (EC) approved by the Commission on 13 July.*

COM(94) 327

*Draft Decisions (ECSC and Euratom) on the conclusion of the Agreement approved by the Commission on 13 July.*

*Decision on the signing of the Agreement adopted by the Council on 18 July.*

*Agreement signed in Brussels on 18 July* by Mr Povilas Gylys, Lithuania's Foreign Minister,

Mr Klaus Kinkel, German Foreign Minister and President of the Council, and Sir Leon Brittan. Where industrial products are concerned, the agreement provides for a two-speed process: gradual introduction of free trade over a maximum of six years on Lithuania's part and immediate liberalization on the Community's part. Where agriculture and fisheries are concerned, the agreement will bind the suspension of non-specific quantitative restrictions and will establish new reciprocal concessions.

## Hungary

1.3.36. Proposal for a Council Decision on the conclusion of the Agreement in the form of an exchange of letters between the European Community and the Republic of Hungary amending annexes VIIIa, IXb and Xb to the Europe Agreement between the European Communities and their Member States, of the one part, and Republic of Hungary, of the other part.

**Agreement to be amended:** Europe (Association) Agreement between the European Communities and their Member States, of the one part, and Republic of Hungary, of the other part: OJ L 348, 31.12.1993; Bull. 12-1993, point 1.3.20

*Adopted by the Commission on 7 July.* The purpose of the amendment is to make the administration of certain quotas more flexible.

COM(94) 290

## Independent States of the former Soviet Union

*Assistance for the independent States of the former Soviet Union*

### Technical assistance under TACIS

**Basic Regulation:** Council Regulation (Euratom, EEC) No 2053/93 on the provision of technical assistance to economic reform and recovery in the independent States of the former Soviet Union and Mongolia (TACIS programme): OJ L 187, 29.7.1993; Bull. 7/8-1993, point 1.3.15

1.3.37. Commission Decision approving the 1994-95 indicative programme for technical assistance for Mongolia.

*Adopted by the Commission on 11 July.* The indicative programme will cover TACIS technical

assistance for Mongolia in 1994 and 1995. In the indicative programme, the Commission describes the principles of technical cooperation, the economic context and assistance from the Community and other sources, and sets out the priorities for cooperation with Mongolia, stipulating that this general framework will be supplemented by annual action programmes.

1.3.38. Commission Decision approving the 1994-95 indicative programme for technical assistance for Tadjikistan.

*Adopted by the Commission on 19 July.* This indicative programme provides the overall framework for the implementation of the TACIS programme in Tadjikistan in 1994 and 1995. In it, the Commission describes the principles of technical cooperation, the economic context and assistance received from the Community and other sources, and sets out the priorities for cooperation, stipulating that the indicative programme will be supplemented (in terms of project content and funding) by annual action programmes.

1.3.39. Commission Decision approving the 1994 TACIS information and communication programme.

*Adopted by the Commission on 18 August.*

#### **Food aid**

1.3.40. Council Regulation (EC) No 1999/94 for the supply of agricultural products free of charge to Georgia, Armenia, Azerbaijan, Kyrgyzstan and Tadjikistan.

*Proposal for a Regulation approved by the Commission on 13 July.*

*Proposal for a Regulation formally adopted by the Commission on 26 July.*

COM(94) 339

*Council agreement given on 18 July.*

*Formally adopted by the Council on 27 July.* The purpose of the Regulation is to provide ECU 165 million of agricultural products drawn from intervention stocks to the Caucasus (Armenia, Georgia and Azerbaijan), Tadjikistan and Kyrgyzstan free of charge.

OJ L 201, 4.8.1994

#### **Bilateral relations**

##### **Kazakhstan**

1.3.41. Draft interim agreement on trade and trade-related matters between the European Community and Kazakhstan.

**Reference:** Draft partnership and cooperation agreement between the European Community and Kazakhstan: Bull. 5-1994, point 1.3.35

*Recommendation for a decision adopted by the Commission on 13 July.*

*Negotiating directives adopted by the Council on 18 July.* The Council authorized the Commission to negotiate an interim agreement with Kazakhstan to allow implementation of the trade provisions of the partnership and cooperation agreement pending its entry into force.

##### **Kyrgyzstan**

1.3.42. Draft interim agreement on trade and trade-related matters between the European Community and Kyrgyzstan.

**Reference:** Draft partnership and cooperation agreement between the European Community and Kyrgyzstan: Bull. 5-1994, point 1.3.36

*Recommendation for a decision adopted by the Commission on 13 July.*

*Negotiating directives adopted by the Council on 18 July.* The Council authorized the Commission to negotiate an interim agreement with Kyrgyzstan to allow implementation of the trade provisions of the partnership and cooperation agreement pending its entry into force.

##### **Moldova**

1.3.43. Draft partnership and cooperation agreement between the European Community and Moldova.

**Commission recommendation:** Bull. 7/8-1992, point 1.4.3

**Negotiating directives:** Bull. 10-1992, point 1.4.19

**Proposal for a Council Decision amending the negotiating directives:** Bull. 6-1994, point 1.3.31

*Decision amending the negotiating directives adopted by the Council on 18 July.*

*Agreement initialled in Brussels on 26 July.*

1.3.44. Draft interim agreement on trade and trade-related matters between the European Community and Moldova.

*Negotiating directives adopted by the Council on a recommendation from the Commission on*

18 July. The purpose of the agreement is to allow implementation of the trade provisions of the partnership and cooperation agreement pending its entry into force.

## Russia

1.3.45. Draft interim agreement on trade and trade-related matters between the European Community and the Russian Federation.

**Reference:** Draft partnership and cooperation agreement between the European Community and the Russian Federation: Bull. 6-1994, point 1.3.30

*Recommendation for a decision adopted by the Commission on 13 July.*

*Negotiating directives adopted by the Council on 18 July.* The Council authorized the Commission to negotiate an interim agreement with the Russian Federation to allow implementation of the trade provisions of the partnership and cooperation agreement pending the latter's entry into force.

## Ukraine

1.3.46. Draft interim agreement on trade and trade-related matters between the European Community and Ukraine.

**Reference:** Draft partnership and cooperation agreement between the European Communities and their Member States, of the one part, and Ukraine, of the other part: Bull. 6-1994, point 1.3.34

**Commission recommendation:** Bull. 6-1994, point 1.3.35

**Negotiating directives:** Bull. 6-1994, point 1.3.35

*Proposal for a Council Decision (EC) on the conclusion of the Agreement adopted by the Commission on 19 July.*

*Draft ECSC Decision on the conclusion of the Agreement adopted by the Commission on 19 July.*

COM(94) 341

1.3.47. Western Economic Summit action plan regarding closure of the Chernobyl nuclear power station put to Ukraine (→ points 1.3.52 and 2.3.1).

# Mediterranean and Middle East

## Northern Mediterranean

### Former Yugoslavia

1.3.48. Council Regulation (EC) No 1733/94 prohibiting the satisfying of claims with regard to contracts and transactions the performance of which was affected by the United Nations Security Council Resolution 757(1992) and related resolutions.

#### References:

Council Regulation (EEC) No 990/93 concerning trade between the European Economic Community and the Federal Republic of Yugoslavia (Serbia and Montenegro): OJ L 102, 28.4.1993; Bull. 4-1993, point 1.3.27

Council Decision 94/366/CFSP on the common position defined by the Council on the basis of Article J.2 of the Treaty on European Union concerning prohibition of the satisfaction of the claims referred to in paragraph 9 of United Nations Security Council Resolution No 757 (1992): OJ L 165, 1.7.1994; Bull. 6-1994, point 1.3.5

**Commission proposal:** OJ C 187, 9.7.1993; COM(93) 283; Bull. 6-1993, point 1.3.31

**Parliament opinion:** OJ C 20, 24.1.1994; Bull. 12-1993, point 1.3.40

*Adopted by the Council on 11 July.* In line with Security Council Resolution No 757(1992), and particularly paragraph 9 thereof, the purpose of this Regulation was to prohibit the satisfying of claims for compensation from the Federal Republic of Yugoslavia (Serbia and Montenegro) for the negative effects of the embargo imposed by Council Regulation (EEC) No 990/93.

OJ L 182, 16.7.1994

## Maghreb

1.3.49. Proposal for a Council Regulation in the field of employment creation and support to small and micro-enterprises in the Maghreb countries.

**Reference:** General budget of the European Communities for the financial year 1993; OJ L 31, 8.2.1993; Bull. 12-1992, point 1.6.3



*Adopted by the Commission on 7 July.* Purpose: to lay down detailed arrangements and rules for the administration of measures financed under budget heading B7-4082, 'Exceptional job creation measures in the Maghreb countries', introduced in 1993. The programmes financed under this heading are designed to have a direct and immediate impact on employment, with a view to complementing longer-term development projects under the financial protocols and cooperation agreements between the European Community and the Maghreb countries, the aim being to promote the creation of sustainable employment through the development of small and micro-enterprises.

OJ C 214, 4.8.1994 and COM(94) 289

### Financial and technical cooperation

*1.3.50.* Council Regulations (EC) No 1734/94, on financial and technical cooperation with the Occupied Territories, and No 1735/94, on financial and technical cooperation with the Occupied Territories and amending Regulation (EEC) No 1763/92 concerning financial cooperation in respect of all Mediterranean non-member countries.

**Regulation amended:** Council Regulation (EEC) No 1763/92 concerning financial cooperation in respect of all Mediterranean non-member countries: OJ L 181, 1.7.1992; Bull. 6-1992, point 1.4.17

**Commission proposal:** OJ C 24, 28.1.1994; COM(93) 719; Bull. 1/2-1994, point 1.3.63

**Parliament opinion (first reading):** OJ C 61, 28.2.1994; Bull. 1/2-1994, point 1.3.63

**Council common position:** OJ C 137, 19.5.1994; Bull. 3-1994, point 1.3.61

**Parliament opinion (second reading):** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.3.45

*Adopted by the Council on 11 July.* Purpose: to implement financial and technical cooperation with the Occupied Territories for a five-year period (1994-98) in order to contribute to their long-term economic and social development, and to enable the Occupied Territories to benefit from the financial cooperation available to all Mediterranean non-member countries.

OJ L 182, 16.7.1994

*1.3.51.* Project financing.

**Reference:** Council Regulation (EEC) No 1763/92 concerning financial cooperation in respect

of all Mediterranean non-member countries — OJ L 181, 1.7.1992; Bull. 6-1992, point 1.4.17 — as last amended by Regulation (EC) No 1735/94; OJ L 182, 16.7.1994 and point 1.3.50 of this Bulletin

Commission financing decisions granting aid to the following projects (see Table 9).

Table 9 — *Cooperation with Mediterranean countries*

<i>(million ECU)</i>		
Country	Purpose	Amount (grant)
<i>Financing: Mediterranean financial protocols</i>		
All Mediterranean countries	Programme of technical cooperation measures in the field of training and trade promotion	10
<i>Financing: cooperation in respect of all Mediterranean non-member countries</i>		
Occupied Territories of Gaza and the West Bank	Rehabilitation programme for former Palestinian detainees	10
<i>Financing: 1994 budget</i>		
Jordan	Structural adjustment support	30
Morocco	Support for the promotion and development of remote sensing	4
	Support for local 'Crédit Agricole' branches	16.4
Syria	Support programme for the electricity sector	11

## United States, Japan and other industrialized countries

### Western Economic Summit

*1.3.52.* Twentieth Western Economic Summit.

**References:**

United Nations Conference on Environment and Development (UNCED): Bull. 6-1992, point 1.3.127

White Paper entitled 'Growth, competitiveness, employment: The challenges and ways forward into the 21st century': COM(93) 700; Bull. 12-1993, point 1.2.44; Supplement 6/93 — Bull.

Final Act of the Uruguay Round trade negotiations: COM(94) 143; Bull. 4-1994, point 1.3.61

Inaugural conference for the Pact on Stability in Europe: Bull. 5-1994, point 1.3.2

Israel-Palestine Agreement: Bull. 5-1994, point 1.3.46

**Previous Summits:**

Munich Summit: Bull. 7/8-1992, point 1.4.35

Tokyo Summit: Bull. 7/8-1993, point 1.3.38

*Twentieth meeting, held in Naples from 8 to 10 July.* This year's summit was attended by the Heads of State or Government of the seven leading industrialized nations (Canada, United States, Japan, Germany, France, Italy and the United Kingdom), plus Mr Jacques Delors, President of the Commission, Mr Henning Christophersen, Commission Vice-President and Mr Hans van den Broek, Member of the Commission. Mr Boris Yeltsin, President of the Russian Federation was fully involved in the political discussions for the first time.

The seven Heads of State or Government and the Commission President homed in on the issue of employment, growth and competitiveness. Noting that conditions were now propitious for strong and lasting growth, they reaffirmed the growth strategy agreed at the Tokyo Summit and called for increased cooperation between their competent authorities to help them confront the challenges presented by the integration of the world's economies and markets. Faced with what they considered to be still unacceptable levels of unemployment, they pledged to promote growth and stability and to quicken the pace of reform in an effort to stimulate job creation. They also agreed on the following structural measures: to increase investment in human resources; make the job market more flexible; implement active employment policies; promote innovation and the spread of new technologies; promote job creation in new areas and encourage competition. In the field of trade, they underlined their determination to push ahead with liberalization, to ratify the Uruguay Round agreements and establish the World Trade Organization by 1 January 1995. With regard to the environment, which they considered a priority area for international cooperation, they decided to speed up the implementation of their national plans recommended in the wake of the Rio

conference. As regards the developing countries, they pledged to continue their efforts to reinforce development assistance, to promote trade and investment in these countries and to help improve the debt treatment of the poorest and most indebted among them. They welcomed progress made on the implementation of the nuclear safety programme, adopted at the Munich and Tokyo Summits, which related specifically to central and eastern Europe and the former Soviet Union. They presented the Ukrainian Government with an action plan for nuclear safety and the reform of the energy sector, which would be part-financed by international funds. If accepted, this plan would commit the country to closure of the nuclear reactor at Chernobyl and compliance with safety regulations when constructing new reactors. Ukraine was also urged to speedily identify and implement stabilization measures and structural reforms as a prerequisite for the reinforcement of international assistance. They urged Russia to cooperate with the international financial institutions, stabilize its economy, consolidate the reform process, ease social problems and improve the legal and institutional framework for investment and external trade. In return, the country would be assisted in its efforts to integrate into the world economy. They also applauded the political and economic transformation in central and eastern Europe and reaffirmed their support for the reform efforts of these countries and their integration into the market economy. Finally, they turned their attention to the fight against organized transnational crime and money laundering and asked the countries concerned to adopt appropriate legislation.

All of these points are contained in a communiqué which appears in full in the documentation section (→ point 2.3.1).

In the political field, the seven Heads of State or Government, Mr Yeltsin, President of the Russian Federation, and Mr Delors underlined their firm conviction that the parties to the Bosnian conflict should accept the plan put to them in Geneva on 6 July, imploring them to respect the ceasefire in the zones under UN protection, renew talks and recognize existing frontiers (→ point 1.3.9). They supported the latest endeavours to resolve by negotiation the dispute surrounding North Korea's nuclear activities. They also endorsed the Israeli-Palestinian Declaration of Principles and the signing of the Gaza-Jericho

agreement, called upon the League of Arab States to end their boycott of Israel and voiced their support for efforts to rebuild a prosperous and independent Lebanon. They reiterated their determination to enforce full compliance with United Nations Security Council resolutions on Iraq and Libya, their condemnation of terrorist activities, particularly with regard to Iran and Algeria, and their concern over the situation in the Republic of Yemen. They wholeheartedly endorsed the end of apartheid in South Africa and pledged to help the new government construct a stable and prosperous democracy. They expressed concern over the political and humanitarian situation in Rwanda and Angola and called for compliance with the United Nations resolutions and the return of the democratically elected government in Haiti. Turning to arms control, they asked all the States which had not already done so to accede to the nuclear Non-Proliferation Treaty and declared their full support for its extension for an indefinite period. They also reaffirmed their commitment to the entry into force of the Chemical Weapons Convention, agreed to cooperate to prevent smuggling of nuclear materials and encouraged non-proliferation efforts in the Middle East and South Asia. With regard to peacekeeping, peace-making and peace-building, they underlined the central role of the United Nations and the need to carry through its reform and expressed their support for the reinforcement of the role and capabilities of the CSCE, the conclusion of the Pact on Stability in Europe and the launch of a regional security dialogue in the Asian-Pacific region. Finally, they reaffirmed their resolve to promote and protect human rights everywhere, underlining their determination to intensify their efforts to fight against all forms of intolerance.

The various topics dealt with in the course of these political discussions culminated in the adoption of a Chairman's Statement which appears in full in the documentation section (→ point 2.3.1).

## Canada

*1.3.53. European Union-Canada meeting in the context of the Transatlantic Declaration.*

**Reference:** Joint Declaration: Bull. 11-1990, point 1.5.4

**Previous meeting:** Bull. 12-1992, point 1.4.35

*Meeting held in Bonn on 6 July.* The meeting was attended by Mr Jean Chrétien, Canadian Prime Minister, Mr Helmut Kohl, German Chancellor and President of the European Council and Mr Jacques Delors, President of the Commission. Talks dealt with developments in the employment situation, economic growth and a number of sectoral questions including fishing. They also discussed international events, the situation in Bosnia and the stepping-up of cooperation, particularly with regard to the programmes for nuclear safety and economic assistance to Ukraine unveiled at the Western Economic Summit.

## United States

*1.3.54. European Union-United States meeting in the context of the Transatlantic Declaration.*

### References:

Transatlantic Declaration: Bull. 11-1990, point 1.5.3

Commission White Paper entitled 'Growth, competitiveness, employment: The challenges and ways forward into the 21st century' COM (93) 700; Bull. 12-1993, point 1.2.44; Bull. Supplement 6/93.

**Previous meeting:** Bull. 1/2-1994, point 1.3.65

*Meeting held in Berlin on 12 July.* This meeting was attended by Mr Bill Clinton, US President, Mr Warren Christopher, US Secretary of State, Mr Kohl, German Chancellor and President of the European Council, Mr Delors, President of the Commission and Sir Leon Brittan and Mr Van den Broek, Members of the Commission.

Talks dealt with growth and employment on both sides of the Atlantic and the implementation of the White Paper on 'Growth, competitiveness, employment', the situation in Bosnia, security in Europe and the development of relations with central and eastern Europe, and the fight against drugs and crime. The participants decided to set up three working groups to define ways and means to undertake joint action to reinforce cooperation between and with the countries of central and eastern Europe and promote democracy in the region; to improve their cooperation in the field of international relations; and to develop joint action to combat international

crime and drug trafficking. They also made clear their wish to forge closer links between the European Union and the United States and to step up consultation and cooperation in an effort to promote their common objectives in all spheres of activity.

## Asia

### General

*1.3.55.* Commission communication entitled 'Towards a new Asia strategy'.

*Adopted on 13 July.* In view of Asia's growing economic and political importance the Commission considers that the region warrants greater priority and suggests in its communication that current policies be rethought and new areas of cooperation explored. It sets out the strategic aims of a proactive European Union policy for East, South-East and South Asia and proposes ways of increasing the Union's economic presence in Asia, furthering the region's stability, promoting economic development in the less prosperous countries and contributing to greater respect for human rights and consolidation of democracy.

In pursuit of these objectives the Commission proposes a new approach to the Union's relations with Asia centred on:

- consolidating its bilateral relations with individual countries and regions;
- contributing to stability in Asia by supporting regional and sub-regional cooperation ventures aimed at building peace and security and promoting international understanding by developing and extending political relations with Asian countries and regional groupings through political dialogue at bilateral level and within international organizations;
- involving Asian countries in the management of international affairs, encouraging them to play a more active role in multilateral efforts to sustain international peace and security and fostering their participation in multilateral organizations;

- raising Europe's profile by undertaking a more active information policy on the EU in general and its trade cooperation programmes and activities in Asia, by promoting closer cooperation on higher education, training and research and by developing cultural exchanges;
- taking any measure necessary to help open up markets and create a trading and investment environment conducive to economic growth, international trade and greater trade and investment between Europe and Asia, in particular by:
  - promoting trade and industrial cooperation between European and Asian companies by informing them about trade and investment opportunities and setting up business associations;
  - improving cooperation with all Asian countries on science, research, technology and R&D;
  - fostering European direct investment in Asia by providing financial incentives for joint ventures and aid for trade promotion;
  - supporting cooperation on the environment;
- helping Asian countries which are moving towards market-based economies to integrate into the open-market world trading system;
- contributing to sustainable development and the alleviation of poverty in the least prosperous countries of Asia through closer coordination between Member States and the Commission in managing development aid so that those countries can share in growth.

COM(94) 314

### Bilateral relations

#### *India*

*1.3.56.* Cooperation Agreement on partnership and development between the European Community and India.

**Reference:** Economic and Commercial Cooperation Agreement between the European Economic Community and the Republic of India: OJ L 328, 16.11.1981

**Commission recommendation:** Bull. 9-1992, point 1.3.33

**Negotiating directives:** Bull. 10-1992, point 1.4.34

**Initialling of the Agreement:** Bull. 12-1992, point 1.4.37

**Proposal for a Council Decision on its conclusion:** OJ C 103, 14.4.1993; COM(93) 82; Bull. 3-1993, point 1.3.35

**Council Decision on its signing:** Bull. 6-1993, point 1.3.39

**Signing:** Bull. 12-1993, point 1.3.52

**Parliament opinion:** OJ C 128, 9.5.1994; Bull. 4-1994, point 1.3.41

*Decision 94/578/EC concluding the Agreement adopted by the Council on 18 July.* The Agreement's primary objective is to improve and develop cooperation between the European Union and India, through dialogue and partnership, on the basis of respect for human rights and democratic principles.

Its provisions on trade and commercial cooperation aim at diversifying trade, improving market access and promoting exchange of information on trade opportunities and ways of developing trade between the parties.

On economic cooperation the Agreement focuses on improving the economic environment in India by facilitating access to Community know-how and technology, developing contacts between economic operators as well as other measures likely to promote trade and investment and improving mutual understanding and links between the two regions on technical, economic and cultural matters. Ways of achieving these objectives include exchanges of information and ideas, studies, technical and financial assistance, measures to promote investment and joint ventures and the forging of links between research and training centres. Specific aims, in addition to improving the economic and business climate, are to promote cooperation on environmental protection, energy, information technology, culture and standardization, to encourage technology transfer and trade and investment flows and to stimulate cooperation on agriculture, health, drugs, services, tourism, training and scientific and technological research.

This Agreement, which replaces the Economic and Commercial Cooperation Agreement concluded in 1981, came into force on 1 August 1994. It runs for a period of five years and is automatically renewable.

OJ L 223, 27.8.1994

### *Sri Lanka*

*1.3.57.* Draft Cooperation Agreement on Partnership and Development between the European Community and the Democratic Socialist Republic of Sri Lanka.

**Negotiating directives:** Bull. 1/2-1993, point 1.3.37

**Initialling of the Agreement:** Bull. 12-1993, point 1.3.53

**Proposal for a Council Decision on its conclusion:** OJ C 86, 23.3.1994; COM(94) 15; Bull. 1/2-1994, point 1.3.74

*Decision on the signing of the Agreement adopted by the Council on 18 July.*

The Agreement was signed in Brussels on 18 July by Mr Shahul Hameed, Minister for Foreign Affairs of the Republic of Sri Lanka, Mr Klaus Kinkel, Minister for Foreign Affairs of the Federal Republic of Germany and President of the Council of the European Union and Mr Marín for the Commission. Its aim is to develop and intensify cooperation between the Community and Sri Lanka on the basis of respect for democratic principles and human rights.

The Agreement provides for the development of all forms of economic cooperation and the diversification of trade and investment. It aims to foster mutual understanding and closer ties between the two regions on technical, economic and cultural matters and to enable Sri Lanka to acquire the economic capacity for more effective interaction with the Community. The pace of Sri Lanka's economic development can be speeded up by the provision of technical and financial assistance to improve the living conditions of the poorest sections of the population and the development of existing and new forms of economic cooperation in order to encourage and facilitate trade and investment. Also covered are protection of the environment, management of natural resources and cooperation in the fight against drug abuse.

### *Vietnam*

*1.3.58.* Visit by Mr Van den Broek from 21 to 23 July.

**Reference:** Proposed framework trade and cooperation Agreement: Bull. 10-1993, point 1.3.41

Mr Van den Broek met several members of the Vietnamese Government including, Mr Phan Van Khai, Deputy Prime Minister, Mr Nguyen Manh Cam, Foreign Minister, Mr Tran Dinh Hoan, Minister of Labour, and Mr Le Van Triet, Trade Minister. He also had talks with Mr Do Muoi, Secretary-General of the Vietnamese

Communist Party, and Mr Do Quoc Sam, President of the State Planning Committee. Their discussions centred on relations between the European Union and Vietnam and in particular on the negotiations for the conclusion of a framework trade and cooperation agreement, the implementation of a technical assistance agreement and the continuation of the programme of support for the resettlement of refugees.

## Relations with regional bodies

### ASEAN

1.3.59. ASEAN regional forum and post-ministerial conferences.

**Previous meeting:** Bull. 7/8-1993, point 1.3.45

*Meetings held in Bangkok from 25 to 27 July.* These meetings between ASEAN member States (Brunei, Indonesia, Malaysia, Philippines, Singapore and Thailand) and their partners were divided into three parts:

□ the ASEAN regional forum comprising its six members, seven discussion partners (Australia, Canada, South Korea, United States, Japan, New Zealand and the European Union represented by Mr Klaus Kinkel, German Minister of Foreign Affairs and President of the Council, and Mr Van den Broek, two consultation partners (China and Russia) and observers (Laos, Papua New Guinea and Vietnam). Discussions centred on security in Asia and the non-proliferation of nuclear weapons, the North Korean nuclear programme and a proposal to set up a regional peace keeping training centre. It was decided to establish a preventive diplomatic dialogue and organize future work on the basis of an annual security forum;

□ the traditional annual post-ministerial conference between ASEAN and its partners, including the European Union, at which the participants discussed their current political and economic concerns, including Cambodia, Burma, Korea, Bosnia and the Middle East, and the proliferation of nuclear and non-nuclear weapons;

□ a smaller second post-ministerial meeting between ASEAN representatives and its discussion partners, among them the European Union, for bilateral talks covering cooperation and relations between the EU and ASEAN.

## Cooperation with Asia

1.3.60. Project financing.

**Basic Regulation:** Council Regulation (EEC) No 443/92 on financial and technical assistance to, and economic cooperation with, the developing countries in Asia and Latin America: OJ L 52, 27.2.1992; Bull. 1/2-1992, point 1.4.40

*Commission financing decisions* to provide assistance to the following projects (see Table 10).

Table 10 — *Cooperation with Asia*

<i>(million ECU)</i>		
Country	Purpose	Amount (grant)
Cambodia	Rehabilitation programme	9.2
China	Project to develop potato growing in the province of Qinghai	3.1
	Project to set up a China-Europe international management school	14.85
Nepal	Project to build up technical and administrative capability	0.9

## Aid to refugees and displaced persons

1.3.61. Commission decisions: See Table 11.

Table 11 — *Aid for refugees and displaced persons*

<i>(million ECU)</i>		
Country	Number of programmes	Total amount
Afghanistan	1	1.5
Bangladesh	2	2.6
Cambodia	1	1.5
Hong Kong	1	0.27
Iran	1	1
Nepal	1	1.5
Pakistan	3	5.3
Sri Lanka	1	1.5

# Latin America

## Bilateral relations

### References:

Report by the group of prominent persons on Europe and the global information society: Bull. 6-1994, point 1.2.9 and Supplement 2/94 — Bull.

Commission communication to the Council, Parliament, the Economic and Social Committee and the Committee of the Regions: 'Europe's way to the information society in Europe: an action plan': point 1.2.99 of this Bulletin

### Argentina

1.3.62. Mr Bangemann visited Argentina on 27 and 28 July.

He met the President, Mr Carlos Menem, Mr Guido Di Tella, the Foreign Minister, Mr Domingo Cavallo, Minister for Economic Affairs, and local industrialists. Their talks centred on cooperation in the field of the information society, Latin American regional integration, industrial cooperation and the prospects for a free-trade agreement between Argentina and the European Union.

### Brazil

1.3.63. Mr Bangemann visited Brazil from 31 July to 2 August.

He met Mr Abdenur, the Foreign Minister, Mr Rubens Ricupero, Minister of Finance, Mr Alvares, Minister of Industry and Commerce, and Mr Morais, Minister of Communications. The two sides acknowledged Brazil's efforts at economic stabilization and the good relations between the European Union and Brazil. They also discussed at length regional cooperation and the information society project and the prospects for international cooperation in that field.

### Chile

1.3.64. Mr Bangemann visited Chile from 24 to 26 July.

He met the President, Mr Eduardo Frei, Mr Carlos Figueroa, the Foreign Minister and Mr Alvaro Garcia, Minister of Economy and Finance. The two sides agreed on the importance of regional cooperation and expressed their willingness to strengthen relations between Chile and the European Union, particularly with regard to the information society and industrial cooperation.

### Ecuador

1.3.65. Mr Diego Paredes Pena, Ecuador's Foreign Minister, visited the Commission on 6 July.

Mr Paredes Pena saw Mr Marín, with whom he discussed cooperation between the European Union and Ecuador and the outlook for the next meeting of the European Union-Andean Pact Joint Committee, to be held in Quito in September.

### Mexico

1.3.66. Mr Bangemann visited Mexico from 20 to 23 July.

He met the President, Mr Carlos Salinas de Gortari, Mr Manuel Tello Macias, the Foreign Minister and Mr Jaime Serra Puche, Secretary of Commerce and Industrial Development. The visit provided an opportunity to confirm the good relations between Mexico and the European Union and the similarity of approaches to international trade, particularly as regards regional economic cooperation and international commerce. Mr Bangemann's information society project was well received, opening up interesting prospects for future trade and cooperation.

## Cooperation with Latin America

1.3.67. Project financing.

**Basic Regulation:** Council Regulation (EEC) No 443/92 on financial and technical assistance to, and economic cooperation with, the developing countries in Asia and Latin America: OJ L 52, 27.2.1992; Bull. 1/2-1992, point 1.4.40

Commission financing decisions to grant aid to the following projects (See Table 12).

Table 12 — *Cooperation with Latin America*

<i>(million ECU)</i>		
Country	Purpose	Amount (grant)
Brazil	Programme to help disadvantaged children in the urban environment in Brazil	8
Guatemala	Programme to help Guatemala City's street children	2.5
El Salvador	Project to support the coffee sector	0.9

## Aid to refugees and displaced persons

1.3.68. Commission decisions: See Table 13.

Table 13 — *Aid to refugees and displaced persons*

<i>(million ECU)</i>		
Country	No of programmes	Amount
Guatemala	2	0.9
Nicaragua	2	1.93

## ACP countries and OCT

### Relations with ACP countries

#### *Implementation of the fourth Lomé Convention*

1.3.69. Proposal for a Council Regulation establishing a special system of assistance to traditional ACP suppliers of bananas.

**Commission proposal:** OJ C 344, 29.12.1992; COM(92) 465; Bull. 11-1992, point 1.4.44

**Economic and Social Committee opinion:** OJ C 108, 19.4.1993; Bull. 1/2-1993, point 1.3.44

**Parliament opinion:** OJ C 115, 26.4.1993; Bull. 3-1993, point 1.3.42

**Amended proposal:** OJ C 206, 26.7.1994; COM (94) 249; Bull. 6-1994, point 1.3.59

**Council agreement on a common position:** Bull. 6-1994, point 1.3.59

*Common position (EC) No 27/94 officially adopted by the Council on 11 July.*

OJ C 232, 20.8.1994

#### *Stabex and Sysmin*

1.3.70. Commission report pursuant to Article 194(4) of the fourth ACP-EC convention (Stabex) for 1993.

**Reference:** Fourth Lomé Convention: OJ L 229, 17.8.1991; Bull. 9-1991, point 1.3.38

**Previous report:** Bull. 7/8-1993, point 1.3.52

*Commission decision on 5 July to send the report to the ACP-EC Committee of Ambassadors.* In its report, which must be drawn up if Stabex resources are not sufficient to cover eligible transfers, the Commission noted that available resources for the 1993 application year stood at ECU 285 million while the payment of transfers, following application of Article 194 (2), called for ECU 445 million, leaving a gap of ECU 160 million. The shortfall was nevertheless smaller than the one registered for the 1992 financial year owing in particular to the increase in the prices of cocoa and coffee, which bodes well for a return to stability in 1994. The Commission called on the ACP-EC Committee of Ambassadors, which is empowered to act for the ACP-EC Council of Ministers in this matter, to reach a speedy decision so that transfer agreements for 1993 can be signed as soon as possible.

1.3.71. Commission Decision on Stabex transfers for the 1993 application year.

*Adopted by the Commission on 19 July.* In the light of its report to the ACP-EC Committee of Ambassadors pursuant to Article 194(4) of Lomé IV, the Commission sets out the Stabex transfers for the 1993 application year. The ECU 285 million of Stabex resources, represents an increase in coverage from 50.05% for the 1992 application year to 60.25% for 1993.

### Financial and technical cooperation

1.3.72. Project financing.

Commission decisions allocating a total of ECU 212 031 000 under the sixth and seventh EDFs (See Table 14).



Table 14 — *Financing of operations under the sixth and seventh EDFs*

Country	Project	Amount	
		Grant	Special loan
	<i>Economic infrastructure</i>		
Kenya	Roads and bridges	1.963	—
Burkina Faso	Roads and bridges	13.500	—
Grenada	Roads and bridges	2.000	—
Mauritius	Telecommunications	1.970	—
Madagascar	Roads and bridges	72.500	—
	<i>Rural production</i>		
Côte d'Ivoire	Plantations	6.250	—
Pacific ACP States	Agriculture	9.265	—
	<i>Social development</i>		
All ACP States	Social and cultural cooperation	2.000	—
Djibouti	Education infrastructure	0.366	—
Anguilla	Water engineering	0.700	—
St Kitts and Nevis	Education and training	0.925	—
Ghana	Education and training	1.200	—
	<i>Industrialization</i>		
Niger	Mining and quarrying	40.000	—
Cape Verde	Energy-oriented project	1.457	—
	<i>Special programmes</i>		
Mauritania	Desertification and drought	2.520	—
	<i>Exceptional aid</i>		
Ethiopia	Refugees and returnees	2.000	—
	<i>Other</i>		
Zimbabwe	General technical cooperation	1.760	—
Dominican Republic	Multisectoral programme	1.400	—
Mali	General technical cooperation	0.600	—
Seychelles	General technical cooperation	0.325	—
Mozambique	General technical cooperation	13.000	—
Papua New Guinea	General technical cooperation	1.200	—
Indian Ocean States <sup>1</sup>	Multisectoral programme	1.800	—
Ecowas Member States <sup>1</sup>	Multisectoral programme	3.800	—
Guyana	Multisectoral programme	2.000	—
Tanzania	Structural adjustment support	35.000	—
	<b>Total</b>	<b>212.031</b>	<b>—</b>

<sup>1</sup> Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone and Togo.

## International organizations and conferences

### United Nations

#### *Convention on the Law of the Sea*

1.3.73. Council Decision 94/562/EC concerning the signing by the European Community of the Agreement relating to the implementation of Part XI of the 1982 United Nations Convention on the Law of the Sea and the provisional application by the Community of that Agreement and of Part XI of the Convention.

#### **References:**

United Nations Convention on the Law of the Sea — Bull. 12-1982, point 2.2.50

Signing of the United Nations Convention on the Law of the Sea by the European Community — Bull. 12-1984, point 2.2.57

*Adopted by the Commission on 13 July.* This proposal for a Decision and the accompanying communication reflect the outcome of 'informal consultations' held by the UN Secretary-General with a view to ensuring the worldwide acceptance of the 1982 United Nations Convention on the Law of the Sea.

COM(94) 305

*Adopted by the Council on 25 July.* The Council decided that the Community would sign the Agreement relating to the implementation of Part XI of the 1982 United Nations Convention on the Law of the Sea, which concerns the exploitation of the seabed, once it had been signed by a majority of Member States. The Agreement and Part XI of the Convention would be applied provisionally as soon as possible, but not before 16 November, the date scheduled for the entry into force of the Convention.

OJ L 215, 20.8.1994

### European Bank for Reconstruction and Development

#### *Financing*

#### **Estonia**

#### *Estonian Investment Bank*

1.3.74. The Bank granted two loans totalling ECU 8 million to the Estonian Investment Bank

(BESTI), a financial institution set up with backing from the Baltic investment fund managed by the EBRD and the PHARE programme. These loans will help BESTI provide more hard-currency loans for local SME.

#### **Hungary, Poland, Slovakia and the Czech Republic**

#### *Advent regional fund*

1.3.75. The Bank took a USD 17.5 million stake in the Advent regional fund and three investment funds in Poland, the Czech Republic, Slovakia and Hungary. These risk-capital funds will invest in private-sector firms, offering management advice as well as capital.

#### **Lithuania**

#### *Lithuanian Investment Bank*

1.3.76. The Bank took a stake equivalent to ECU 1.8 million in the newly set up Lithuanian Investment Bank. This institution will specialize in providing long-term hard-currency financing for private-sector SME. Half the Lithuanian Bank's capital is drawn from the Baltic investment fund set up by the Western Baltic countries.

#### **Poland**

#### *Bielsko Biala electricity company*

1.3.77. The Bank granted a loan equivalent to ECU 31 million to a regional electricity company undergoing privatization. This loan will cover the construction of a coal- and oil-fired power station providing electricity and district heating.

#### *Ostoja SA*

1.3.78. The Bank took a stake equivalent to ECU 1.5 million in the Ostoja insurance company, the newly set up Polish subsidiary of the French insurance company Azur. The company will develop insurance products targeted on rural customers.

#### *Kwidzyn paper mills*

1.3.79. The Bank granted a loan of USD 47 million to Kwidzyn, a Polish paper manufac-

turer, also providing it with an optional subsidiary loan of USD 10 million. Recently privatized, Kwidzyn is a majority-owned subsidiary of the US International Paper group. The financing will enable Kwidzyn to modernize its plant. The project is being cofinanced with the International Financial Company and OPIC of the United States.

## Czech Republic

### *Kabel Net*

1.3.80. The Bank granted USD 20 million (convertible into a security at a local bank) and took a USD 4 million stake in Kabel Net, a majority-owned subsidiary of United International Holdings, an international multi-channel television operator. Kabel Net has negotiated and won licences from the Czech authorities for several cities, including Prague and Brno, comprising some half a million television-owning households. The Bank's contribution will cover broadcasting and distribution equipment.

## Russia

### *Smolensk regional fund*

1.3.81. The Bank set up a risk capital fund of USD 12 million to invest in medium-sized private firms in the Smolensk region. The fund's running costs will be covered by the TACIS programme. This venture forms part of the restructuring and privatization programme for Russia announced at the Tokyo G7 summit in July 1993.

### *Zapsibinvest Plywood, Arkhangelsk*

1.3.82. The Bank granted two loans totalling USD 14.8 million to a Russo-American joint venture to set up a plywood-manufacturing operation in the city of Arkhangelsk. Part of the firm's production will be sold to Loschen GmbH, a leading German supplier of timber to kit-furniture chains.

### *Financial institutions development project*

1.3.83. Under this joint project with the World Bank the EBRD will lend the Russian Feder-

ation USD 100 million for a large-scale assistance and consolidation programme for some 30 private commercial banks. The World Bank contribution will amount to USD 195 million.

## Slovakia

### *ZSNP Aluminium*

1.3.84. The Bank took a stake of USD 15 million in the aluminium producer Slovalco, and lent it a further USD 110 million to complete construction of its new plant, more modern and less polluting than the existing facilities. The new plant will produce 108 000 tonnes of aluminium a year, selling most of its output in Central Europe.

## Slovenia

### *Horizonte fund*

1.3.85. The Bank took a stake of ECU 2.5 million in a Slovenian investment fund set up by Horizonte, an Austro-American joint venture based in Vienna. The new fund will provide risk capital for local SME.

# Common commercial policy

## General matters

### *Operation of the customs union*

1.3.86. Proposal for a Council Decision accepting on behalf of the Community Annexes E.7 and F.4 to the International Convention on the Simplification and Harmonization of Customs Procedures (Kyoto Convention).

**Reference:** Council Decision 75/199/EEC concluding the Kyoto Convention: OJ L 100, 21.4.1975

*Adopted by the Commission on 20 July.* The aim of the proposal is to accept on behalf of the

Community the two annexes to the Kyoto Convention concerning the duty-free replacement of goods and customs formalities in respect of postal traffic.

COM(94) 325

### *Commercial policy instruments*

#### **Council anti-dumping measures**

1.3.87. Council Regulation (EC) No 1777/94 extending the provisional anti-dumping duty on imports of calcium metal originating in the People's Republic of China and Russia.

**Commission proposal:** COM(94) 263; Bull. 6-1994, point 1.3.73

*Adopted by the Council on 18 July.*

OJ L 184, 20.7.1994

1.3.88. Proposal for a Council Regulation extending the provisional anti-dumping duty on imports of certain watch movements originating in Malaysia and Thailand.

**Reference:** Provisional duty: OJ L 120, 11.5.1994; Bull. 5-1994, point 1.3.80

*Adopted by the Commission on 11 August.*

COM(94) 375

1.3.89. Proposal for a Council Regulation imposing a definitive anti-dumping duty on imports of certain magnetic disks (3.5" micro-disks) originating in Hong Kong and the Republic of Korea.

**References:**

Provisional duty: OJ L 68, 11.3.1994; Bull. 3-1994, point 1.3.99

Extension of the provisional duty: OJ L 146, 11.6.1994; Bull. 6-1994, point 1.3.74

*Adopted by the Commission on 12 August.*

COM(94) 374

1.3.90. Council Regulation (EC) No 1828/94 amending Regulation (EEC) No 738/92 imposing a definitive anti-dumping duty on imports of cotton yarn originating in Brazil and Turkey.

**Commission proposal:** COM(94) 272; Bull. 6-1994, point 1.3.76

*Adopted by the Council on 25 July.*

OJ L 191, 27.7.1994

1.3.91. Proposal for a Council Regulation amending Regulation (EC) No 3359/93 in so far as it imposes an anti-dumping duty on imports of ferrosilicon originating in Brazil and produced by the Brazilian company Rima Electrometalurgia SA.

**References:**

Definitive duty: OJ L 111, 3.5.1991

Amendment of definitive duty: OJ L 302, 9.12.1993; Bull. 12-1993, point 1.3.81

Judgment of the Court of Justice in Case C-216/91: Bull. 12-1993, point 1.7.38

*Adopted by the Commission on 6 July.* In view of the Court of Justice's annulment of the definitive duty imposed in 1991 on imports of ferrosilicon manufactured by the Brazilian firm Rima, at the time a review of the duty was opened, the company was not subject to any anti-dumping duty. As the circumstances concerning Rima, which did not export to the Community during the investigation period of the review, had not changed in the meantime the Commission proposed to repeal the duty imposed following the review concerning ferrosilicon manufactured by Rima. Other Brazilian firms producing ferrosilicon are not affected by this proposal, as any anti-dumping duties applying to them do not need to be reviewed.

COM(94) 301

#### **Commission anti-dumping measures**

1.3.92. Notice of initiation of an anti-dumping proceeding concerning imports of tapered roller bearings originating in Japan.

*Published on 2 July.*

OJ C 181, 2.7.1994

1.3.93. Notice of initiation of an anti-dumping proceeding concerning imports of polyester yarn originating in Indonesia, India and Thailand.

*Published on 29 July.*

OJ C 209, 29.7.1994

1.3.94. Notice of initiation of an anti-dumping proceeding concerning imports of polyester staple fibre originating in Belarus.

*Published on 3 August.*

OJ C 212, 3.8.1994

1.3.95. Notice of initiation of an anti-dumping proceeding concerning imports of advertising matches originating in Japan.

*Published on 4 August.*

OJ C 214, 4.8.1994

*1.3.96.* Commission Regulation (EC) No 1648/94 imposing a provisional anti-dumping duty on imports of furazolidone originating in the People's Republic of China.

**Reference:** Notice of initiation of a proceeding: OJ C 302, 9.11.1993; Bull. 11-1993, point 1.3.66

*Adopted by the Commission on 6 July.*

OJ L 174, 8.7.1994

*1.3.97.* Regulation (EC) No 1783/94 imposing a provisional anti-dumping duty on imports of furfuraldehyde originating in the People's Republic of China.

**Reference:** Notice of initiation of an anti-dumping proceeding: OJ C 208, 31.7.1993; Bull. 7/8-1993, point 1.3.81

*Adopted by the Commission on 18 July.*

OJ L 186, 21.7.1994

*1.3.98.* Commission Decision No 1751/94/ECSC imposing a definitive anti-dumping duty on imports into the Community of hematite pig-iron originating in Brazil, Poland, Russia and Ukraine.

**References:**

Provisional duty: OJ L 12, 15.1.1994; Bull. 1/2-1994, point 1.3.127

Extension of the provisional duty: OJ L 112, 3.5.1994; Bull. 4-1994, point 1.3.81

*Adopted by the Commission on 15 July.*

OJ L 182, 16.7.1994

*1.3.99.* Notice of initiation of a review of Regulation (EEC) No 1798/90, as amended by Regulations (EEC) No 2966/92 and (EEC) No 2455/93, imposing anti-dumping duties relating to imports of monosodium glutamate originating in Indonesia, the Republic of Korea, Taiwan and Thailand and of the corresponding Commission Decisions accepting undertakings in that connection.

**References:**

Definitive duties: OJ L 167, 30.6.1990; Bull. 6-1990, point 1.4.53; OJ L 299, 15.10.1992; Bull. 10-1992, point 1.4.60; OJ L 225, 4.9.1993; Bull. 9-1993, point 1.3.68

Undertakings: OJ L 56, 3.3.1990; Bull. 3-1990, point 1.2.68; OJ L 299, 15.10.1992; Bull. 10-1992, point 1.4.64; OJ L 225, 4.9.1993; Bull. 7/8-1993, point 1.3.87

*Published on 9 July.*

OJ C 187, 9.7.1994

*1.3.100.* Notice of the impending expiry of anti-dumping measures concerning imports of certain types of electronic microcircuits known as DRAMs (dynamic random access memories) originating in Japan.

**Reference:** Undertakings: OJ L 20, 25.1.1990; Bull. 1/2-1990, point 1.2.84

*Published on 26 July.*

OJ C 206, 26.7.1994

*1.3.101.* Notice of the impending expiry of an anti-dumping measure concerning imports of potassium permanganate originating in former Czechoslovakia.

**Reference:** Definitive duty: OJ L 42, 16.2.1990; Bull. 1/2-1990, point 1.2.73

*Published on 17 August.*

OJ C 227, 17.8.1994

*1.3.102.* Notice of the impending expiry of anti-dumping measures concerning imports of urea originating in Romania and former Yugoslavia.

**Reference:** Undertakings: OJ L 52, 24.2.1989; Bull. 2-1989, point 2.2.3

*Published on 27 August.*

OJ C 239, 27.8.1994

### Anti-subsidy measures

*1.3.103.* Proposal for a Council Regulation amending Regulation (EEC) No 1781/93 imposing a definitive countervailing duty on imports of ball bearings with a greatest external diameter not exceeding 30 mm, originating in Thailand but exported to the Community from another country.

**References:**

Definitive duty: OJ L 163, 6.7.1993; Bull. 6-1993, point 1.3.67

Initiation of review: OJ C 286, 22.10.1993; Bull. 10-1993, point 1.3.81

*Adopted by the Commission on 29 July.*

COM(94) 357

*1.3.104.* Commission Decision 94/639/EC accepting a modified version of the undertaking

offered by the Royal Thai Government in connection with the countervailing duty proceeding concerning imports of ball bearings with a greatest external diameter not exceeding 30 mm, originating in Thailand.

**References:**

Undertaking: OJ L 163, 6.7.1993; Bull. 7/8-1993, point 1.3.95

Initiation of review: OJ C 286, 22.10.1993; Bull. 10-1993, point 1.3.81

*Adopted on 3 August.*

OJ L 247, 22.9.1994

### *Common import arrangements*

*1.3.105.* Council Regulation (EC) No 1921/94 amending Regulation (EC) No 519/94 on common rules for imports from certain third countries.

**Regulation amended:** Council Regulation (EC) No 519/94; OJ L 67, 10.3.1994; Bull. 3-1994, point 1.3.89

*Proposal adopted by the Commission on 8 July.*  
COM(94) 312

*Agreed by the Council on 18 July.*

*Formally adopted by the Council on 25 July.* The aim is to increase the Community quantitative quotas established by Regulation (EC) No 519/94 on imports of toys from the People's Republic of China.

OJ L 198, 30.7.1994

### *Treaties and trade agreements*

*1.3.106.* Draft agreement between the Community and Switzerland on mutual recognition in the field of conformity assessment.

**References:**

Council Decision authorizing the Commission to negotiate agreements between the Community and certain third countries on mutual recognition in the field of conformity assessment: Bull. 9-1992, point 1.3.62

Council conclusions on future relations with Switzerland: Bull. 11-1993, point 1.3.4

*Recommendation for a decision adopted by the Commission on 20 July.* Under the negotiating directives adopted in September 1992 by the Council, relations between the Community and

Switzerland in the field of mutual recognition of conformity assessment were to be governed by the provisions of the Agreement on the European Economic Area, which in the end Switzerland did not join. The Commission therefore requested the Council to authorize it to open separate negotiations with Switzerland on this matter, in keeping with the Council's general approach to the future of the European Union's relations with Switzerland.

### *Export credits*

*1.3.107.* Proposal for a Council Directive concerning the harmonization of the main provisions concerning export credit insurance for transactions with medium- and long-term cover.

*Adopted by the Commission on 13 July.* The aim is to harmonize the main provisions concerning export credit insurance for transactions with medium- and long-term cover in order to reduce distortions of competition between Community firms caused by disparities between these systems. It provides for the establishment of common principles covering the following:

- the main constituents of cover: types of risk covered, the percentage of cover, and general conditions for the payment of claims;
- the setting of premium systems and the matching of premiums to the risks incurred;
- policies with regard to country cover and the classification of countries on the basis of the risks they present.

The Commission also proposes that Member States should be allowed some flexibility in applying these principles, by authorizing derogations from them in certain cases, subject to observance of a procedure for informing and consulting the other Member States and the Commission.

OJ C 272, 30.9.1994; COM(94) 297

### **Individual sectors**

#### *Textiles*

*1.3.108.* Proposals for Council Regulations amending Regulation (EEC) No 636/82 establishing economic outward processing arrange-

ments applicable to certain textiles and clothing products reimported into the Community after working or processing in certain third countries.

**Reference:** Conclusions of the Copenhagen European Council: Bull. 6-1993, point I.13

**Commission proposal:** COM(93) 259; Bull. 7/8-1993, point 1.3.100

*Two amended proposals adopted by the Commission on 27 July.* The aim is to divide COM (93) 259 into two separate proposals, one being intended to implement the tariff concessions for Central and Eastern Europe adopted at the Copenhagen European Council, and the other to harmonize the general conditions for implementing the outward processing arrangements in the textiles sector in the light of the completion of the internal market.

COM(94) 328

*1.3.109.* Commission Regulation (EC) No 1629/94 implementing definitive quantitative limits on imports into the Community of certain textile products originating in Indonesia.

**Reference:** provisional limit: OJ L 54, 13.4.1994

*Adopted on 5 July.*

OJ L 171, 6.7.1994

*1.3.110.* Commission Regulation (EC) No 1802/94 introducing a definitive quantitative limit on imports into the Community of certain textile products originating in Pakistan.

**Reference:** provisional limit: OJ L 127, 19.5.1994; Bull. 5-1994, point 1.3.86

*Adopted on 22 July.*

OJ L 189, 23.7.1994

*1.3.111.* Regulation (EC) No 1756/94 opening quantitative import quotas for textile products in categories 122, 123, 125B, 140 and 146C from the People's Republic of China and amending Annexes IV and V to Regulation (EC) No 517/94.

**Regulation amended:** Council Regulation (EC) No 517/94 on common rules for imports of textile products from certain third countries: OJ L 67, 10.3.1994; Bull. 3-1994, point 1.3.104

*Adopted by the Commission on 18 July.*

OJ L 183, 19.7.1994

## Development policy

### Generalized preferences

*1.3.112.* Council Regulation (EC) No 2129/94 applying to South Africa some of the advantages granted by the Community to developing countries under the scheme of generalized tariff preferences.

**References:**

Commission communication and Council conclusions on a proposal for measures to be presented to the new Government of South Africa: COM(94) 123; Bull. 4-1994, point 1.3.38

Commission communication entitled: 'Integration of developing countries in the international trading system. Role of the GSP 1995-2004': COM(94) 212; Bull. 6-1994, point 1.3.91

**Regulation to be amended:** Council Regulation (EEC) No 3831/90 applying generalized tariff preferences for 1991 in respect of certain industrial products originating in developing countries: OJ L 370, 31.12.1990; Bull. 12-1990, point 1.4.54, as last amended by Council Regulation (EEC) No 3917/92: OJ L 396, 31.12.1992; Bull. 12-1992, point 1.4.44

*Proposal adopted by the Commission on 13 July.*

COM(94) 318

*Agreed by the Council on 18 July.*

*Formally adopted by the Council on 19 August.* In accordance with the Council conclusions of April 1994, the Regulation makes South Africa a GSP beneficiary. The benefits offered are modulated to take account of both South Africa's particular circumstances, the interests of other countries in the region and of the EU Member States, and the principles underlying the revision of the scheme. Since, however, work on making the new scheme operational on the lines set out in the Commission communication of June 1994 is not complete, preferential access under this Regulation is restricted — for the remainder of the current scheme — to industrial products which are known to be non-sensitive and unlikely to cause problems in the near future. It is estimated that exports to the value of ECU 400 million will be covered by the measure over a period of 12 months.

OJ L 225, 31.8.1994

## Commodities and world agreements

### Coffee

#### 1.3.113. International Coffee Agreement 1994.

**References:**

Council Decision 87/485/EEC approving the 1983 Coffee Agreement: OJ L 276, 29.9.1987; Bull. 9-1987, point 2.2.28

Meeting of the International Coffee Council: Bull. 3-1994, point 1.3.107

**Commission proposal:** COM(94) 255; Bull. 6-1994, point 1.3.92

*Decision 94/570/EC concerning the signing and conclusion of the Agreement adopted by the Council on 18 July.* The main objectives of the Agreement are to promote international cooperation and provide an international framework of intergovernmental consultation on coffee. The Agreement has no economic provisions.

OJ L 222, 26.8.1994

sent to the new Government of South Africa: COM(94) 123; Bull. 4-1994, point 1.3.38

*Adopted by the Commission on 27 July.* The Commission proposes that the Council renew and expand the 'EC Investment Partners' instrument (ECIP) and extend it to South Africa. The main aim of the ECIP is to promote joint ventures of mutual interest to businesses in the Community and in eligible countries. Thanks to a network of financial institutions and investment promotion bodies, the management of funds is decentralized and flexible. The instrument is organized into four financing facilities covering all stages of the setting-up of a joint venture: identification of projects and partners; feasibility studies and pilot project; financing capital requirements; training and assistance in managing joint ventures. The Commission proposes that the ECIP's remit be enlarged to cover privatization operations and private infrastructure projects. It also suggests a few technical adjustments in the instrument's operation and practical ways of improving its management.

COM(94) 358

## EC Investment Partners

1.3.114. Proposal for a Council Regulation on the implementation of the EC Investment Partners financial instrument for the countries of Latin America, Asia, the Mediterranean region and South Africa.

**References:**

Council Regulation (EEC) No 319/92 of 3 February 1992 on the implementation for a trial period of the European Communities Investment Partners financial instrument for countries of Latin America, Asia and the Mediterranean region: OJ L 35, 12.2.1992; Bull. 1/2-1992, point 1.4.41

Commission communication and Council conclusions on a proposal for measures to be pre-

## Cooperation via non-governmental organizations

1.3.115. Projects in developing countries.

*Commission co-financing:* commitment of ECU 12 067 288 for 22 operations.

1.3.116. Campaigns to raise public awareness.

*Commission contribution:* ECU 3 466 834 for 47 operations.

## Food aid

### Standard food aid

1.3.117. Commission decisions to grant food aid of a total value of ECU 57.68 million (see Table 15).



Table 15 — *Food aid allocations*

Country/organization	Cereals (tonnes)	Milk powder (tonnes)	Vegetable oil (tonnes)	Seed (tonnes)	Other products (million ECU)
Angola	40	—	1.5	—	1 (legumes)
Burundi	—	—	—	—	4 (legumes and seed)
Burundi (via ICRC)	17 000	—	—	800	8.15 (transport and logistic costs)
China	—	—	—	—	6.1 (substitution)
Malawi	50	—	—	—	—
IFRC	12	—	—	—	—
UNHCR	—	1.710	—	—	—

## Rehabilitation aid

1.3.118. Financing for rehabilitation and reconstruction measures for the developing countries.

*Adopted by the Commission on 26 July:* ECU 4 935 000 for eight rehabilitation projects in Angola, Eritrea, Guatemala, Madagascar and Uganda.

## Support for democratization and human rights

1.3.119. Financing for operations to support democratization and human rights (see Table 16).

Table 16 — *Operations in support of democratization and human rights*

<i>(million ECU)</i>	
Purpose	Amount
26 operations to promote respect for human rights and democratic principles	1.32
17 operations to promote and defend human rights and underpin democratization	3.4
7 operations to aid the reintegration of torture victims	0.43

## Humanitarian aid

## Emergency aid

1.3.120. Commission decisions: see Table 17.

Table 17 — *Emergency aid*

<i>(million ECU)</i>		
Country/region	Purpose	Amount
<i>Financing: EDF (ACP countries)</i>		
Burundi, Uganda, Rwanda, Tanzania and Zaire	Rwandans and Burundians	87
Guinea	Cholera epidemic	0.3
Kenya	Somalian refugees	0.59
	Displaced persons	0.22
Liberia	Food aid	1
	Cholera epidemic	0.2
Malawi	Drought	0.3
Papua New Guinea	Displaced persons	0.12
Sierra Leone	Displaced persons	0.4
Zaire	Displaced persons in Shaba, Kasai and northern Kivu	6

*(million ECU)*

Country/region	Purpose	Amount
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*Financing: 1994 ECHO budget*

Afghanistan	Displaced persons	1.98
Albania	Difficult situation	0.3
Algeria	Earthquake	0.4
Armenia	Displaced persons	5.45
Azerbaijan	Displaced persons	5
Brazil	Cholera epidemic at Fortaleza	0.15
Caucasus	Food laid	13
	Medical aid for the south	1.4
Russian Federation	Medical aid	5
Georgia	Displaced persons	5.62
Iraq	Medical/nutritional aid	2
	Vulnerable sections of the population	2
	Food aid for northern Iraq	1.7
Kyrgyzstan	Aid for vulnerable sections of the population	1
Kyrgyzstan and Tadjikistan	Food aid	7
Tadjikistan	Aid for vulnerable sections of the population	1
Former Yugoslavia	Fighting	33.98

# 4. Financing Community activities

## Budgets

### General budget

#### *General matters*

*1.4.1.* Commission communication to the budgetary authority concerning legal bases and maximum amounts.

#### **References:**

Joint declaration by Parliament, the Council and the Commission relating to the budgetary procedure: OJ C 194, 28.7.1982; Bull. 6-1982, point 2.3.1

1988 Interinstitutional Agreement on budgetary discipline and improvement of the budgetary procedure: OJ L 185, 15.7.1988; Bull. 6-1988, points 2.3.8 to 2.3.10

1993 Interinstitutional Agreement on budgetary discipline and improvement of the budgetary procedure: Bull. 10-1993, point 1.5.1

*Adopted on 6 July.* The 1982 Joint Declaration by Parliament, the Council and the Commission lays the foundations for a balanced interinstitutional relationship in the budgetary sector. In particular, it contains an undertaking by the Council not to enter maximum amounts in basic instruments and the undertaking given in return by Parliament to agree that a legal basis must exist before appropriations entered in the budget can be implemented. This need for a legal basis was reiterated in the 1988 Interinstitutional Agreement and again in the 1993 Agreement. In addition, a statement annexed to this Agreement confirms the validity of the principles laid down in the 1982 Joint Declaration in connection with legal bases and maximum amounts and expresses the determination of the institutions to improve implementation.

That is why the Commission has sent the budgetary authority a communication on this subject. The first part of this communication analyses the provisions of the 1982 Joint Declaration relating to the need for a legal basis and the

avoidance of maximum amounts. It sketches the historical background, gives details of the text, outlines the accepted interpretation and finally describes the practice of the past ten years and its repercussions. The second part contains proposals to improve implementation of the 1982 Declaration, distinguishing between existing and future situations.

#### *Budgetary procedures*

##### **1995 financial year**

*1.4.2.* Draft budget for 1995.

**Preliminary draft budget:** Bull. 4-1994, point 1.5.5

*Established by the Council (first reading) on 25 July.* This draft budget provides for total expenditure of ECU 75.745 billion in commitment appropriations and ECU 71.955 billion in payment appropriations, 3.13% and 3.42% higher respectively than in 1994; compared with the Commission's preliminary draft, the volume of commitment appropriations was cut by ECU 641 million and payment appropriations by ECU 452 million.

The Council accepted the Commission proposals as regards agricultural expenditure and structural policies, but substantially cut the amounts contained in the preliminary draft for internal policies (in particular trans-European networks, information policy, audiovisual policy and consumer policy). Drastic cuts have also been made in external action (in particular 'other cooperation measures', which includes cooperation with developing countries in the environmental sector). The increase in administrative expenditure in relation to 1994 has been reduced from the 5.64% provided for in the preliminary draft to 2% in the Council draft, with the Commission bearing the brunt of this austerity measure.

##### **1994 financial year**

*1.4.3.* Commission communication to Parliament on implementation of the 1994 budget.

*Approved on 6 July.*

*Adopted on 3 August.* In the course of the 1993 Notenboom procedure Parliament expressed the wish for a new procedure to give it an effective means of monitoring implementation of the current year's budget and to serve as a decision-making aid for establishing the budget for the year to come. It was agreed that the revised procedure should be applied starting this year. The new procedure means, in particular, that at the end of July the Commission puts before Parliament a communication on implementation of the current year's budget, describing the problems encountered, the measures taken or planned to deal with them, and the likely outcome. After hearing the Commission, Parliament draws up its questions and requests for further information. The Commission gives its replies in the second half of September. This stage of the exercise is rounded off by a draft report presented during the part-session at the end of September.

Against this background, the communication on implementation of the budget aims to paint a broad overall picture of the current situation and outlook for implementation of the 1994 budget for each heading under the financial perspective and to set out the measures taken or planned by the Commission to optimize the utilization of appropriations.

## ECSC operating budget

### 1.4.4. Draft ECSC operating budget for 1995.

**Reference:** Draft ECSC operating budget for 1994: Bull. 12-1993, point 1.6.2

*Approved by the Commission on 27 July.* This draft budget, which amounts to ECU 291 million, is considerably lower than in 1994, when it totalled ECU 393 million. There are two main reasons for the reduction in resources available in 1995: the drop in the net balance of the ECSC's financial activities from ECU 150 million in 1994 to ECU 125 million in 1995 and the fall in the levy rate from 0.23 to 0.21% in anticipation of expiry of the ECSC Treaty in 2002.

Expenditure, which is also correspondingly reduced, will be concentrated on the social sector and, in particular, redeployment aid (ECU 114 million). A further ECU 60 million will be allocated to the social measures for the steel in-

dustry. The research allocation is reduced from ECU 45 million to ECU 35 million.

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## Financial Regulation

1.4.5. Amended proposal for a Council Regulation (EC, Euratom) amending Council Regulation (EEC, Euratom) No 1553/89 on the definitive uniform arrangements for the collection of own resources accruing from value-added tax.

**Regulation to be amended:** Regulation (EEC, Euratom) No 1553/89: OJ L 155, 7.6.1989; Bull. 5-1989, point 2.5.1

**Commission proposal:** OJ C 35, 9.2.1992; COM (92) 580

**Court of Auditors opinion:** OJ C 227, 23.8.1993

**Parliament opinion:** OJ C 329, 6.12.1993; Bull. 11-1993, point 1.6.13

*Adopted by the Commission on 14 July.* The Commission accepts most of Parliament's amendments with the exception of the provisions relating to the method for the calculation of the VAT own resources base.

OJ C 222, 10.8.1994 and COM(94) 283

1.4.6. Proposal for a Council Regulation (EC, ECSC, Euratom) amending the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities.

**Regulation to be amended:** Financial Regulation of 21 December 1977 (OJ L 356, 31.12.1977), as last amended by Regulation (ECSC, EEC, Euratom) No 610/90: OJ L 70, 16.3.1990; Bull. 3-1990, point 1.4.6

**Reference:** Parliament and Council Decision No 1110/94/EC concerning the fourth framework programme of European Community activities in the field of research and technological development and demonstration (1994 to 1998): OJ L 126, 18.5.1994; Bull. 4-1994, point 1.2.69

*Adopted by the Commission on 22 July.* The Commission proposes amendments to the Financial Regulation of 21 December 1977 to take account of the Joint Research Centre's new activities following adoption of the fourth framework programme of European Community activities in the field of research and technological development and demonstration (1994 to 1998).

OJ C 237, 25.8.1994 and COM(94) 338

1.4.7. Council Regulation (ECSC, EC, Euratom) No 1923/94 amending the Financial Reg-

ulation of 21 December 1977 applicable to the general budget of the European Communities.

**Regulation to be amended:** Financial Regulation of 21 December 1977 (OJ L 356, 31.12.1977), as last amended by Regulation (ECSC, EEC, Euratom) No 610/90: OJ L 70, 16.3.1990; Bull. 3-1990, point 1.4.6

**Commission proposal:** OJ C 254, 1.10.1992; COM(92) 358; Bull. 9-1992, point 1.5.3

**Court of Auditors opinion:** OJ C 342, 23.12.1992

**Parliament opinion:** OJ C 329, 6.12.1993, Bull. 11-1993, point 1.6.8

**Amended proposal:** OJ C 56, 24.2.1994; COM (94) 14; Bull. 1/2-1994, point 1.5.5

**Court of Auditors opinion:** OJ C 115, 26.4.1994; Bull. 3-1994, point 1.5.11

*Adopted on 25 July.* This Regulation amends a number of rules applicable to the general budget as regards the status of the Economic and Social Committee and the establishment of the Committee of the Regions and the ombudsman. This is only part of the Commission proposal, which the Council decided to adopt separately in view of the urgency of the provisions involved.

OJ L 198, 30.7.1994

*1.4.8.* Amended proposal for a Council Regulation (ECSC, EC, Euratom) amending the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities.

**Regulation to be amended:** Financial Regulation of 21 December 1977 (OJ L 356, 31.12.1977), as last amended by Regulation (ECSC, EEC, Euratom) No 610/90: OJ L 70, 16.3.1990; Bull. 3-1990, point 1.4.6

**Commission proposal:** OJ C 221, 17.8.1993; COM(93) 328; Bull. 7/8-1993, point 1.5.2

**Court of Auditors opinion:** OJ C 348, 28.12.1993

**Parliament opinion:** OJ C 205, 25.7.1994; Bull. 5-1994, point 1.4.2

*Adopted by the Commission on 14 July.* This proposal amending the Financial Regulation of 21 December 1977 relates to a number of essentially technical points which will none the less improve budget implementation, in particular as regards control and bookkeeping requirements. The Commission has incorporated Parliament's amendments, except those relating to fines.

OJ C 225, 13.8.1994 COM(94) 288

*1.4.9.* Proposal for a Council Regulation amending the Financial Regulation of 21

December 1977 applicable to the general budget of the European Communities (→ point 1.2.138).

## Financial operations

### General matters

*1.4.10.* Commission report on Community borrowing and lending activities in 1993 and report on the rate of utilization of the new Community instrument (NCI) (second half of 1993).

**Previous report:** Bull. 7/8-1993, point 1.5.3

*Adopted on 18 July.* The salient points of these two reports to the Council and Parliament are as follows.

The volume of borrowing on the market by the Community institutions in 1993 rose to a new height of ECU 20.1 billion, an increase of 28% compared with the previous year. This rise is mainly due to EIB activities and to balance-of-payments operations. The Community's share of borrowing in the OECD area fell for the third consecutive year, although less sharply than eu-dominated issues, which were hit harder by the troubles of the European Monetary System. Taking account of redemptions and cancellations, the amount of borrowing outstanding at 31 December 1993 was ECU 94.4 billion compared with ECU 83.8 billion in 1992.

As regards lending, economic activity in the Community was in recession in 1993. High interest rates and lack of consumer confidence due to the continuing rise in unemployment contributed to the fall in demand. In this context, investment fell in the Community as a whole (- 5%); the most marked falls were recorded in Italy (- 11.1%), Spain (- 10.3%) and France (- 5%).

Despite the difficult economic situation, EIB activity in support of the internal objectives of the Community increased. In 1993 loans signed for projects in the Community totalled ECU 17.7 billion, compared with ECU 16.1 billion in 1992

(an increase of 9%). In 1993 the EIB approved a series of financing operations under the Edinburgh lending facility for a total of ECU 4.6 billion in support of projects in the Community. In the framework of this mechanism, loans for ECU 2.4 billion have been signed for communication, energy and environment infrastructures.

ECSC lending totalled ECU 918.3 million in 1993, a decrease of 38.2% on 1992. In the field of ECSC activity, the restructuring of the steel and coal industries continued. Consequently, the volume of industrial loans in 1993 was particularly low.

As regards NCI activities, no new operations were undertaken in 1993.

The facility providing medium-term financial assistance for Member States' balances of payments was activated in 1993 in favour of Italy. The Council granted a loan of ECU 8 billion to be disbursed in four tranches. The first two tranches of ECU 2 billion each were contracted and paid to Italy in March and November 1993 respectively. Taking into account earlier loans and repayments made, the total amount of loans outstanding under this facility stood at ECU 5.2 billion at 31 December 1993, the authorized ceiling being ECU 14 billion.

EIB financing outside the Community amounted to ECU 1 887 million in 1993 (ECU 893 million in 1992), with ECU 1 807 million from own resources, all guaranteed by the Member States or the Community budget, and ECU 80 million from budgetary resources. The marked increase in lending activity in 1993 is due mainly to the increase in operations in Central and Eastern Europe as well as those in the Mediterranean basin. Also, for the first time, the Bank has been active in Latin America and Asia.

Finally, in 1993 the EBRD approved 91 new projects in the countries of Central and Eastern Europe and the independent States of the former Soviet Union. Signed commitments amounted to ECU 1.8 billion, including equity investments worth ECU 211 million. Disbursements based on the lending and equity commitments totalled ECU 435 million.

COM(94) 317

## ECSC

### *General matters*

*1.4.11.* ECSC financial report (1993 financial year).

**Reference:** Observations of the Court of Auditors on the 1993 ECSC annual report: point 1.6.17 of this Bulletin

*Adopted by the Commission on 27 July.* The 39th ECSC financial report (for 1993) records the Commission's financial activities covered by the Treaty establishing the European Coal and Steel Community. The chapter on the economic background and developments in ECSC industries gives an account of coal and steel production and investment expenditure. The following chapters describe the ECSC's lending and guarantee operations and borrowing operations. The ECSC's balance sheet and profit and loss accounts for the year ending 31 December 1993 are also included.

### *Financing*

#### **Loans raised**

*1.4.12.* In July and August the Commission contracted a number of private placings in sterling, pesetas and US dollars on behalf of the ECSC for the equivalent of ECU 8.4 million.

#### **Loans granted**

*1.4.13.* Acting under Articles 54 and 56 of the ECSC Treaty, the Commission granted loans totalling ECU 76.8 million.

#### *Industrial loans*

*1.4.14.* Industrial loans (Article 54) totalling ECU 72.2 million were made to the United Kingdom and Spain.

#### *Conversion loans*

*1.4.15.* Conversion loans (Article 56) totalling ECU 3.4 million were made to the United Kingdom.

#### *Workers' housing*

*1.4.16.* Loans totalling ECU 1.2 million were granted for steelworkers and mineworkers in Germany, Belgium, Greece, Spain and Italy.

## EC-NCI

### *Loans raised*

1.4.17. In July and August the Commission contracted a ECU 220 million seven-year public issue at 7.125% with an issue price of 100.885%: ECU 120 million was for financial assistance and ECU 70 million for the NCI.

## Measures to combat fraud

1.4.18. Council conclusions on the fight against fraud.

### **References:**

Commission Decision 94/140/EC setting up an advisory committee for the coordination of fraud prevention: Bull. 1/2-1994, point 1.5.16

Fifth Commission report on protecting the Community's financial interests and the fight against fraud: COM(94) 94; Bull. 3-1994, point 1.5.23

Commission communication to the Council, Parliament and the Court of Auditors on its anti-fraud strategy and work programme for 1994: COM(94) 92; Bull. 3-1994, point 1.5.22

*Adopted on 11 July.* The Council stressed the need for the utmost vigour in continuing to fight fraud, which constitutes a threat to the Community's financial interests and to the image of the Community. It noted that the fight against fraud requires efforts by both the Community and the Member States and encouraged the Commission in its determination to strengthen partnership and cooperation with the Member States. The Council approved the anti-fraud strategy presented by the Commission in March and its work programme for 1994 but called for Com-

munity legislation to be framed in a simple, clear and verifiable manner so as to minimize the risk of fraud. It also welcomed the reorganization of the Fraud Prevention Unit and the setting-up of an advisory committee for the coordination of fraud prevention and encouraged the Commission to step up its operational and coordination activities, stressing the importance of an effective exchange of information.

1.4.19. Commission Regulation (EC) No 1681/94 concerning irregularities and the recovery of sums wrongly paid in connection with the financing of the structural policies and the organization of an information system in this field.

**Reference:** Parliament resolution on irregularities and the recovery of sums unduly paid in connection with the financing of structural policies: OJ C 91, 28.3.1994; Bull. 3-1994, point 1.5.25

*Adopted on 11 July.* The Regulation spells out the details of irregularities committed in the field of structural policies which Member States must notify to the Commission. It also lays down rules for communicating this information, including the frequency of reports and the obligation to observe confidentiality.

OJ L 178, 12.7.1994

1.4.20. Commission Regulation (EC) No 1831/94 concerning irregularities and the recovery of sums wrongly paid in connection with the financing of the Cohesion Fund and the organization of an information system in this field.

*Adopted on 26 July.* The Regulation defines detailed procedures for combating irregularities and recovering sums lost as a result of abuse or negligence in the field of the Cohesion Fund and lays down rules for communicating information to the Commission.

OJ L 191, 27.7.1994

## 5. Statistical system

### Policy aspects

1.5.1. Proposal for a Council Directive on statistical returns in respect of carriage of goods and passengers by sea.

*Adopted by the Commission on 4 July.* Purpose: to arrange for Member States to collect harmonized and comparable statistics on the carriage of goods and passengers by seagoing vessels calling at ports in their territories.

OJ C 214, 4.8.1994 and COM(94) 275

### Results

#### *The population of the European Economic Area on 1 January 1994*

##### General trend

1.5.2. On 1 January 1994 the population of the European Economic Area stood at 375 million, 349 million of whom were living in the 12 Member States of the European Union.

In 1993 the population of the European Economic Area grew by 1.5 million, compared with 1.9 million in 1992. Whereas the overall growth rate of the EEA's population showed an upward trend between 1984 and 1992, it was only 3.9 ‰ in 1993, compared with 5.0 ‰ in 1992. This slowdown was due to a drop in both natural growth (births minus deaths) and net migration. The rate of natural increase has been falling since 1990 and was only 1.1 ‰ in 1993. Net migration, which had been rising since 1984, was 12% less in 1993 than in the year before.

The relative weight of these two components of population growth remained the same as in the three preceding years: roughly two-thirds of total growth was due to net migration and about one third to natural growth.

##### Net migration

1.5.3. In recent years, migratory flows to and from Germany have accounted for more than half of net migration in the European Economic

Area. Since 1993, asylum may no longer be granted to persons originating from countries considered politically stable. This does much to explain the 40% drop in net migration to Germany in 1993, which caused a decline in net migration to the European Economic Area as a whole.

##### Natural growth

1.5.4. The decline in natural population growth is due primarily to the drop in the birth rate (11.2 ‰ in 1993 compared with 11.5 ‰ in 1992), the death rate having remained stable. Natural growth was down or unchanged in 1993 in all countries in the European Economic Area except Luxembourg. In Italy, for the first time since 1960, there were more deaths than births, which is a result of the exceptionally low fertility rate in that country in recent years. Estimates of births and deaths in Italy are, however, based on results for the first six months of the year. Nine countries in the European Economic Area owe most of their population growth to net migration, and seven to natural growth and net migration in equal measure. Only in Ireland and Iceland is population growth due entirely to natural increase. The overall picture is in contrast to that in the 1960s, 1970s and 1980s, when the excess of births over deaths was the main engine of population growth.

##### Fertility

1.5.5. There were 4.19 million births in the European Economic Area in 1993, 110 000 fewer than in 1992. The total fertility rate stood at 1.5 children per woman in the European Economic Area as a whole, compared with 1.44 in the European Union, owing to higher fertility rates in the Scandinavian countries than in the European Union.

In 1993, Luxembourg was the only country to record a significant increase in the total fertility rate, while France saw a steep drop in numbers of births. Following a period (1984 to 1989) in



which its total fertility rate was stable and one of the highest in the European Union, France is now converging on the average for the European Economic Area. Spain and Italy continue to record very low fertility rates (1.24 and 1.21 children per woman respectively). The rate in Greece is only slightly higher (1.38 children per woman). Since 1990 there has also been a slight downward trend in Norway and Sweden.

### Births outside marriage

1.5.6. The percentage of children born out of wedlock in the European Economic Area is still on the increase, although the rate of increase has slowed over the past three years (20% in 1990, 20.9% in 1991 and 21.4% in 1992). In 1993, Germany was the only country in the European Economic Area to see a fall-off in this indicator. This was a result of the wide gap between the percentages of extra-marital births in the pre-unification Federal Republic (less than 13%) and the new *Länder* (more than 40%). Since unification the new *Länder* have experienced a massive drop in fertility (the indicator for eastern Germany in 1992 is estimated at less than one child per woman). This particularly steep decline in the birth rate in the new *Länder* means that their contribution to the national total is also falling, although the proportion of births outside marriage remains high.

### Number of marriages

1.5.7. The gross marriage rate in the European Economic Area has fallen by 16% since 1989 (5.2‰ in 1993 compared with 6.2‰ in 1989). At 3.9‰, Sweden had the lowest gross marriage rate in the European Economic Area in 1993. Portugal, at the other end of the scale, still shows the highest rate (6.9‰), although here too it is on the decline. In the Scandinavian countries, the lowest rates of marriage in the EEA go hand in hand with the highest proportions of births out of wedlock.

Marriage statistics do not include those between two persons of the same sex ('registered partnerships'), which are recognized in Denmark and estimated at 224 in 1993 (an underestimate of the true figure, owing to difficulties in registering such unions). The divorce rate in the Mediterranean countries (Greece, Spain and Italy) is still less than one per thousand inhabitants, whereas in the north (the United Kingdom and Scandinavia) the gross rate is over two per

thousand. The trends in these two indicators reflect the differing lifestyles in different countries of the European Economic Area.

### Infant mortality

1.5.8. In 1993 there was a further decline in infant mortality (6.6‰ compared with 6.9‰ in 1992). All countries in the European Economic Area have an infant mortality rate of less than 10‰. Finland recorded the lowest rate of 4.4‰, and Portugal the highest at 8.7‰.

### Life expectancy

1.5.9. There were 3.8 million deaths in the European Economic Area in 1993 — about 57000 more than in the year before. In 1992, life expectancy was highest in Iceland for men (76.6 years) and in France for women (81.5 years). The gap between male and female life expectancy at birth has widened in recent decades except in the Netherlands and the Scandinavian countries, where the faster increase in life expectancy for men has closed the gap to some extent.

## Information

### Publications

1.5.10. New publications available from sales offices:

- *Balance of Payments of the Community Institutions 1991-92* (available in EN, FR);
- *Basic statistics of the Community* — 31st edition (available in DE, EN, ES, FR, IT);
- *National Accounts ESA: Taxes and Social Contributions 1981-92* (available in DE, EN, FR);
- *Demographic Statistics 1994* + diskette (available in DE, EN, FR);
- *Recueil statistique sur la protection sociale en Europe: Tome 5 (Maladie)* (available in FR);
- *Social Protection Expenditure and Receipts 1980-92* (available in DE, EN, FR);
- *Panorama of EC Industry: Short-term supplement* (available in DE, EN, FR);
- *Agricultural Prices 1984-93* (available in DE, EN, FR);
- *Economic Aspects of Cereal Production in the EC* (available in DE, EN, FR);
- *Eurostat Catalogue 1994* (available in DE, EN, FR).

## 6. Community institutions

### Institutional affairs

#### European Council

*1.6.1.* Parliament resolution on the conclusions of the Corfu European Council of 24 and 25 June 1994.

**References:**

Parliament resolution on the European Council in Corfu: OJ C 205, 25.7.1994; Bull. 5-1994, point 1.6.1

Conclusions of the Corfu European Council: Bull. 6-1994, points I.1 to I.29

Memorandum of Understanding on the administration of Mostar: point 1.3.2 of this Bulletin

*Adopted on 21 July.* Parliament welcomed the conclusions of the Corfu European Council on the White Paper on growth, competitiveness and employment, particularly the sections on trans-European networks and small businesses. It agreed with the European Council's analysis of the employment situation, namely that the resumption of economic growth would not in itself be enough to solve the unemployment problem. In the external relations field Parliament stressed the benefits of developing further initiatives such as the Stability Pact for Europe and welcomed the signing of the Memorandum of Understanding on the administration of Mostar. As well as expressing views on the situation in Rwanda, Algeria and the Middle East, it welcomed the enlargement of the European Union to include Austria, Sweden, Finland and Norway and the progress made on the applications from Cyprus and Malta and noted with interest the applications from Hungary and Poland. As regards cooperation in the fields of justice and home affairs, Parliament welcomed the Franco-German initiative to combat racism and xenophobia. Finally, on the institutional front, it noted with interest the decision to set up a Reflection Group, which will include two representatives of Parliament, to prepare for the 1996 Intergovernmental Conference. It called for the procedure for appointing the President of the

Commission to be reviewed at the conference in order to make it more democratic and transparent and for national parliaments to be involved in the process of revising the Treaty on European Union.

OJ C 261, 19.9.1994

*1.6.2.* Parliament resolution on the Brussels European Council of 15 July.

**References:**

Parliament resolution on confirmation of the Commission: OJ C 128, 9.5.1994; Bull. 4-1994, point 1.7.2

Parliament resolution on the European Council in Corfu: OJ C 205, 25.7.1994; Bull. 5-1994, point 1.6.1

Special meeting of the European Council in Brussels: point I.1 of this Bulletin

Decision of the representatives of the Governments of the Member States of the European Communities nominating the person they intend to appoint as President of the Commission of the European Communities: point 1.6.9 of this Bulletin

*Adopted on 21 July.* Parliament expressed regret that political circumstances had forced the European Council to postpone its decision nominating the President of the Commission until 15 July. In the interests of greater transparency and democracy it proposed that the present method of appointment be replaced by a system of election. It hoped that the Governments of the Member States would nominate the persons they intended to appoint as Members of the Commission in consultation with the nominee for President as soon as possible, so that Parliament could conduct hearings before the vote of approval. Parliament also called on the new Commission President to strive to guarantee the independence of the Commission and the continuation of its role in ensuring a balance between the institutions, the establishment of a system of democratic control by Parliament, the introduction of an economic policy concentrating on the creation of jobs and on the strengthening of economic and social cohesion, and improvements to social policy and environmental protection throughout the Union.

OJ C 261, 19.9.1994

# Parliament

## Strasbourg, 19 to 22 July

1.6.3. The fourth directly elected European Parliament held its first part-session in Strasbourg from 11 to 22 July, during which it elected its President, Mr Klaus Hänsch, and endorsed the nomination of Mr Jacques Santer as President of the Commission. It also elected four Vice-Presidents and five Quaestors and formed 20 committees and a temporary committee. A further notable event of the July part-session was the first rejection by Parliament of a Council common position under the co-decision procedure.

After an agreement between the ESP and the EPP to share the Presidency and legislative duties, Parliament elected its President, Mr Klaus Hänsch, by a substantial majority on the first ballot, for an initial period of two and a half years. Only one other candidate stood. The votes were as follows: Mr Hänsch (ESP/D): 365; Mr Galland (EUL/F): 87.

Mr Hänsch addressed the House, looking back at the important changes which have taken place in Europe since the last European elections in 1989 and highlighting the challenges which now face Europe and the new Parliament, in particular the 1996 Intergovernmental Conference, the problem of employment, the need to strengthen democracy, and the challenge of protecting the environment and natural resources. He emphasized Parliament's determination to make full use of its new powers, in particular under the co-decision procedure, its right to set up commissions of enquiry, and its commitment to strengthening its role in the areas of common foreign and security policy and justice and home affairs cooperation.

Parliament also elected its 14 Vice-Presidents after three ballots: Mrs Fontaine (EPP/F), Mr Martin (ESP/UK), Mrs Pery (ESP/F), Mr Anastassopoulos (EPP/GR), Mr Avgerinos (ESP/GR), Mr Schlüter (EPP/DK), Mrs Schleicher (EPP/D), Mr Capucho (ELDR/P), Mr Gil-Robles Gil-Delgado (EPP/E), Sir Jack Stewart-Clark (EPP/UK), Mr Verde I Aldea (ESP/E), Mr Imbeni (ESP/I), Mr Gutiérrez Diaz (EUL/E) and Mr Fontana (FE/I). The following were elected

Quaestors: Mr Soares (ESP/P), Mr Raffarin (EPP/F), Mr Bardong (EPP/D), Mr Balfe (ESP/UK) and Mr Ribeiro (EUL/P).

Nine political groups were formed, compared with 10 in the previous Parliament. The new groups are Forza Europa (FE, 27 members), the European Radical Alliance (ERA, 19 members), the European United Left (EUL, 28 members), which reunites the former Communists and Allies, and the Europe of Nations (EN, 19 members). The 27 non-affiliated members are from French, Italian and Belgian extreme-right parties. The division of seats between the political groups and the names of their chairpersons are shown in Table 18.

Parliament decided to form 20 committees (compared with 19 in the previous Parliament), upgrading the former Sub-committee on Fisheries to a full committee. The powers of the committees remain broadly the same as during the previous Parliament. A Temporary Committee on Employment has also been formed; its remit is to present a first report to the Essen European Council and it will sit for no longer than one year.

After a long debate Parliament voted in favour of the nomination of Mr Jacques Santer as President of the European Commission by 260 votes to 238, with 23 abstentions; his term of office will commence on 7 January 1995. Addressing the House before the vote, Mr Santer asked for its support and emphasized the strength and steadfastness of his European convictions. On the basis of his diagnosis of the situation of the European Union he outlined three main categories of action: reconquering public opinion, generating new growth and restimulating the integration process. On the public opinion front, there was a need to narrow the gap between the governors and the governed, firstly by increasing the transparency of decision-making and secondly by applying the subsidiarity principle. As for the endemic unemployment that was undermining the fabric of society, the solution had to be found in the strategy set out in the White Paper on growth, competitiveness and employment. Economic recovery must go hand in hand with structural change, exploitation of the internal market, compliance with the convergence criteria, increased investment in human resources, the development of trans-European networks, respect for the environment, solidarity between the regions, and international competitiveness. Mr Santer also stressed his commit-

ment to the social market economy. Finally, turning to the need to restimulate the integration process, he made it clear that this would require new structures and that it would be necessary to help the European Union's neighbours to prepare themselves in some cases for full membership and in others for a model form of partnership. The success of the 1996 Intergovernmental Conference would depend on the common ambitions agreed upon for the future. The Commission would play its full part in the process, and special attention would have to be paid to Parliament's legislative role. In conclusion, Mr Santer assured the House that the Commission would be run on the principle of promoting the interests of all the citizens of the Union, would respect the institutional balance and the prerogatives of each of the institutions, and would pursue the political objectives of the Union, while respecting the national identity of the Member States.

Mr Pangalos, Greek Minister for Transport and outgoing President of the Council, reported on the results of the Corfu European Council, highlighting the decisions taken in the six areas of action related to implementation of the White Paper on growth, competitiveness and employment: employment, small businesses, research and technology, trans-European networks, the information society, and a development model compatible with quality of life. He commented briefly on policy towards the Ukraine, the Mediterranean countries, the former Yugoslavia, the ACP States, North Korea and South America. He also referred to the European Council's conclusions on combating racism and xenophobia and on the need to cooperate with the Union's East European neighbours on questions under Article VI related to cooperation in the fields of justice and home affairs. After the debate Parliament adopted a resolution (→ point 1.6.1).

Mr Kranidiotis, Greek Deputy Minister for Foreign Affairs, presented an assessment of the Greek Presidency, emphasizing, like Mr Pangalos, the achievements in the framework of the White Paper on growth, competitiveness and employment, the deepening of the internal market, the fourth framework programme on research and technology, and the education and training programmes, as well as the progress made in the fields of energy, the environment and external relations.

Mr Kinkel, German Foreign Minister and incoming President of the Council, presented the

German priorities for the Presidency. They include reducing unemployment, protecting the environment, achieving sufficient convergence of economic policies to permit economic and monetary union, implementing a common foreign and security policy, reinforcing cooperation on home affairs so as to allow free movement without jeopardizing security, bringing Europe closer to its citizens, and deepening and widening the European Union. Under the co-decision procedure Parliament decided at third reading to reject the Council's common position on the proposal for a Directive on the application of open network provision to voice telephony following the failure of the conciliation procedure (→ point 1.2.101).

Parliament also adopted a resolution on the Brussels European Council of 15 July (→ point 1.6.2).

Report of proceedings:

OJ Annex 4-445

Full text of opinions and resolutions:

OJ C 261, 19.9.1994

Table 18 — *Political groups*

	Number of members	Chairperson
Socialist Group (PSE)	198	Mrs Green (UK)
European People's Party (PPE)	157	Mr Martens (B)
Liberal Democratic and Reformist Group (ELDR)	43	Mr de Vries (NL)
European United Left (GUE)	28	Mr Puerta Gutiérrez (E)
Forza Europa (FE)	27	Mr Libague (I)
European Democratic Alliance (RDE)	26	Mr Pasty (F)
EP Green Group (V)	23	Mrs Roth (D)
European Radical Alliance (ARE)	19	Mr Holy (F)
Europe of Nations (EdN)	19	Mr Goldsmith (F)
Non-attached	27	—

# Council

## 1777th meeting

1.6.4. Economic and financial affairs (Brussels, 11 July).

**Previous meeting:** Bull. 6-1994, point 1.7.9

**President:** Mr Waigel, German Minister for Finance.

**Commission:** Mr Delors, Mr Christophersen, Mr Schmidhuber and Mrs Scrivener.

### Main items

- Follow-up to the Corfu European Council — broad guidelines for economic policies: recommendation adopted (→ point 1.2.2).
- Fight against fraud — 1993 annual report, anti-fraud strategy and work programme for 1994: conclusions adopted (→ point 1.4.18).

### Other business

- Programme of the German Presidency in the area of economic and financial affairs (public session): exchange of views.
- Follow-up to the Corfu European Council — White Paper: discussed.
- Naples Western Economic Summit: exchange of views.
- Financial assistance to non-member countries — Albania: exchange of views.
- Financial assistance to non-member countries — Slovakia: examined.
- Taxation of savings: general discussion.
- Definitive VAT arrangements: preparatory discussions.
- Taxation of small business: oral presentation.
- Fight against fraud — treatment of special reports of the Court of Auditors: conclusions adopted.

## 1778th meeting

1.6.5. General affairs (Brussels, 18 July).

**Previous meeting:** Bull. 6-1994, point 1.7.12

**President:** Mr Kinkel, German Minister for Foreign Affairs.

**Commission:** Mr Delors, Mr Marín, Sir Leon Brittan and Mr Van den Broek.

### Main items

- Baltic States: decisions to sign Agreements adopted (→ points 1.3.33 to 1.3.35).
- Food aid for certain Republics of the former USSR: agreed (→ point 1.3.40).
- South Africa: agreement reached (→ point 1.3.112).
- Cooperation Agreement with India and Sri Lanka: two Regulations adopted by qualified majority (→ points 1.3.56 and 1.3.57).
- New import arrangements for China: proposal for a Regulation agreed by qualified majority (→ point 1.3.105).

### Other business

- Programme of the German Presidency (public session): exchange of views.
- Follow-up to the Corfu European Council — White Paper: examined.
- Follow-up to the Corfu European Council — racism and xenophobia: measures relating to the Consultative Commission adopted.
- Former Yugoslavia: declaration adopted.
- Situation in Gaza/Jericho: discussed.
- Relations with Parliament: examined.
- Summits with Canada and the United States: report.
- Western Economic Summit: report.
- Relations with Central and Eastern Europe: communication presented.
- Relations with the Mediterranean countries: progress report on negotiations presented.
- Mediterranean Conference: discussed.
- Macro-financial assistance for Albania: exchange of views.
- South Africa: discussed.
- Rwanda: discussed.
- Outlines of a policy for Asia: Commission communication presented.
- ASEAN Conference: progress report.
- Textiles — outward processing traffic (OPT): exchange of views.
- State aid for shipbuilding — OECD negotiations: exchange of views.

- Export credits: examined.
- Council Secretary-General: Mr Jürgen Trumpf appointed.
- Public access to Council documents: report examined.

### 1779th meeting

1.6.6. Agriculture (Brussels, 18 and 19 July).

**Previous meeting:** Bull. 6-1994, point 1.7.17

**President:** Mr Borchert, German Minister for Food, Agriculture and Forestry.

**Commission:** Mr Steichen.

#### *Main items*

- 1994/95 prices for agricultural products and related measures: package agreed by qualified majority (→ point 1.2.134).
- Milk quotas: proposal for a Regulation agreed by qualified majority (→ point 1.2.137).

#### *Other business*

- Simplification of the reform of the common agricultural policy: exchange of views.
- BSE: discussed.

### 1780th meeting

1.6.7. Budget (Brussels, 25 July).

**Previous meeting:** Bull. 11-1993, point 1.7.12

**President:** Mr Zeitler, German State Secretary for Finance.

**Commission:** Mr Schmidhuber.

#### *Main item*

- Draft general budget for 1995: established (first reading) (→ point 1.4.2).

#### *Other business*

- Legislative conciliation: discussed.
- Treatment of balances: general discussion.

### 1781st meeting

1.6.8. Economic and financial affairs (Brussels, 27 July).

**Previous meeting:** point 1.6.4 of this Bulletin

**President:** Mr Waigel, German Minister for Finance.

**Commission:** Mr Schmidhuber and Mrs Scrivener.

#### *Main items*

- Taxation of savings: exchange of views.
- Definitive VAT arrangements: general discussion.
- Second Directive simplifying the transitional VAT arrangements: progress report.
- Withholding tax on interest and royalties: progress report.
- CO<sub>2</sub>/energy tax: general discussion.
- Motor fuels from agricultural sources: general discussion.
- New own resources decision: examined.

## Commission

### Nomination of President

1.6.9. Decision 94/503/ECSC, EC, Euratom of the representatives of the Governments of the Member States of the European Communities nominating the person they intend to appoint as President of the Commission of the European Communities.

*Adopted on 26 July.* Following the special meeting of the European Council in Brussels (→ point I.1) and Parliament's vote of approval (→ point 1.6.3), Mr Jacques Santer was nominated as the person whom the Governments of the Member States intend to appoint President of the Commission of the European Communities for a five-year term of office commencing on 7 January 1995.

OJ L 203, 6.8.1994

1.6.10. Parliament resolution on the Brussels European Council of 15 July (→ point 1.6.2).

### Proposals adopted

1.6.11. The Commission adopted proposals for Regulations on access to certain fishing areas and resources and on control of the common

fisheries policy (→ point 1.2.152). It also adopted a proposal for a Directive on air quality (→ point 1.2.158). In the field of culture, it adopted two proposals for Parliament and Council Decisions on the Kaleidoscope 2000 and Ariane programmes (→ point 1.2.178). Finally, it adopted a proposal for a Directive on export credit insurance (→ point 1.3.107).

## Communications, green papers and reports

1.6.12. The Commission adopted a communication entitled *Europe's way to the information society: an action plan* (→ point 1.2.99). It also adopted communications on the development and future of Community policy in the fruit and vegetables sector (→ point 1.2.136), the crisis in the Community's fishing industry (→ point 1.2.151) and European Community action in support of culture (→ point 1.2.178). It also adopted two communications on preparing the countries of Central and Eastern Europe for accession (→ points 1.3.26 and 1.3.27) and a communication entitled *Towards a new Asia strategy* (→ point 1.3.55).

## Other decisions

1.6.13. The Commission adopted single programming documents for France (Corsica, ODs and Nord-Pas-de-Calais) and the United Kingdom (Northern Ireland, Highlands and Islands, and Merseyside) under Objective 1 (→ points 1.2.106 to 1.2.114). Under Objective 3 it approved the Community support framework for Italy and the single programming document for Denmark (→ points 1.2.122 and 1.2.123) and adopted the Community support frameworks for Spain and Germany and the single programming documents for France, the Netherlands and the United Kingdom (→ points 1.2.121, 1.2.120, and 1.2.124 to 1.2.126). Finally, it adopted the White Paper on European social policy (→ point 1.2.163).

## Community lawcourts

### Court of Justice

1.6.14. Decision 94/504/ECSC, EC, Euratom of the representatives of the Governments of the Member States of the European Communities

appointing Judges and Advocates-General to the Court of Justice.

*Adopted on 26 July.* The representatives of the Governments of the Member States appointed:

□ as Judges to the Court of Justice, Mr Edward, Mr Hirsch, Mr Kapteyn, Mr La Pergola, Mr Mancini, Mr de Almeida and Mr Puissochet for the period from 7 October 1994 to 6 October 2000 and Mr Gulmann for the period from 7 October 1994 to 6 October 1997;

□ as Advocates-General to the Court of Justice, Mr Cosmas, Mr Léger and Mr Tesauro for the period from 7 October 1994 to 6 October 2000 and Mr Elmer for the period from 7 October 1994 to 6 October 1997.

OJ L 203, 6.8.1994

1.6.15. Decisions given by the Courts are covered in the Bulletin for the month in which they are reported in the Official Journal. The operative part of the main decisions is reproduced; other decisions are simply listed by field and legal basis. Decisions in disputes between the Community and its staff are not reported.

## Main decisions

### Free movement of goods

#### *Article 177 of the EC Treaty*

□ 2.6.1994: Joined Cases C-69 and C-258/93 *Punto Casa v Sindaco del Comune di Capena and Others* and *PPV v Sindaco del Comune di Torri di Quartesolo and Others*

Article 30 of the EC Treaty is to be interpreted as not applying to national legislation on the closure of shops which applies to all traders operating within the national territory and which affects in the same manner, in law and in fact, the marketing of domestic products and those from other Member States.

OJ C 202, 23.7.1994

□ 22.6.1994: Case C-9/93 *IHT and Danziger v Ideal Standard and Wabco Standard*

There is no unlawful restriction on trade between Member States within the meaning of Articles 30 and 36 where a subsidiary operating in Member State A of a manufacturer established in Member State B is to be enjoined from using as a trade mark the name 'Ideal Standard' because of the risk of confusion with a device having the same origin, even if the manufacturer

is lawfully using that name in his country of origin under a trade mark protected there, he acquired that trade mark by assignment and the trade mark originally belonged to a company affiliated to the undertaking which, in Member State A, opposes the importation of goods bearing the trade mark 'Ideal Standard'.

OJ C 218, 6.8.1994

## Competition

### *Article 49 of the Statute of the Court of Justice*

□ 15.6.1994: Case C-137/92P *Commission v BASF and Others*

1. The judgment of the Court of First Instance delivered on 27 February 1992 in Cases T-79/89, T-84/89, T-85/89, T-86/89, T-89/89, T-91/89, T-92/89, T-94/89, T-96/89, T-98/89, T-102/89 and T-104/89 is set aside.

2. Commission Decision 89/190/EEC of 21 December 1988 relating to a proceeding pursuant to Article 85 of the EC Treaty (IV-31.865, PVC) is annulled.

3. The Commission is ordered to bear its own costs and to pay the whole of the costs incurred by the respondents, both in the proceedings before the Court of First Instance and in the proceedings before the Court of Justice.

OJ C 202, 23.7.1994

## Consumers

### *Article 177 of the EC Treaty*

□ 14.7.1994: Case C-91/92 *Faccini Dori v Recreb*

1. Articles 1(1), 2 and 5 of Council Directive 85/577/EEC of 20 December 1985, concerning protection of the consumer in respect of contracts negotiated away from business premises, are unconditional and sufficiently precise as regards determination of the persons for whose benefit they were adopted and the minimum period within which notice of cancellation must be given.

2. In the absence of measures transposing Directive 85/577/EEC within the prescribed time limit, consumers cannot derive from the Directive itself a right of cancellation as against traders with whom they have concluded a contract or enforce such a right in a national court. However, when applying provisions of national law, whether adopted before or after the Directive, the national court must interpret them as far

as possible in the light of the wording and purpose of the Directive.

OJ C 233, 20.8.1994

## Environment

### *Article 173 of the EC Treaty*

□ 28.7.1994: Case C-187/93 *Parliament v Council*

The application is dismissed.

(Annulment of Council Regulation (EEC) No 259/93 of 1 February 1993 on the supervision and control of shipments of waste within, into and out of the European Community.)

OJ C 233, 20.8.1994

## External relations

### *Article 177 of the EC Treaty*

□ 5.7.1994: Case C-432/92 *The Queen v Minister of Agriculture, Fisheries and Food*

The Agreement of 19 December 1972 establishing an Association between the European Economic Community and the Republic of Cyprus, annexed to Council Regulation (EEC) No 1246/73 of 14 May 1973, and Council Directive 77/93/EEC of 21 December 1976 on protective measures against the introduction into the Member States of organisms harmful to plants or plant products must be interpreted as precluding acceptance by the national authorities of a Member State, when citrus fruit and potatoes are imported from the part of Cyprus to the north of the United Nations buffer zone, of movement and phytosanitary certificates issued by authorities other than the competent authorities of the Republic of Cyprus.

OJ C 233, 20.8.1994

### *Articles 185/186 of the EC Treaty*

□ 29.6.1994: Case C-120/94R *Commission v Greece*

The application for interim measures is dismissed.

(Application for an interim order that, pending the judgment on the main action, the Hellenic Republic suspend the measures adopted on 16 February 1994 against the former Yugoslav Republic of Macedonia.)

OJ C 218, 6.8.1994

## Infringements

### *Article 169 of the EC Treaty*

□ 8.6.1994: Case C-382/92 *Commission v United Kingdom*



1. By failing to provide for the designation of employee representatives where an employer does not agree to it, by excluding non-profit-making undertakings from the scope of the United Kingdom Regulations designed to implement Council Directive 77/187/EEC of 14 February 1977 on the approximation of the laws of the Member States relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of businesses, by not requiring a transferor or transferee who envisages measures in relation to his employees to consult their representatives in good time on such measures with a view to seeking agreement, and by failing to provide for effective sanctions in the event of the employer's failure to inform and consult employee representatives, the United Kingdom has failed to fulfil its obligations under the Directive and under Article 5 of the EC Treaty.

2. The remainder of the application is dismissed.

3. The United Kingdom is ordered to pay the costs.

OJ C 233, 20.8.1994

□ 8.6.1994: Case C-383/92 *Commission v United Kingdom*

1. By failing to provide for the designation of workers' representatives where an employer does not agree to it, by laying down statutory provisions designed to implement Council Directive 75/129/EEC of 17 February 1975 on the approximation of the laws of the Member States relating to collective redundancies that are narrower in scope than the Directive, by not requiring an employer contemplating collective redundancies to consult the workers' representatives with a view to reaching an agreement and in relation to the matters specified in the Directive, and by failing to provide for effective sanctions in the event of failure to consult the workers' representatives as required by the Directive, the United Kingdom has failed to fulfil its obligations under the Directive and under Article 5 of the EC Treaty.

2. The United Kingdom is ordered to pay the costs.

OJ C 233, 20.8.1994

## Other decisions

### Free movement of goods

#### Article 177 of the EC Treaty

□ 2.6.1994: Joined Cases C-401/92 and C-402/92 *Tankstation 't Heukske vof and Boermans*

OJ C 188, 9.7.1994

□ 12.7.1994: Case C-314/93 *Rouffeteau and Badia*

OJ C 233, 20.8.1994

□ 13.7.1994: Case C-130/92 *OTO v Ministero delle finanze*

OJ C 233, 20.8.1994

### Customs union

#### Article 177 of the EC Treaty

□ 2.6.1994: Case C-356/93 *Techmeda v Oberfinanzdirektion Köln*

OJ C 188, 9.7.1994

□ 16.6.1994: Case C-35/93 *Develop Dr Eisbein v HZA Stuttgart-West*

OJ C 202, 23.7.1994

□ 7.7.1994: Case C-130/93 *Lamaire v NDALTP*

OJ C 233, 20.8.1994

### Agriculture

#### Article 173 of the EC Treaty

□ 5.7.1994: Case C-411/92 *France v Commission*

OJ C 218, 6.8.1994

□ 14.7.1994: Case C-353/92 *Greece v Council*

OJ C 233, 20.8.1994

□ 14.7.1994: Case C-385/92 *Greece v Commission*

OJ C 233, 20.8.1994

#### Article 177 of the EC Treaty

□ 2.6.1994: Case C-2/93 *Exportslachterijen van Oordegem v Belgische Dienst voor Bedrijfsleven en Landbouw and Generale Bank*

OJ C 188, 9.7.1994

□ 8.6.1994: Case C-371/92 *Greece v Ellinika Dimitriaka*

OJ C 202, 23.7.1994

□ 22.6.1994: Case C-426/92 *Germany v Deutsches Milch-Kontor*

OJ C 218, 6.8.1994

□ 29.6.1994: Case C-403/92 *Lafforgue and Baux v Château de Calce and Others*

OJ C 233, 20.8.1994

□ 14.7.1994: Case C-351/92 *Graff v HZA Köln Rheinau*

OJ C 233, 20.8.1994

- 14.7.1994: Case C-438/92 *Rustica Semences v Finanzamt Kehl*

OJ C 233, 20.8.1994

## Fisheries

### *Article 173 of the EC Treaty*

- 29.6.1994: Case C-135/92 *Fiskano v Commission*

OJ C 218, 6.8.1994

## Social policy and free movement of workers

### *Article 177 of the EC Treaty*

- 2.6.1994: Case C-428/92 *DAK v Lærerstandens Brandforsikring*

OJ C 188, 9.7.1994

- 16.6.1994: Case C-132/93 *Steen v Deutsche Bundespost*

OJ C 218, 6.8.1994

- 29.6.1994: Case C-60/93 *Aldewereld v Staatssecretaris van Financiën*

OJ C 218, 6.8.1994

- 7.7.1994: Case C-420/92 *Bramhill v Chief Adjudication Officer*

OJ C 233, 20.8.1994

- 7.7.1994: Case C-146/93 *McLachlan v CNAVTS de la région d'Ile-de-France*

OJ C 233, 20.8.1994

- 14.7.1994: Case C-32/93 *Webb v EMO Air Cargo (UK)*

OJ C 233, 20.8.1994

## Transport

### *Article 173 of the EC Treaty*

- 1.6.1994: Case C-388/92 *Parliament v Council*

OJ C 188, 9.7.1994

### *Article 177 of the EC Treaty*

- 2.6.1994: Case C-313/92 *Van Swieten*

OJ C 188, 9.7.1994

- 9.6.1994: Case C-394/92 *Michielsen and GTS*

OJ C 188, 9.7.1994

## Competition

### *Article 177 of the EC Treaty*

- 9.6.1994: Case C-153/93 *Germany v Delta Schiffahrts- und Speditionsgesellschaft*

OJ C 188, 9.7.1994

### *Article 49 of the Statute of the Court of Justice*

- 16.6.1994: Case C-39/93P *SFEI and Others v Commission*

OJ C 202, 23.7.1994

- 16.6.1994: Case C-322/93P *Automobiles Peugeot and Peugeot v Commission*

OJ C 233, 20.8.1994

## Taxation

### *Article 177 of the EC Treaty*

- 2.6.1994: Case C-33/93 *Empire Stores v Commissioners of Customs and Excise*

OJ C 188, 9.7.1994

## Administration

### *Article 181 of the EC Treaty*

- 28.6.1994: Case C-15/93 *Smiet Offset v Commission*

OJ C 233, 20.8.1994

## External relations

### *Article 173 of the EC Treaty*

- 7.7.1994: Case C-75/92 *Gao Yao (Hong Kong) Hua Fa Industrial Co. v Council*

OJ C 233, 20.8.1994

### *Article 177 of the EC Treaty*

- 2.6.1994: Case C-30/93 *AC-ATEL Electronics v HZA München-Mitte*

OJ C 202, 23.7.1994

## Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters

### *Protocol of 3 June 1971 and Convention of 27 September 1968*

- 2.6.1994: Case C-414/92 *Solo Kleinmotoren v Boch*

OJ C 202, 23.7.1994

- 9.6.1994: Case C-292/93 *Lieber v Göbel*  
OJ C 233, 20.8.1994
- 29.6.1994: Case C-288/92 *Custom Made Commercial v Stawa Metallbau*  
OJ C 218, 6.8.1994

### Infringements

#### Article 169 of the EC Treaty

- 5.5.1994: Case C-269/93 *Commission v Greece*  
OJ C 202, 23.7.1994
- 19.5.1994: Case C-382/93 *Commission v Germany*  
OJ C 188, 9.7.1994
- 1.6.1994: Case C-317/92 *Commission v Germany*  
OJ C 188, 9.7.1994
- 13.6.1994: Case C-405/93 *Commission v Netherlands*  
OJ C 218, 6.8.1994
- 14.6.1994: Case C-383/93 *Commission v Netherlands*  
OJ C 218, 6.8.1994
- 13.7.1994: Case C-131/93 *Commission v Germany*  
OJ C 233, 20.8.1994

## Court of First Instance

### Main decisions

#### Competition

##### Article 173 of the EC Treaty

- 18.5.1994: Case T-37/92 *Bureau européen des unions de consommateurs and National Consumer Council v Commission*
  1. The decision contained in the Commission letter of 17 March 1992 is annulled.
  2. The Commission is ordered to pay the costs.
OJ C 188, 9.7.1994

### Other decisions

#### Agriculture

##### Articles 173, 178 and 215 of the EC Treaty

- 30.6.1994: Case T-487/93 *RC France and Haagen-Dazs Arras v Commission*  
OJ C 233, 20.8.1994

#### Competition

##### Article 173 of the EC Treaty

- 19.5.1994: Case T-2/93 *Air France v Commission*  
OJ C 188, 9.7.1994
- 7.7.1994: Case T-43/92 *Dunlop Slazenger International v Commission*  
OJ C 233, 20.8.1994

##### Articles 185 and 186 of the EC Treaty

- 10.5.1994: Case T-88/94R *Société commerciale des potasses et de l'azote and Entreprise minière et chimique v Commission*  
OJ C 202, 23.7.1994

#### Taxation

##### Article 173 of the EC Treaty

- 27.5.1994: Case T-5/94 *J. v Commission*  
OJ C 188, 9.7.1994

#### Environment

##### Article 173 of the EC Treaty

- 17.5.1994: Case T-475/93 *Buralux and Others v Council*  
OJ C 188, 9.7.1994

## Court of Auditors

1.6.16. Observations of the Court of Auditors concerning its annual report for 1993.

*Adopted on 15 July* at the Court's 478th meeting with a view to inclusion in its annual report for 1993. Pursuant to Article 88 of the Financial Regulation these confidential observations were transmitted to the Commission on 15 July. The relevant parts were also sent to the other institutions.

1.6.17. Observations of the Court of Auditors on the 1993 ECSC annual report.

**Reference:** 1993 ECSC financial report: point 1.4.11 of this Bulletin

*Adopted on 15 July* at the Court's 478th meeting with a view to inclusion in its annual report on the ECSC for 1993. Pursuant to Article 45c(5) of the ECSC Treaty these observations were transmitted to the Commission on 15 July.

*1.6.18.* Specific annual report on the financial statements of the Joint European Torus (JET) Joint Undertaking for 1993.

*Adopted on 15 July* at the Court's 478th meeting. This report is available in all the official Community languages. Requests should be made in writing to the Court of Auditors (Relations with Other Institutions and Public Relations).

## European Investment Bank

### Financing

*1.6.19.* In July and August the EIB, the European Union's financial institution, granted loans totalling ECU 2 332.2 million, of which ECU 107 million went outside the European Union.

### European Union

#### Links with Union policies

*1.6.20.* Loans were made for the following measures:

- ECU 1 552 million for the economic development of disadvantaged regions;
- ECU 605.7 million for the improvement of transport and telecommunications infrastructure projects of benefit to the Community;
- ECU 820.7 million for the protection of the environment and improvement of the quality of life;
- ECU 63.9 million for the pursuit of Community objectives in the field of energy.

The Bank also continued its operations to support small businesses: a total of ECU 1 097.8 mil-

lion has been granted in global loans since the beginning of the year.

In many cases, individual loans come under several Union policies; some are therefore counted more than once in the above amounts.

### Geographical breakdown

#### Belgium

*1.6.21.* ECU 50.5 million was granted in the form of global loans to finance small and medium-scale projects in industry, services and tourism throughout the country.

#### Germany

*1.6.22.* ECU 26 million was granted in the form of global loans to finance small and medium-scale projects in the environment, regional and Community infrastructure, and energy sectors. ECU 28.6 million was allocated for the renovation and construction of waste-water collection and treatment installations and two water purifying plants at Rudolstadt and Saalfeld in Thuringia. ECU 36.5 million was made available for the construction of a paper plant in Saxony producing newsprint from recycled paper.

#### France

*1.6.23.* ECU 60.7 million was provided for the partial replacement of a fleet of aircraft and for associated ground facilities. ECU 65.9 million was granted for TGV-Nord Europe and ECU 4.55 million for the construction of a new runway at the St-Denis-Gillot airport in Réunion. ECU 227.67 million, including ECU 75.9 million under the Edinburgh lending facility, was granted in the form of global loans for small and medium-scale public infrastructure projects in the transport sector, access to trans-European networks, and the environment throughout the country.

#### Spain

*1.6.24.* ECU 6.3 million was granted for the construction of two new terminals for containers, motor vehicles and petroleum products and

for the renovation of the old port area in Barcelona. ECU 63.04 million went towards improving the supply of drinking water and waste-water collection and treatment in the Canary Islands. ECU 412.27 million, including ECU 137.4 million under the Edinburgh lending facility, was provided for modernizing the suburban rail networks in Madrid, Barcelona and Valencia, and a further ECU 243.33 million, including ECU 80.7 million under the Edinburgh lending facility, was granted for loans related to the same project. ECU 472.78 million, including ECU 233.2 million under the Edinburgh lending facility, was granted for the construction and modernization of sections of the road network. ECU 189.11 million was granted in the form of global loans to finance small and medium-scale projects in small businesses creating employment. ECU 25.22 million was granted in the form of global loans to finance small and medium-scale projects in the environment and energy sectors throughout Spain (a small part of the loan is also available for projects located in other Member States).

#### *Italy*

1.6.25. ECU 3.7 million went towards improving the supply of drinking water and sewerage and sewage disposal in Rome, Ariccia and Aprilia. ECU 2.1 million was granted for waste-water collection and treatment in the provinces of Cagliari and Oristano (Sardinia) and in Sicily and for improving the supply of drinking water in Alcamo, near Palermo. ECU 26.2 million was provided for the construction of two combined cycle power plants, running on natural gas, in Castelmasa (Veneto) and Spinetta Marengo (Piedmont). ECU 10.5 million was granted for the construction of a new washing machine factory in Fabriano (Marche). ECU 9.74 million was granted in the form of global loans to finance small and medium-scale projects in a wide range of sectors. ECU 9.4 million was granted for waste-water collection and treatment in Massa Carrara, Tirrenia, Lucia, Capannori and Orbetello (Tuscany), and Città di Castello and Perugia (Umbria) and for the disposal of solid urban waste in Foligno and Spoleto.

#### *Ireland*

1.6.26. ECU 22.68 million went towards the modernization of railway rolling stock. ECU

25.2 million was granted in the form of global loans to finance small businesses operating in the industrial and services sectors in Ireland and the United Kingdom. ECU 37.81 million was granted in the form of global loans to finance small and medium-scale projects.

#### *Netherlands*

1.6.27. ECU 52 million, including ECU 17.2 million under the Edinburgh lending facility, was granted for improving waste-water collection and treatment installations in Amsterdam. ECU 18.6 million was granted under the Edinburgh lending facility for the combined electricity and heat power plant at Buggenum (Limburg).

#### *Luxembourg*

1.6.28. ECU 5.1 million was granted in the form of global loans to finance small and medium-scale projects in the craft, industrial and related services sectors.

#### *Portugal*

1.6.29. ECU 70.7 million went towards the construction of a section of the road network and improvement of the port infrastructure in Madeira.

#### *United Kingdom*

1.6.30. ECU 19.2 million, including ECU 6.4 million under the Edinburgh lending facility, was provided for the construction of an oil refinery hydro-desulphurization unit.

### *Cooperation and development policy*

#### **ACP countries**

##### *Madagascar*

1.6.31. ECU 1 million was provided in the form of a global loan to finance small businesses in industry and agro-industry, tourism, transport and mining.

##### *Mozambique*

1.6.32. ECU 6 million was granted for repairing and renovating a shrimp-fishing fleet.

## Mediterranean countries

### *Jordan*

1.6.33. ECU 25 million was granted for upgrading the international telecommunications network and ECU 12 million for improving the environment by upgrading the water distribution system in the town of Salt.

### *Tunisia*

1.6.34. ECU 15 million was granted for the re-development of two industrial zones near Tunis and Sfax.

## *Cooperation with Central and Eastern Europe*

### **Slovenia**

1.6.35. ECU 13 million was granted to improve the country's main international railway lines and ECU 28 million to upgrade some 55 kilometres of secondary road near Ljubljana into motorway.

### **Estonia**

1.6.36. ECU 7 million was granted for the modernization and improvement of the heating network in Pärnu, the country's second largest city.

# Economic and Social Committee

## **317th plenary session**

1.6.37. The Economic and Social Committee held its 317th plenary session on 6 July, chaired in turn by Mrs Tiemann and Mr Stecher Navarra and attended by Mr Rexrodt, German Minister for Economic Affairs.

Mr Rexrodt presented the broad thrust of the German programme for the Presidency:

□ combating unemployment, with particular emphasis on increasing competitiveness and creating the right conditions for companies to operate: innovation to be encouraged by measures such as the harmonization of VAT rates, deregulation and the simplification of procedures;

□ trans-European networks: profitability studies to be conducted on some projects and priority to be given to connecting up existing networks; costing exercises to take account of the need to protect the environment and repair damage;

□ industrial policy: a policy to be based on making companies responsible for coping with structural change, ending sectoral protection and giving a boost to small businesses;

□ non-member countries: need for greater openness towards the countries of Central Europe, Malta and Cyprus and for a more active Mediterranean policy;

□ social policy: need for basic minimum standards which even the weakest Member States could afford; also for the challenge of outside competition to be met without undermining achievements in the social sphere but at the same time giving thought to more cost-effective ways of organizing work.

Comments from the floor reflected the concerns of the Economic and Social Committee, notably on the need to monitor implementation of the internal market, the dangers of overhasty deregulation, and the credibility of the convergence criteria.

1.6.38. The Economic and Social Committee debated and adopted:

□ opinions on the following:

— the legal protection of designs (→ point 1.2.18);

— the framework for action in the field of public health (→ point 1.2.174);

— implementation of the fourth framework programme — specific programme in the area of telematics applications of common interest (→ point 1.2.81);

□ an own-initiative opinion on the transparency and performance of cross-border payments (→ point 1.2.15).

1.6.39. The Economic and Social Committee adopted, without debate, opinions on the following:

□ merger control (→ point 1.2.19);

□ the financing of small and medium-sized companies (→ point 1.2.75);

□ cableway installations designed to carry passengers (→ point 1.2.4);

□ cooperatives, mutual societies, associations and foundations (→ point 1.2.76);

□ foodstuffs (→ point 1.2.6).

# **PART TWO**

## **DOCUMENTATION**

# 1. The ecu

## Values in national currencies of ECU 1

		July <sup>1</sup>	August <sup>2</sup>
BFR/ LFR	Belgian franc and Luxembourg franc	39.5323	39.4299
DKR	Danish krone	7.53595	7.56621
DM	German mark	1.91818	1.91357
DR	Greek drachma	289.751	289.807
ESC	Portuguese escudo	197.036	195.458
FF	French franc	6.57349	6.55729
HFL	Dutch guilder	2.15151	2.14870
IRL	Irish pound	0.800096	0.803157
LIT	Italian lira	1911.34	1936.17
PTA	Spanish peseta	158.232	158.831
UKL	Pound sterling	0.790531	0.793224
AUD	Australian dollar	1.66367	1.65223
CAD	Canadian dollar	1.69010	1.68590
FMK	Finnish markka	6.34957	6.28497
ISK	Icelandic króna	83.7259	83.8548
NKR	Norwegian krone	8.38725	8.39388
NZD	New Zealand dollar	2.03410	2.03297
OS	Austrian schilling	13.4948	13.4647
SFR	Swiss franc	1.61858	1.61245
SKR	Swedish krona	9.47414	9.46219
USD	United States dollar	1.22192	1.22317
YEN	Japanese yen	120.452	122.169
ZAR	South African rand	4.47971	4.40112

<sup>1</sup> Average for the month: OJ C 211, 2.8.1994.

<sup>2</sup> Average for the month: OJ C 245, 1.9.1994.

NB: Explanatory notes on the ecu and 'green' rates can be found in Bull. EC 7/8-1982, points 3.1.1 to 3.1.3, and Bull. EC 9-1989, point 2.1.3.



**Representative rates ('green' rates)**

*Conversion rates into national currencies for the ecu  
used in connection with the common agricultural policy*

July/August 1994					
National currency/sector		Value in national currency of ECU 1	National currency/sector		Value in national currency of ECU 1
BFR/ LFR	Belgian franc and Luxembourg franc All products	49.3070	IRL	Irish pound All products	0.976426
DKR	Danish krone All products	9.34812	LIT	Italian lira All products	2274.93 2294.57 on 1.8.1994
DM	German mark All products	2.35418			2324.07 on 16.8.1994
DR	Greek drachma All products	346.789			2339.97 on 21.8.1994
ESC	Portuguese escudo All products	239.331	PTA	Spanish peseta All products	192.319
FF	French franc All products	7.98191	UKL	Pound sterling All products	0.932453 0.946550 on 14.7.1994
HFL	Dutch guilder All products	2.65256			0.953575 on 21.8.1994

## 2. Recommendation on the broad guidelines of the economic policies of the Member States and of the Community

2.2.1. On 11 July the Council adopted the following recommendation:

‘The Council of the European Union,

Having regard to the Treaty establishing the European Community, and in particular Article 103(2) thereof,

Having regard to the recommendation from the Commission,

Having regard to the opinion of the Monetary Committee,

Having regard to the conclusions of the European Council of 24 and 25 June 1994,

hereby recommends:

Article 103 of the Treaty provides the framework for economic policy coordination from the start of Stage II of the process towards economic and monetary union. The economic policy guidelines adopted under that Article will constitute the reference for the conduct of the economic policies in the Community and in the Member States.

An economic recovery is currently under way in the Community. The key task of economic policy will be to sustain and to strengthen this recovery in the coming quarters, and to ensure that it lays the ground for strong employment growth. Furthermore, growth must be sustainable and take due account of the environment. To sustain the recovery, it will be necessary to maintain progress towards price stability and thereby to create the conditions for low interest rates. Budgetary policy will play a crucial role in this respect, by making budgetary positions sustainable again and by contributing to the necessary increase in national saving. Equally important will be the continuation of the structural adjustment reforms currently under way. The improvement in the economic situation must constitute a spur to step up efforts in these two areas and not to lead to complacency and a reduced determination. The errors of the previous economic cycle must not be repeated.

The current set of policy guidelines develops more concretely those adopted last December to take into account the economic outlook and the specific situation of the Member States. Their implementation

will contribute to the improvement of the current policy mix, by fostering budgetary consolidation and by sustaining wage moderation and by easing the stabilization burden placed on monetary policy. If the policy mix is improved upon as inflationary expectations subside and budgetary consolidation progresses, and if effective structural adjustment efforts are implemented, the Community can return to sustained rates of growth and employment creation. Under these conditions, it should be possible to stabilize unemployment in the course of 1995 and to place it on a downward trend thereafter.

The present guidelines, adopted under Article 103(2) of the Treaty, will constitute the reference for the conduct of the economic policies in the Community and in the Member States. They reaffirm the goal identified in the December 1993 guidelines of substantially increasing employment over the next few years to reduce the current high level of unemployment. The present guidelines confirm the medium-term strategy outlined last December to bring the Community economy back to a path of stronger, durable and more employment-creating growth.

### **Price and exchange-rate stability**

The favourable price trends which have been recorded over the past year, and the progress which is expected to be made in 1994 and 1995, will pave the way for the resumption of sustainable non-inflationary growth in the near term. Macro-economic and financial policies should be firmly directed towards securing price stability as the norm in the Community. The return to, and maintenance of, price stability requires wage and budgetary trends to be consistent with this objective. A rate of inflation of no more than 2 to 3 % should be reached in most Member States at the latest by 1996, as a step towards price stability in the Community.

The commitment to sustaining low inflation depends, to a large extent, on the conduct of macro-economic and structural policies. The results obtained until now also reflect the working of the internal market and the effects of competition policy. To reduce further inflationary pressures and expectations, it is necessary that all policies are predictable, credible, and time-consistent. Success in this respect will help achieve lower interest rates. Price stability is also an essential ingre-

dient of exchange-rate stability between Member States. In turn, such exchange-rate stability, when soundly based, can help in the achievement of price stability.

Member States which have already achieved inflation rates, reflected in consumer price indices, in the range proposed by the guidelines are Belgium, Denmark, Germany, France, Ireland, Luxembourg, the Netherlands and the United Kingdom. In most of these countries, wage trends have developed in a manner consistent with price stability. These countries should consolidate the gains made on inflation and should continue the cautious policies necessary to secure stable prices in the medium term.

Inflation in the other Member States has yet to decline into the range set by the guidelines. It is essential that, as their economies recover, possible lagged effects of past depreciations do not put price stability under threat. In all countries, additional efforts are required in order both to reduce inflation and to maintain price stability over the medium term.

Disinflation in Greece needs to be reinforced. A fundamental condition for lowering inflation and achieving price stability in Greece is the correction of budgetary imbalances. Credible policies for budgetary adjustment should be pursued in order to dispel adverse inflation expectations and to support the external stability of the drachma.

All Member States should ensure that policies are consistent with and support exchange-rate stability within the Community. This is necessary to reap the full benefits of the increase in economic integration.

### **Sound public finances**

As proposed in the December 1993 economic policy guidelines, from 1995 onwards budgetary policy will have to lay the ground for more investment and growth. The first priority will be making budgetary positions sustainable again; budgetary deficits should be brought within the reference value of 3 % of GDP, defined in the Treaty. Current forecasts indicate that, while the prospects for moving deficits within the reference value of 3 % of GDP by 1996/97 may now be more favourable, this will not be possible without a determined commitment to fiscal adjustment. At the Community level, the limits on EC spending and revenue agreed at the Edinburgh Council must be respected.

The deterioration in the public finances experienced since 1990 has led to worrying budgetary positions in most Member States and there is an urgent need to return to a path of sustained reductions in fiscal imbalances. Restoration of confidence requires that, as the recovery gets under way, the budgetary consolidation plans envisaged in convergence programmes are implemented and that, should deviations emerge,

additional measures are taken to ensure that the targets of these plans for 1994 and beyond are met. Member States should use any room for manoeuvre created by stronger rates of economic growth, or lower interest rates, than those underlying the budgetary forecasts to accelerate the pace of consolidation. It is necessary to exploit the improving economic situation to implement a fundamental reversal in the path of budgetary deficits recorded since the early part of the decade. This would reinforce the authorities' commitment to budgetary consolidation and would improve the credibility of their actions.

Budgetary policy can make an important contribution to growth and employment creation not only by pursuing the priority goal of budgetary consolidation. In addition, it can help through re-orienting tax receipts and expenditure towards support of viable public and private investment and other spending conducive to stronger economic growth. At the same time, and where necessary, Member States should aim at modifying their tax structures in ways which are likely to favour employment and benefit the environment.

It is essential that budgetary consolidation should continue as the economic recovery progresses. The budgets for 1995 should therefore constitute a clear confirmation that fiscal consolidation is under way.

In Member States where interest payments constitute a significant budgetary item and where the debt ratio is high and increasing (Belgium, Greece and Italy), decisive efforts should be undertaken to reduce budget deficits, mainly through the containment of the growth of primary current spending. Among the countries having convergence programmes, Belgium, Denmark, Germany, France, the Netherlands, Portugal and the United Kingdom must follow up with determination the budgetary consolidation programmes already announced or implemented. Ireland and Luxembourg need to continue the progress already achieved.

In Greece, a determination to achieve fiscal consolidation through credible policies in a multiannual framework is crucial. Policies, aimed in particular at enhancing tax collection and restraining spending, should be quickly translated into concrete actions.

In Italy, following the progress made in 1993, it is necessary to strengthen the efforts to promote budgetary adjustment in a medium-term framework.

In Spain, the sharp deterioration in the budgetary position which took place in 1993 makes it necessary to embark upon a multiannual path of fiscal consolidation, thereby updating the 1992 convergence programme as already announced by the Government.

In certain Member States significant improvements in tax administration (for example, simplification of the tax system, more effective fight against tax evasion, etc.) are essential conditions to promote budgetary adjustment, while in some other countries there is also

a continuing need to contain current expenditure pressures, including social security outlays.

### **A more dynamic Community economy**

All Member States must increase their efforts aimed at improving the functioning of their economies along the lines indicated in the Commission's White Paper on 'Growth, competitiveness and employment' and, in particular, in the action plan adopted by the European Council in December 1993.

Member States should ensure that their economies will reap fully the benefits of the internal market and of international trade. Community firms, particularly SMEs, should be encouraged to improve their organization, their R&D efforts and their awareness of emerging opportunities, especially in the most dynamic world markets. Continued attention should be devoted to improving the competitive environment in which firms operate. Privatization, to the extent that Member States judge it compatible with their objectives, could further the progress already made in this direction.

The Community, for its part, will continue to implement those parts of the action plan falling under its competence (e.g. trans-European networks, maintenance of an open trading system, involving rigorous enforcement of rules on State aids and competition, improved research and development efforts, etc.). The combined efforts of Member States and of the Community will increase the dynamism and the competitiveness of the Community's economy.

### **Structural measures for creating more employment**

Structural policies should be directed towards ensuring that growth delivers more and better jobs. They should also equip the workforce with the skills needed for those jobs and the capacity to adapt to change. Priorities include:

- improving training and education, which must be focused on ensuring a match between skills and the new jobs that will be available. Central to this will be the need to foster a new attitude towards the balance between work, training and leisure. This involves:
  - better basic education, particularly problem solving and adaptability,
  - easing the school-to-work transition,
  - employer involvement,
  - life-long training,
- making markets, particularly labour markets and regulations, much more flexible. This means looking anew at the whole range of policy areas that affect the operation of the labour market, including labour law, taxation, social security policy, to ensure that:

- equity objectives are achieved in a way that does not adversely affect the functioning of labour markets,
- labour market regulation, housing or other policies do not act as a constraint on labour mobility,
- obstacles to more flexible working time are dismantled,
- stepping up active labour market policies. These should target help towards particular groups (long-term and young unemployed), to counter the problem of exclusion and to remove potential inflationary bottlenecks,
- fully exploiting the job-creating potential of SMEs,
- promoting liberalization measures aimed at sheltered sectors of the economy, including, where appropriate, the liberal professions,
- improving the use of labour as a factor of production by reducing non-wage costs, especially on the low-paid, who are the hardest hit. In most Member States, measures are contemplated or are being implemented which aim at reducing the non-wage costs of employment for certain categories of workers, notably lower paid workers and young people. These steps should be pursued with determination, consistent with the objective of budgetary consolidation,
- ensuring that environmental costs are better reflected in prices throughout the economy and maintaining the principle according to which the polluter should pay,
- pay policies, beyond being consistent with the inflation targets, should contribute to making room for stronger investment and increased employment. Given the present high level of unemployment throughout the Community, any real wage increases should fall short of productivity increases; current trends suggest that this is already occurring in the Community. The policy task will be to ensure that the conditions are created whereby present trends are sustained over many years. Real wage increases should reflect changes in demand and supply between sectors and different areas of the Union. In some sectors of the economy, the need to maintain or create jobs may require in the short run a decrease in real wages.

Wage moderation should be maintained in all Member States. This is especially necessary as the projected recovery gains strength. Pay agreements in Member States need to be consistent with the proposals of the guidelines and they should be built upon to sustain wage moderation in the medium term. This is especially the case where unemployment is projected to decline. Wage moderation would help to secure these labour market gains and would pave the way for further employment growth in the medium term.

In the Member States, especially where unemployment might still increase this year, various specific

measures are either planned or implemented to encourage employment opportunities and to halt the deterioration in the labour market. Whatever the effectiveness of these measures to create employment in the short term, it is essential that these policies are actively pursued and that their contribution to strengthening job creation is enhanced. As the recovery gains momentum, the benefits from these policies will become visible.

The Commission's White Paper has helped to stimulate the debate on growth, competitiveness and employment in numerous countries. Many Member States have taken measures consistent with the strategy proposed in the White Paper, as set out in the report of the Economic Policy Committee to the Ecofin Council. But as that report makes clear, much remains to be done to improve the employment situation and the efficiency of European labour markets.'

# 3. Twentieth Western Economic Summit

2.3.1. Following the 20th Western Economic Summit held in Naples on 8 and 9 July, the following Summit Communiqué and Chairman's Statement were adopted:

## Summit Communiqué

'1. We, the Heads of State or Government of seven major industrial nations and the President of the European Commission, have met in Naples on 8-9 July 1994 for our 20th meeting.

2. We have gathered at a time of extraordinary change in the world economy. New forms of international interaction are having enormous effects on the lives of our peoples and are leading to the globalization of our economies.

3. Fifty years ago, at Bretton Woods, visionary leaders began to build the institutions that provided our nations with two generations of freedom and prosperity. They based their efforts on two great and abiding principles — democracy and open markets.

As we approach the threshold of the 21st century, we are conscious of our responsibility to renew and revitalize these institutions and to take on the challenge of integrating the newly emerging market democracies across the globe.

To carry out this responsibility, we have agreed that, in Halifax next year, we will focus on two questions: (1) How can we assure that the global economy of the 21st century will provide sustainable development with good prosperity and well-being of the peoples of our nations and the world? (2) What institutional changes may be needed to meet those challenges and to ensure the future prosperity and security of our people?

## Jobs and growth

1. A year ago, recovery was absent or hesitant in all our economies. Today, encouraging results are emerging. Recovery is under way. New jobs have been created, and in more and more of our countries people are getting back to work. Inflation is now at the lowest levels in over three decades and the conditions are in place for strong and lasting non-inflationary growth. Therefore we reconfirm the growth strategy we agreed in Tokyo. We call on our Finance Ministers to cooper-

ate closely to keep recovery on track and we have asked them to enhance the ongoing process of multi-lateral surveillance and policy cooperation. We also encourage stronger cooperation between our appropriate authorities to respond to the growing integration of the global capital markets.

2. But unemployment remains far too high, with over 24 million unemployed in our countries alone. This is an unacceptable waste. It is particularly damaging when — as in many of our countries — it is concentrated among young people and those who have been out of work for a long time.

3. Following the jobs conference in Detroit and the analysis of the OECD we have identified the actions we need to take.

□ We will work for growth and stability, so that business and individuals can plan confidently for their future.

□ We will build on the present recovery by accelerating reforms so as to improve the capacity of our economies to create jobs. Both of these elements are essential in order to achieve a lasting reduction in the level of unemployment.

4. We will concentrate on the following structural measures. We will:

□ increase investment in our people: through better basic education; through improving skills; through improving the transition from school to work; through involving employers fully in training and — as agreed at Detroit — through developing a culture of lifetime learning;

□ reduce labour rigidities which add to employment's costs or deter job creation, eliminate excessive regulations and ensure that indirect costs of employing people are reduced wherever possible;

□ pursue active labour market policies that will help the unemployed to search more effectively for jobs and ensure that our social support systems create incentives to work;

□ encourage and promote innovation and the spread of new technologies including, in particular, the development of an open, competitive and integrated worldwide information infrastructure; we agreed to convene in Brussels a meeting of our relevant Ministers to follow up these issues;

□ pursue opportunities to promote job creation in areas where new needs now exist, such as quality of life, and protection of the environment;

□ promote competition, through eliminating unnecessary regulations and through removing impediments to small and medium-sized firms;

5. For the implementation of this programme we call for the active involvement of business and labour and the support of our people.

6. We are determined to press ahead with this action programme and will review the progress made towards realizing our objectives of sustained growth and the creation of more — and better quality — new jobs.

## Trade

1. Opening markets fosters growth, generates employment and increases prosperity.

The signing of the Uruguay Round Agreements and the creation of the WTO are important milestones in postwar trade liberalization.

2. We are determined to ratify the Uruguay Round Agreements and to establish the WTO by 1 January 1995 and call on other countries to do the same.

We are resolved to continue the momentum of trade liberalization. We call on the WTO, IMF, World Bank and the OECD to cooperate within their own areas of responsibility.

3. On new international trade issues we encourage work under way in the OECD to study the interaction of international trade rules and competition policies. We support the further development of international investment rules in order to remove obstacles to foreign direct investment.

4. We welcome the work on the relation between trade and environment in the new WTO. We call for intensified efforts to improve our understanding of new issues including employment and labour standards and their implications for trade policies.

5. In our meeting next year we will review progress on these issues.

## Environment

1. Environment is a top priority for international cooperation. Environmental policies can contribute to enhancing growth, employment and living standards, for example through investments in appropriate technologies, energy efficiency improvements and cleaning up polluted areas.

2. We urge the multilateral development banks to continue making progress in promoting local participation and incorporating environmental considerations into their programmes.

3. We support the work of the Commission on Sustainable Development in reviewing progress in the

implementation of the Rio process. We look forward to the implementation of the Conventions already concluded, in particular those on biological diversity and climate change and in this respect we will work for the success of the forthcoming conferences on these subjects in Nassau and Berlin.

4. We welcome the restructuring and the replenishment of the Global Environment Facility (GEF) and we support its choice as the permanent financial mechanism of these two conventions.

We welcome the recent conclusion of the Convention on Desertification and the results of the Conference on Small Islands, which add to the framework agreed in Rio.

5. We are determined to speed up the implementation of our national plans called for under the Rio Climate Treaty and we will each report what we have achieved at next year's summit. We also recognize the need to develop steps for the post-2000 period.

## Developing countries

1. We welcome the economic progress of many developing countries. We are concerned, however, by the stagnation and continued poverty in some countries, particularly in Africa. Since rapid population growth has aggravated poverty in many countries, we stress the importance of a positive outcome of the Cairo Conference on Population and Development.

2. We are committed to continue our efforts to enhance development assistance as well as promoting trade and investment in developing countries.

We are encouraged by significant private capital flows to developing countries and by the efforts of many of these countries, particularly in Latin America and Asia, to increase trade among themselves.

We call on the World Bank as well as the regional development banks to strengthen their efforts to reinforce private capital flows to the developing world while providing growing resources for health, education, family policies and environmental protection.

We encourage the Paris Club to pursue its efforts to improve the debt treatment of the poorest and most indebted countries. Where appropriate, we favour a reduction in the stock of debt and an increase in concessionality for those countries facing special difficulties.

We welcome the renewal of the ESAF and the measures under consideration by the IMF to increase support to developing countries and to ensure that all members take part in the SDR system. In addition we agree to explore ways to mobilize more effectively the existing resources of the International Financial Institutions to respond to the special needs of countries emerging from economic and political disruption and the poorest most indebted countries.

3. In the Middle East, economic development is essential to underpin the peace process. Thus, along with others, we are providing financial and technical assistance to the Palestinian Authority and are working to promote cooperation and development in the region. We call for an end to the Arab boycott of Israel.

We warmly welcome South Africa's transition to full democracy. This will open up new opportunities for trade and inward investment. We will provide further assistance to help strengthen economic and social development, in particular for the poorest groups. Not only the people of South Africa but also her regional neighbours have much to gain from steady economic policies that unlock her full potential. We also welcome the adjustment measures taken by the countries in the CFA Franc area after the recent devaluation and the prompt support from the international community.

### **Nuclear safety**

1. We welcome the progress made in the nuclear safety programme, agreed by the Munich and Tokyo summits, concerning the countries of Central and Eastern Europe and former Soviet Union.

2. An effective framework for coordinated action is now in place. The World Bank, working with other lending institutions including the EBRD and the EIB, and with the IEA, is helping countries develop long-term energy strategies. Some near-term safety improvements are on the way. More needs to be done and longer term actions must be carried out. The IFIs are invited according to their mandate to make full use of their lending possibilities for this purpose.

3. We remain committed to the existing international initiatives to promote an early closure of high-risk reactors. The closing down of the Chernobyl nuclear power plant is an urgent priority.

We are therefore putting forward to the Ukrainian Government an action plan for the closure of Chernobyl. This plan will require measures to be taken by the Ukrainian authorities as well as financial contributions from the international community.

The closure of Chernobyl would be accompanied by the early completion of three new reactors to adequate safety standards, by comprehensive reforms in the energy sector, increased energy conservation and the use of other energy sources.

4. In this context we welcome the contribution by the European Union. As a further step we are ready to provide for the action plan an initial amount of up to USD 200 million in grants, including a replenishment of the Nuclear Safety Account for this purpose. In addition loans should be provided by the IFIs.

We call on other donors and international financial institutions to join us in supporting this action plan and will review progress regularly.

### **Ukraine**

We wish to see a stable and independent Ukraine.

We welcome the Trilateral Statement, Ukraine's ratification of the START I Treaty, and steps to remove nuclear weapons. We look forward to Ukraine's accession to the NPT as a non-nuclear weapon State.

But we are deeply concerned about the economic situation. Genuine reform is the only way to improve the economy. We urge the Ukrainian Government to design and implement rapidly stabilization and structural reforms, including price liberalization and privatization. This would provide the basis for IMF lending and for substantial loans by the World Bank and the EBRD. We are committed to support comprehensive reform efforts through substantial technical and financial assistance and by facilitating improved access to our markets for Ukrainian products.

With a renewed commitment to comprehensive market reform, Ukraine could gain access to international financing of over USD 4 billion in the course of a two-year period following the commencement of genuine reforms.

We endorse the proposal for a Conference on Partnership for Economic Transformation in Ukraine to be held in Canada before our next meeting.

### **Russia**

1. We recognize the historical dimension of the reform process in Russia. We are encouraged by the commitment to reform, both political and economic, of the Russian leadership and by the progress made so far.

2. The approach we endorsed in Tokyo last year is producing results. We welcome the agreement with the IMF on an economic programme and the recent series of loan agreements with the World Bank and the EBRD. We encourage Russia to work with the International Financial Institutions to stabilize the economy, reinforce the reform process, and reduce social hardship.

The increases in IMF limits, provision of SDRs to new IMF members and acceleration of World Bank lending that are now under consideration will significantly augment the ability to support Russian reform efforts. The recently agreed comprehensive rescheduling of Russia's 1994 debt obligations will also help.

We continue to look to the Support Implementation Group to help remove practical obstacles in Russia to our support efforts.

3. Mobilizing domestic savings for productive use and attracting foreign direct investment will be crucial to the success of Russia's reforms. We therefore urge Russia to improve the legal and institutional frame-



work for private investment and for external trade. We ourselves will continue to work with Russia towards GATT membership, in order to advance Russia's integration into the world economy and further improve access to our markets for Russian products.

4. We will continue to support reform in Russia.

### **Other countries in transition**

We welcome the progress made and reaffirm our support for the reform efforts of the countries in transition.

In particular, we commend the political and economic transformation of the Central and Eastern European Countries and support their integration into free market.

### **Cooperation against transnational crime and money laundering**

1. We are alarmed by the growth of organized transnational crime, including money laundering, and by the use of illicit proceeds to take control of legitimate business. This is a worldwide problem with countries in transition increasingly targeted by criminal organizations. We are determined to strengthen international cooperation to address this situation.

We welcome the UN Conference on Organized Transnational Crime to be held in Naples next October.

2. On money laundering, we recognize the achievements of the FATF, which we set up in 1989, and reaffirm our support for its continued work over the next five years. In order to achieve our goal, we agree that countermeasures need to be implemented by FATF members and other countries with significant financial centres. Ultimate success requires that all governments provide for effective measures to prevent the laundering of proceeds from drug trafficking and other serious crime or offences which generate a significant amount of proceeds.

3. We urge countries to adopt necessary legislation wherever appropriate.

### **Next summit**

Our discussions this year have convinced us of the benefits of a less formal summit procedure, as we agreed in Tokyo last year. In Naples, we have been able to have a freer exchange of views and to forge a closer understanding between us. We shall want to consider how best to build on this for our meeting next year. Next year we look forward to an even more flexible and less formal summit.

We have accepted the invitation of the Prime Minister of Canada to meet in Halifax in 1995.'

## **Chairman's Statement**

'1. This occasion has been given added meaning by the full participation in the political discussions of the President of the Russian Federation. This partnership, which is a reflection of the reforms that have taken place in Russia, reaffirms our wish to tackle together today's problems in a constructive and responsible manner.

2. We strongly believe that the parties to the Bosnian conflict should accept the plan presented to them on 6 July in Geneva. We urge them to do so before 19 July. If the opportunity is not seized, there is a grave risk of renewal of war on a larger scale. The parties should refrain from any military action.

We shall ensure that the measures made known to the parties in the event of either acceptance or refusal are implemented.

We support the action plan undertaken by the UN for the rehabilitation of Sarajevo and we welcome the signature on 5 July by the European Union and the parties concerned of the memorandum of understanding on the EU administration of Mostar.

Concerning the UN protected areas in Croatia, we urge compliance with the cease-fire, the resumption of talks and the mutual recognition of existing borders.

3. Following the death of Kim Il Sung, we must continue to seek a solution to the problem created by North Korea's decision to withdraw from the IAEA. We urge the DPRK to continue to engage the ROK and the international community, including a continuation of the talks with the US and going forward with the scheduled summit with the ROK. We also urge the DPRK to provide total transparency in its nuclear programme through full and unconditional compliance with its non-proliferation obligations and to remove, once and for all, the suspicions surrounding its nuclear activities. We support the renewed efforts to resolve the North Korean nuclear issue through dialogue and we stress the importance of the DPRK's ensuring the continuity of IAEA safeguards and maintaining the freeze on its nuclear programme, including no reprocessing spent fuel or reloading its nuclear reactors.

4. We have welcomed the Israeli-Palestinian Declaration of Principles and the signing of the Gaza- Jericho agreement as a first step in its implementation. We recognize the need to speed up the delivery of assistance and create the circumstances for a real improvement of living conditions. Progress on the other bilateral tracks and in the multilateral negotiations is now essential in order to achieve a lasting and comprehensive settlement of the Arab-Israeli dispute and a wider process of peace and cooperation in the whole Middle East/Mediterranean region. We call upon the League of Arab States to end their boycott of Israel. We support the efforts of reconstruction of a prosperous and independent Lebanon.

We reiterate our resolve to enforce full implementation of each and every relevant UN Security Council resolution concerning Iraq and Libya until they are complied with, and recall that such implementation would entail the reassessment of sanctions.

We call upon the Government of Iran to participate constructively in international efforts for peace and stability and to modify its behaviour contrary to these objectives, *inter alia* with regard to terrorism.

We support the Algerian Government's decision to move forward on economic reforms, which must be pursued with determination, while urging Algerian leaders to continue a political dialogue with all elements of Algerian society rejecting violence and terrorism. We condemn the recent massacre of Italian sailors and other victims, and express our condolences to their families.

We call upon the Government of the Republic of Yemen to resolve political differences within the country through dialogue and by peaceful means, and to ensure that the humanitarian situation, particularly in and around Aden, is addressed. International obligations, including sovereignty and territorial integrity, should be respected.

5. Responding to the recent call by the Secretary General of the United Nations, we have devoted special attention to the situation in the African continent. We salute the achievement of the people of South Africa in ending apartheid by constitutional means, committing ourselves to assist the new government in its efforts to construct a stable and prosperous democracy. At the same time we are painfully aware of the humanitarian tragedy affecting many African countries and we will do our utmost to help them. We are particularly appalled by the situation in Rwanda and call for uninterrupted continuation of the humanitarian action carried out by France through the rapid deployment of Unamir II. We urge a stable cease-fire leading to a political settlement and an increased and urgent humanitarian effort. We support efforts to implement the settlement in Angola.

6. We demand that the military leadership in Haiti comply fully with all relevant UN resolutions and allow a restoration of democracy and the return of the democratically elected government of President Aristide. We call upon all States to bring pressure on the *de facto* regime as well as to enforce strengthened UN measures in relation to Haiti.

7. Proliferation of weapons of mass destruction and missiles is one of the most serious threats to international peace and security. We call upon all States that have not yet done so to accede to the NPT as non-nuclear weapon States. We declare our unequivocal support for the indefinite extension of the Treaty in 1995. We underline the importance of continuing nuclear arms reduction, and confirm our commitment to

achieve universal, verifiable and comprehensive treaties to ban nuclear tests and the production of fissile material for nuclear weapons. We reaffirm our commitment for the earliest possible entry into force of the chemical weapons convention and welcome the special conference of States parties to the biological and toxin weapons convention. We support full implementation of the UN register of conventional arms. We agree to cooperate to prevent nuclear smuggling. We assign priority to the problems of anti-personnel land mines, including efforts to curb their indiscriminate use, halt their export, assist in their clearance worldwide. We shall work together and with others for effective export controls to ensure that trade in armaments and sensitive dual-use goods is carried out responsibly. We encourage non-proliferation efforts in the Middle East and South Asia.

8. The UN has a central role in preventive diplomacy as well as in peace-keeping, peace-making, post-conflict peace-building. It is essential that all such activities be fully mandated, effectively planned and organized, and be financed to meet the demands placed on them. All UN members have clear responsibilities in that regard and must fulfil them. Arrears must be eliminated and dues paid promptly and in full, while a more equitable scale of assessments should reflect changes in the world economy and in UN membership. The UN reform must continue in order to ensure efficiency, streamlining of functions and cost-effectiveness.

Regional organizations can make a significant contribution in the field of preventive diplomacy and peace-keeping, fully consistent with the UN Charter as well as relevant CSCE documents. We stress the importance of the consent of all parties in peace-keeping operations, and reiterate the need to respect in all cases sovereignty and territorial integrity. We also emphasize that a mandate is to be sought from the UN when peace-keeping forces can be confronted with the need to use force beyond the requirements of self-defence.

The CSCE Budapest Summit in December should be an important landmark in the process of enhancing the CSCE's role and capabilities.

We support the conclusion of the pact of stability aimed at promoting good relations in Europe.

In the Asia/Pacific area, we welcome the beginning of regional security dialogue, in particular in the ASEAN regional forum.

9. We support the improvement of international monitoring mechanisms and procedures for the promotion and protection of human rights everywhere, including the rights of persons belonging to national minorities, and pledge our support for the newly created office of UN High Commissioner for Human Rights. We are determined to strengthen efforts to combat racism, racial discrimination, xenophobia, aggressive nationalism, antisemitism and other forms of intolerance.

The international community should equip itself with more efficient means to respond in a prompt way to humanitarian emergencies worldwide. We shall seek to improve our capabilities through the UN and other appropriate mechanisms to fulfil such requirements.

10. We condemn terrorism in all its forms, especially when State-sponsored, and reaffirm our resolve to cooperate in combating it with determination. We call upon all countries involved to renounce support for terrorism, including financial support, and to take effective action to deny the use of their territory to terrorist organization.

We stress that organized crime and narcotics trafficking are a threat to political as well as economic and social life, and we call for increased international cooperation. We have agreed that the proposed world

ministerial conference to be held in October in Naples at the initiative of the Italian Government will be a most important occasion to advance such cooperation.

11. The meeting has also given us the opportunity for an exchange of views on the reform process in Russia, a historic task that President Yeltsin and the Russian Government continue to bring forward with the confirmed support of the international community. President Yeltsin presented Russia's views on global economic and security issues. We intend to cooperate on such topics as transnational crime, money laundering, and nuclear safety.

12. Looking forward to Halifax, we shall continue to cooperate closely in order to increase the conditions for maintaining peace and stability in the world.'

# 4. Undertaking given by Microsoft to the European Commission

2.4.1. Following intensive negotiations between Microsoft, the United States Department of Justice and the European Commission, Microsoft undertook to change its practice regarding the licences granted to PC manufacturers for the use of its operating system. The Commission, for its part, agreed to suspend the proceedings establishing an infringement of Community competition rules. The full text of the Microsoft undertaking is reproduced below.

## I. Introduction

Microsoft undertakes in good faith to carry out the obligations set out in this undertaking. The purpose of this undertaking is to assist the Commission of the European Communities ('the Commission') in satisfying itself that Articles 85 and 86 of the EC Treaty and Articles 53 and 54 of the EEA Agreement are not infringed.

## II. Definitions

(1) "Covered product(s)" means the binary code of (i) MS-DOS 6.22, (ii) Microsoft Windows 3.11, (iii) Windows for Workgroups 3.11, (iv) predecessor versions of the aforementioned products, (v) the product currently code-named "Chicago" and (v) successor versions of or products marketed as replacements for the aforementioned products, whether or not such successor versions or replacement products could also be characterized as successor versions or replacement products of other Microsoft Operating system Software products, that are made available (a) as stand-alone products to OEMs pursuant to licence agreements, or (b) as unbundled products that perform operating system software functions now embodied in the products listed in subsections (i) through (v).

The term "covered products" shall not include "customized" versions of the aforementioned products developed by Microsoft; nor shall it apply to Windows NT workstation and its successor versions, or Windows NT advanced server.

(2) "Customized" means the substantial modification of a product by Microsoft to meet the particular and specialized requirements of a final customer of a computer system. It does not include the adaptation of

such a product in order to optimize its performance in connection with a personal computer system manufactured by an OEM.

(3) "Duration" means, with respect to a licence agreement, the period of time during which an OEM is authorized to license, sell or distribute any of the covered products.

(4) A "licence agreement" means any licence, contract, agreement or understanding, or any amendment thereto, written or oral, express or implied, pursuant to which Microsoft authorizes an OEM to license, sell or distribute any covered product with its personal computer system(s).

(5) A "minimum commitment" means an obligation of an OEM to pay Microsoft a minimum amount under a licence agreement, regardless of actual sales.

(6) "Lump sum pricing" means any royalty payment for a covered product that does not vary with the number of copies of the covered product that are licensed, sold or distributed by the OEM or of personal computer systems distributed by the OEM;

(7) "New system" means a system not included or designated in a per system licence.

(8) "NDA" means any non-disclosure agreement for any pre-commercial release of a covered product that imposes any restriction on the disclosure or use of any such pre-commercial release of any covered product or any information relating thereto.

(9) "OEM" means an original equipment manufacturer or assembler of personal computer systems or personal computer system components (such as motherboards or sound cards) or peripherals (e.g. printers or mice) that is a party to a licence agreement.

(10) "Per copy licence" means any licence agreement pursuant to which the OEM's royalty payments are calculated by multiplying

(i) the number of copies of each covered product licensed, sold or distributed during the term of the licence agreement, by

(ii) a per copy royalty rate agreed upon by the OEM and Microsoft, which rate may be determined as provided in Section IV.H;

(11) "Per processor licence" means a licence agreement under which Microsoft requires the OEM to pay

Microsoft a royalty for all personal computer systems that contain the particular microprocessor type(s) specified in the licence agreement.

(12) "Per system licence" means a licence agreement under which Microsoft requires the OEM to pay Microsoft a royalty for all personal computer systems which bear the particular model name(s) or number(s) which are included or designated in the licence agreement by the OEM to Microsoft, at the OEM's sole option and under the terms and conditions as set forth herein.

(13) "Personal computer system" means a computer designed to use a video display and keyboard (whether or not the video display and keyboard are actually included) which contains an Intel x86 or Intel x86-compatible microprocessor.

(14) "Operating system software" means any set of instructions, codes, and ancillary information that controls the operation of a personal computer system and manages the interaction between the computer's memory and attached devices such as keyboards, display screens, disk drives, and printers.

### III. Applicability

This undertaking applies to Microsoft and to each of its officers, directors, agents, employees, subsidiaries, successors and assigns.

### IV. Prohibited conduct

A. Microsoft shall not enter into any licence agreement for any covered product that has a total duration that exceeds one year (measured from the end of the calendar quarter in which the agreement is executed).

Microsoft may include as a term in any such licence agreement that the OEM may, at its sole discretion, at any time between 90 and 120 days prior to the expiration of the original licence agreement, renew it for up to one additional year on the same terms and conditions as those applicable in the original licence period.

The licence agreement shall not impose a penalty or charge of any kind on an OEM for its election not to renew all or any portion of a licence agreement. In the event that an OEM does not exercise the option to renew a licence agreement as provided above, and a new licence agreement is entered between Microsoft and the OEM, the arm's length negotiation of different terms and conditions, specifically including a higher royalty rate(s), will not by itself constitute a penalty or other charge within the meaning of the foregoing sentence.

The duration of any licence agreement with any OEM not domiciled in the United States or the European Economic Area that will not be effective prior to regu-

latory approval in the country of its domicile may be extended at the option of Microsoft or the OEM during the time required for any such regulatory approval.

Licence agreement provisions that do not bear on the licensing or distribution of the covered products may survive expiration or termination of the licence agreement.

B. Microsoft shall not enter into any licence agreement that by its terms prohibits or restricts the OEM's licensing, sale or distribution of any non-Microsoft operating system software product.

C. Microsoft shall not enter into any per processor licence.

D. Except to the extent permitted by Section IV.G. below, Microsoft shall not enter into any licence agreement other than a per copy licence.

E. Microsoft shall not enter into any licence agreement in which the terms of that agreement are expressly or impliedly conditioned upon:

(i) the licensing of any other covered product, operating system software product or other product (provided, however, that this provision in and of itself shall not be construed to prohibit Microsoft from developing integrated products);

(ii) the OEM not licensing, purchasing, using or distributing any non-Microsoft product.

F. Microsoft shall not enter into any licence agreement containing a minimum commitment. However, nothing contained herein shall prohibit Microsoft and any OEM from developing non-binding estimates of projected sales of Microsoft's covered products for use in calculating royalty payments.

G. Microsoft's revenue from a licence agreement for any covered product shall not be derived from other than per copy or per system licences, as defined herein. In any per system licence:

(i) Microsoft shall not explicitly or implicitly require as a condition of entering into any licence agreement, or for purposes of applying any volume discount, or otherwise, that any OEM include under its per system licence more than one of its personal computer systems;

(ii) Microsoft shall not charge or collect royalties for any covered product on any personal computer system unless the personal computer system is designated by the OEM in the licence agreement or in a written amendment. Microsoft shall not require an OEM which creates a new system to notify Microsoft of the existence of such a new system, or to take any particular actions regarding marketing or advertising of that new system, other than creation of a unique model name or model number that the OEM shall use for

internal and external identification purposes. The requirement of external identification may be satisfied by placement of the unique model name or model number on the machine and its container (if any), without more. The OEM and Microsoft may agree to amend the licence agreement to include any new model of personal computer system in a per system licence. Nothing in this clause shall be deemed to preclude Microsoft from seeking compensation from an OEM that makes or distributes copies of a covered product in breach of its licence agreement or in violation of copyright law;

(iii) The licence agreement shall not impose a penalty or charge on account of an OEM's choosing at any time to create a new system. Addition of a new system to the OEM's licence agreement so that covered products are licensed for distribution with such new system and royalties are payable with respect thereto shall not be deemed to constitute a penalty or other charge of any kind within the meaning of the foregoing sentence;

(iv) All OEMs with existing per system licences, or per processor licences treated by Microsoft under Section IV.J as per system licences, will be sent within 30 days following entry of this undertaking in a separately mailed notice printed in bold, boxed type which shall begin with the sentence 'You are operating under Microsoft per system licence' and shall continue with the language contained in the first four quoted paragraphs below. All new or amended per system licences executed after 1 September 1994 shall contain a provision that appears on the top half of the signature page in bold, boxed type which shall begin with the sentence 'This is a Microsoft per system licence' and shall continue with the language contained in the first four quoted paragraphs below

"As a customer, you may create a 'new system' at any time that does not require the payment of a royalty to Microsoft unless the customer and Microsoft agree to add it to the licence agreement."

"Any new system created may be identical in every respect to a system as to which the customer pays a per system royalty to Microsoft provided that the new system has a unique model number or model name for internal and external identification purposes which distinguishes it from any system the customer sells that is included in a per system licence. The requirement of external identification may be satisfied by placement of the unique model name or model number on the machine and its container (if any), without more."

"If the customer does not intend to include a Microsoft operating system product with a new system, the customer does not need to notify Microsoft at any time of the creation, use or sale of any such new system, nor does it need to take any particular steps to market or advertise the new system."

"Under Microsoft's licence agreement, there is no charge or penalty if a customer chooses at any time to create a new system incorporating a non-Microsoft operating system. If the customer intends to include a Microsoft operating system product with the new system, the customer must so notify Microsoft, after which the parties may enter into arm's length negotiation with respect to a licence to apply to the new system."

In the case of OEMs with per Processor Licences treated as per system Licences pursuant to Section IV.J., the notice shall include the following paragraph at the beginning of the notice:

"All models covered by your per processor licence are now treated as subject to a per system licence. You may exclude any such model from being treated as subject to a per system licence by notifying Microsoft in writing. Such notice to Microsoft must include the model designation to be excluded from the per system licence. Such exclusion shall take effect on the first day of the calendar quarter next following Microsoft's receipt of such notice."

H. Microsoft may not use any form of lump sum pricing in any licence agreement for covered product(s) executed after the date of this undertaking. It is not a violation of this undertaking for Microsoft to use a form of royalty rates, including rates embodying volume discounts agreed upon in advance with respect to each individual OEM, each specific version or language of a covered product, and each designated personal computer system model subject to the licence agreement, provided, however, that this undertaking does not sanction any particular implementation of such form.

I. OEMs that currently have a licence agreement that is inconsistent with any provision of this undertaking may, without penalty, terminate the licence agreement or negotiate with Microsoft to amend the licence agreement to eliminate such inconsistent provisions. An OEM desiring to terminate or amend such a licence agreement shall give Microsoft ninety (90) days' written notice at any time prior to 1 January 1995.

J. If an OEM has a licence agreement that is inconsistent with any provision of this undertaking, Microsoft may enforce that licence agreement subject to the following:

(i) if the licence agreement is a per processor licence, Microsoft shall treat it as a per system licence for all existing OEM models that contain the microprocessor type(s) specified in the licence agreement, except those models that the OEM opts in writing to exclude, and such exclusion shall take effect on the first day of the calendar quarter next following Microsoft's receipt of such notice; and

(ii) Microsoft may not enforce prospectively any minimum commitment.

K. Microsoft shall not enter into any NDA:

(i) whose duration extends beyond (a) commercial release of the product covered by the NDA, (b) an earlier public disclosure authorized by Microsoft of information covered by the NDA or (c) one year from the date of disclosure of information covered by the NDA to a person subject to the NDA, whichever comes first; or

(ii) that would restrict in any manner any person subject to the NDA from developing software products that will run on competing operating system software products, provided that such development efforts do not entail the disclosure or use of any Microsoft proprietary information during the term of the NDA; or

(iii) that would restrict any activities of any person subject to the NDA to whom no information covered by the NDA has been disclosed.

L. The form of standard NDAs will be approved by a Microsoft corporate officer and all non-standard language in NDAs that pertains to matters covered in Section (K) above will be approved by a Microsoft senior corporate attorney.

M. Within thirty (30) days of the entry into force of this undertaking, Microsoft will provide a copy of this undertaking to all OEMs with whom it has licence agreements at that time except for those with licences solely under the small volume easy distribution (SVED) programme or the delivery service partner (DSP) programme.

## V. Administrative provisions

A.1. Microsoft acknowledges that it may be necessary for the Commission to determine the extent to which this undertaking is implemented. For this purpose, Microsoft will supply such information as the Commission may from time to time request.

A.2. All licence agreements shall be made in writing. Copies of such agreements shall be retained by Microsoft and submitted to the Commission at the Commission's request.

A.3. Microsoft shall produce to the Commission, within forty-five (45) days, any documents provided

to the Antitrust Division of the US Department of Justice (DOJ) in connection with its monitoring or securing of compliance with any final judgment against Microsoft that relates to Microsoft's licensing of any covered product. In addition, Microsoft shall not object to disclosure to the Commission by the DOJ of any other information provided by Microsoft to the DOJ, or to cooperation between the Commission and the DOJ in the enforcement of this undertaking, provided that Microsoft shall receive in advance a detailed description of the information to be provided. The Commission will accord Microsoft information received from the DOJ and all Microsoft licence agreements provided pursuant to Section V.A.2 above the maximum confidentiality protection available under applicable law. Thus, the Commission will abide by its obligation of professional confidentiality set out in Article 20(2) of Regulation 17, even though the Microsoft information will not have been obtained pursuant to that Regulation and even though the information may not have been designated specifically as containing business secrets. The Commission shall take precautions to ensure the security and confidentiality of Microsoft information provided in electronic form.

B. This undertaking shall remain in force for six and one half (6 1/2) years or until the entry into effect of a Commission Decision with respect to the subject matter of this undertaking, whichever is the earlier.

C. This undertaking (and all correspondence, memoranda or discussions with respect thereto) is made without prejudice and may not be used in any way by Microsoft in this or any other proceeding and does not constitute in any way an admission by Microsoft, and shall not be enforceable by any other natural or legal person or any national authority or agency.

D. This undertaking shall take immediate effect.'

15 July 1994

William H. Neukom  
Senior Vice-President  
Law and Corporate Affairs  
Microsoft Corporation

## 5. Infringement proceedings

### Reasoned opinions

#### *Failure to communicate any measures incorporating Directives into national law*

2.5.1. In July and August the Commission delivered reasoned opinions in the following cases:

#### *Industry*

Directive 92/115/EEC (OJ L 409, 31.12.1992)  
Extraction solvents used in the production of food-stuffs  
Germany, Italy

Directive 89/341/EEC (OJ L 142, 25.5.1989)  
Proprietary medicinal products  
Germany

Directive 89/343/EEC (OJ L 142, 25.5.1989)  
Additional provisions for radiopharmaceuticals  
Germany

Directive 90/676/EEC (OJ L 373, 31.12.1990)  
Veterinary medicinal products  
Spain

Directive 90/677/EEC (OJ L 373, 31.12.1990)  
Veterinary medicinal products  
Spain, Portugal

Directive 91/356/EEC (OJ L 193, 17.7.1991)  
Good manufacturing practice for medicinal products for human use  
Germany

Directive 91/507/EEC (OJ L 270, 26.9.1991)  
Standards and protocols in respect of the testing of medicinal products  
France

Directive 92/18/EEC (OJ L 97, 10.4.1992)  
Standards and protocols in respect of the testing of veterinary medicinal products  
Greece, Spain, Netherlands, Portugal

Directive 92/25/EEC (OJ L 113, 30.4.1992)  
Wholesale distribution of medicinal products for human use  
Germany, Luxembourg, Netherlands

Directive 92/26/EEC (OJ L 113, 30.4.1992)  
Classification for the supply of medicinal products for human use  
Germany, Portugal

Directive 92/27/EEC (OJ L 113, 30.4.1992)  
Labelling of medicinal products for human use and package leaflets  
Germany, Netherlands

Directive 92/28/EEC (OJ L 113, 30.4.1992)  
Advertising of medicinal products for human use  
Belgium, Germany, France, Netherlands

Directive 92/53/EEC (OJ L 225, 10.8.1992)  
Type-approval of motor vehicles and their trailers  
Greece, France

Directive 92/114/EEC (OJ L 409, 31.12.1992)  
Cabins of category N motor vehicles  
Germany

#### *Employment, industrial relations and social affairs*

Directive 91/269/EEC (OJ L 134, 29.5.1991)  
Electrical equipment for use in potentially explosive atmospheres  
Belgium, Italy

#### *Agriculture*

Directive 90/167/EEC (OJ L 92, 7.4.1990)  
Medicated animal feedingstuffs  
Germany

#### *Transport*

Directive 92/54/EEC (OJ L 225, 10.8.1992)  
Roadworthiness tests for motor vehicles and their trailers (brakes)  
Greece

Directive 92/55/EEC (OJ L 225, 10.8.1992)  
Roadworthiness tests for motor vehicles and their trailers (exhaust gases)  
Greece

#### *Environment, nuclear safety and civil protection*

Directive 89/427/EEC (OJ L 201, 14.7.1989)  
Air quality limit values and guide values for sulphur dioxide  
Italy



Directive 89/629/EEC (OJ L 363, 13.12.1989)  
Noise emissions by subsonic civil jet aircraft  
Italy

Directive 90/313/EEC (OJ L 158, 23.6.1990)  
Freedom of access to information on the environment  
Germany, Greece, Italy

Directive 90/415/EEC (OJ L 219, 14.8.1990)  
Limit values and quality objectives for discharges of  
certain dangerous substances  
Ireland

Directive 90/517/EEC (OJ L 287, 19.10.1990)  
Classification, packaging and labelling of certain dan-  
gerous substances  
Belgium

Directive 91/156/EEC (OJ L 78, 26.3.1991)  
Waste  
Germany, Spain

Directive 91/157/EEC (OJ L 78, 26.3.1991)  
Batteries and accumulators containing certain danger-  
ous substances  
Spain, Portugal, United Kingdom

Directive 91/271/EEC (OJ L 135, 30.5.1991)  
Urban waste-water treatment  
Germany, Spain, United Kingdom

Directive 91/325/EEC (OJ L 180, 8.7.1991)  
Classification, packaging and labelling of certain dan-  
gerous substances  
Belgium

Directive 91/410/EEC (OJ L 228, 17.8.1991)  
Classification, packaging and labelling of certain dan-  
gerous substances  
United Kingdom

Directive 91/632/EEC (OJ L 338, 10.12.1991)  
Classification, packaging and labelling of certain dan-  
gerous substances  
Portugal

Directive 92/14/EEC (OJ L 76, 23.3.1992)  
Limitation on the operation of aeroplanes covered by  
the Convention on Civil Aviation  
Italy

Directive 92/112/EEC (OJ L 409, 31.12.1992)  
Reduction of pollution caused by waste from the tita-  
nium dioxide industry  
Belgium, Ireland

### *Internal market and financial services*

Directive 91/477/EEC (OJ L 256, 13.9.1991)  
Control of the acquisition and possession of weapons  
Belgium

Directive 90/434/EEC (OJ L 225, 20.8.1990)  
Common system of taxation applicable to mergers,  
divisions, transfers of assets and exchanges of shares  
Greece

Directive 89/665/EEC (OJ L 395, 30.12.1989)  
Application of review procedures to the award of pub-  
lic supply and public works contracts  
Greece

Directive 92/50/EEC (OJ L 209, 24.7.1992)  
Public service contracts  
Germany

Directive 91/308/EEC (OJ L 166, 28.6.1991)  
Prevention of the use of the financial system for the  
purpose of money laundering  
Greece

Directive 92/30/EEC (OJ L 110, 28.4.1992)  
Supervision of credit institutions on a consolidated  
basis  
Greece

Directive 90/605/EEC (OJ L 317, 16.11.1990)  
Annual accounts and consolidated accounts — scope  
Greece

Directive 91/250/EEC (OJ L 122, 17.5.1991)  
Legal protection of computer programs  
Luxembourg

### *Failure properly to incorporate Directives into national law*

2.5.2. In July and August the Commission de-  
livered a reasoned opinion in the following case:

#### *Environment, nuclear safety and civil protection*

Directive 85/337/EEC (OJ L 175, 5.7.1985)  
Legislation — impact assessment  
Germany

### *Infringements of the Treaties or of Regulations; failure properly to apply Directives in practice*

2.5.3. In July and August the Commission de-  
livered reasoned opinions in the following cases:

#### *Industry*

Directive 83/189/EEC (OJ L 109, 26.4.1983)  
Therapeutic equipment subject to type-approval  
France

Directive 89/108/EEC (OJ L 40, 11.2.1989)  
Frozen products  
Spain

*Employment, industrial relations  
and civil protection*

Article 48 of the EC Treaty and Directive 68/360/EEC  
(OJ L 257, 19.10.1968)

Conditions and arrangements for the issue of residence permits  
Belgium

Regulation (EEC) No 1612/68 (OJ L 257, 19.10.1968)  
Refusal to grant education allowance  
France

*Transport*

Articles 5, 7, 48, 52 and 58 of the EC Treaty  
Registration of commercial vessels  
Ireland

*Fisheries*

Articles 7, 52 and 58 of the EC Treaty and Regulation  
(EEC) No 170/83 (OJ L 24, 27.1.1983)  
Registration of fishing vessels  
Ireland

*Internal market and financial services*

Article 30 of the EC Treaty  
Discrimination — importation of fruit and vegetables  
Germany  
Articles 52 and 221 of the EC Treaty  
Exercise of broadcast television activities  
Portugal

*Customs and indirect taxation*

Directive 77/388/EEC (OJ L 145, 13.6.1977)  
Charging of VAT on exempt goods  
France, Italy  
Directive 79/1072/EEC (OJ L 331, 27.12.1979)  
Requirement for a specific type of VAT return  
Portugal

**Cases referred to the Court of Justice**

*Failure to communicate any measures  
incorporating Directives  
into national law*

2.5.4. In July and August the Commission referred the following cases to the Court of Justice:

*Industry*

Directive 91/155/EEC (OJ L 76, 22.3.1991)  
System of specific information relating to dangerous preparations  
Portugal

Directive 91/173/EEC (OJ L 85, 5.4.1991)  
Restrictions on the marketing and use of certain dangerous substances and preparations  
Portugal

Directive 91/339/EEC (OJ L 186, 12.7.1991)  
Restrictions on the marketing and use of certain dangerous substances and preparations  
Belgium, Portugal

Directive 91/442/EEC (OJ L 238, 27.8.1991)  
Child-proof fastenings for dangerous preparations  
Portugal

Directive 92/31/EEC (OJ L 126, 12.5.1992)  
Electromagnetic compatibility  
Ireland

*Audiovisual media, information,  
communication and culture*

Directive 89/552/EEC (OJ L 298, 17.10.1989)  
Television without frontiers  
Spain

*Telecommunications, information  
technology and innovation*

Directive 91/263/EEC (OJ L 128, 23.5.1991)  
Telecommunications terminal equipment  
Ireland

*Internal market and financial services*

Directive 86/635/EEC (OJ L 372, 31.12.1986)  
Consolidated accounts of banks and other financial institutions  
Greece

Directive 88/357/EEC (OJ L 172, 4.7.1988)  
Non-life insurance (freedom to provide services)  
Greece

Directive 90/619/EEC (OJ L 330, 29.11.1990)  
Direct life assurance  
Greece

Directive 88/627/EEC (OJ L 348, 17.12.1988)  
Major holding in a listed company  
Germany

Directive 89/48/EEC (OJ L 19, 24.1.1989)  
Recognition of higher-education diplomas  
Belgium

*Infringements of the Treaties  
or of Regulations; failure properly  
to apply Directives in practice*

2.5.5. In July and August the Commission referred the following cases to the Court of Justice:

*Economic and financial affairs*

Articles 52, 58 and 221 of the EC Treaty Discrimination against foreign investments in privatized companies  
Portugal

*Industry*

Directive 91/542/EEC (OJ L 295, 25.10.1991)  
Barriers to the registration of vehicles  
Greece

*Agriculture*

Article 30 of the EC Treaty  
Barriers to imports of Spanish strawberries  
France

Directives 64/433/EEC (OJ L 121, 29.7.1964), 85/73/  
EEC (OJ L 32, 5.2.1985), 89/662/EEC (OJ L 395,  
30.12.1989) and 93/118/EEC (OJ L 340, 31.12.1993)  
and Decision 88/408/EEC (OJ L 194, 22.7.1988)

Inspection and veterinary checks on fresh meat  
Belgium

Directive 91/684/EEC (OJ L 376, 31.12.1991)  
Hygiene and health problems affecting egg products  
Italy

Directive 93/118/EEC (OJ L 340, 31.12.1993)  
Fees for the veterinary inspection of poultry  
Belgium, Denmark, France

Directives 83/189/EEC (OJ L 109, 26.4.1983) and  
88/182/EEC (OJ L 81, 26.3.1988)

Technical standards and regulations: system of GMP  
recognition — animal feedingstuffs  
Netherlands

*Environment, nuclear safety and civil protection*

Directives 75/439/EEC (OJ L 194, 25.7.1975) and  
87/101/EEC (OJ L 42, 12.2.1987)  
Waste — used oils  
Portugal

Directive 76/464/EEC (OJ L 129, 18.5.1976)  
Dangerous substances in surface water — pro-  
grammes  
United Kingdom

Directives 85/337/EEC (OJ L 175, 5.7.1985) and  
80/779/EEC (OJ L 229, 30.8.1980)  
Impact assessment — sulphur dioxide  
United Kingdom

Directives 90/219/EEC and 90/220/EEC (OJ L 117,  
8.5.1990)  
Genetically modified organisms  
Portugal

*Fisheries*

Articles 7, 30, 34 and 52 of the EC Treaty  
Registration of fishing vessels  
Portugal

Articles 7, 30, 34, 52, 58 and 221 of the EC Treaty  
Conditions imposed on fishing vessels  
Spain

Articles 7 and 52 of the EC Treaty and Regulation  
(EEC) No 173/83 (OJ L 24, 27.1.1983)  
Arrangements for allocating the 1992 fisheries quotas  
United Kingdom

Regulations (EEC) Nos 2241/87 (OJ L 207,  
29.7.1987) and 3094/86 (OJ L 288, 11.10.1986)  
Fisheries — failure to monitor compliance with tech-  
nical conservation measures  
France

*Internal market and financial services*

Article 52 of the EC Treaty  
Discriminatory taxation of branches in relation to sub-  
sidiaries  
France

Articles 5, 30 and 59 of the EC Treaty and Directive  
88/295/EEC (OJ L 127, 20.5.1988)  
Award of public contracts — specific provisions  
favouring cooperatives  
Italy

Directives 71/305/EEC (OJ L 185, 16.8.1971) and  
77/62/EEC (OJ L 13, 15.1.1977)  
Public works and public supply contracts  
Spain

Directive 88/357/EEC (OJ L 172, 4.7.1988)  
Fire insurance monopoly  
Germany

*Customs and indirect taxation*

Article 95 of the EC Treaty  
Seizure of vehicles at the Italian frontier  
Italy

Directive 77/388/EEC (OJ L 145, 13.6.1977)  
Restriction on the right to deduct  
Spain, Portugal

Article 5 of the EC Treaty and Directive 77/388/EEC  
(OJ L 145, 13.6.1977)  
Taxation of assembled goods  
Spain

*Statistical Office*

Directive 72/280/EEC (OJ L 179, 7.8.1972)  
Delays in notification of statistics on milk and milk  
products  
Spain

## 6. Additional references in the Official Journal

2.6.1. This section lists the titles of legal instruments, communications and notices that have appeared recently in the Official Journal but relate to items appearing in earlier issues of the Bulletin; the references were not available when those issues went to press.

The number of the Bulletin and the point to which this additional information refers are followed by the title shown on the cover of the Official Journal, the number of the issue and the date of publication.

### **Bull. 12-1993**

#### *Point 1.2.64*

Commission Decision 94/449/EC of 14 December 1993 relating to a proceeding pursuant to Council Regulation (EEC) No 4064/89

OJ L 186, 21.7.1994

### **Bull. 1/2-1994**

#### *Point 1.3.43*

Council Decision 94/500/EC of 21 February 1994 concerning the conclusion of an Agreement in the form of an exchange of letters between the European Community and the Republic of Poland amending Annex IVb to the Interim Agreement between the European Coal and Steel Community and the European Economic Community, of the one part, and the Republic of Poland, of the other part, and to the Europe Agreement between the European Communities and their Member States, of the one part, and the Republic of Poland, of the other part

OJ L 202, 5.8.1994

### **Bull. 3-1994**

#### *Point 1.2.69*

Proposal for a Council Decision on a specific programme of research and technological development and demonstration in the area of telematics applications of common interest (1994-98)

Proposal for a Council Decision on a specific programme of research and technological development and demonstration in the area of advanced communications technologies and services (1994-98)

Proposal for a Council Decision adopting a specific research and technological development programme in the field of information technologies (1994-98)

Proposal for a Council Decision adopting a specific research and technological development programme in the field of industrial and materials technologies (1994-98)

Proposal for a Council Decision adopting a specific research and technological development programme in the field of standards, measurement and testing (1994-98)

Proposal for a Council Decision adopting a specific programme of research and technological development in the field of environment and climate (1994-98)

Proposal for a Council Decision adopting a specific research and technological development programme in the field of marine sciences and technologies (1994-98)

Proposal for a Council Decision adopting a specific research, technological development and demonstration programme in the field of biotechnology (1994-98)

Proposal for a Council Decision adopting a specific research, technological development and demonstration programme in the field of biomedicine and health (1994-98)

Proposal for a Council Decision adopting a specific research, technological development and demonstration programme in the field of agriculture and fisheries (including agro-industry, food technologies, forestry, aquaculture and rural development) (1994-98)

Proposal for a Council Decision adopting a specific research, technological development and demonstration programme in the field of non-nuclear energy 'Technologies for cleaner and more efficient energy production and use' (1994-98)

Proposal for a Council Decision adopting a specific research, technological development and demonstration programme in the field of transport (1994-98)

Proposal for a Council Decision adopting a specific programme in the field of targeted socio-economic research (1994-98)

Proposal for a Council Decision adopting a specific research, technological development and demonstration programme in the field of cooperation with third countries and international organizations (1994-98)

Proposal for a Council Decision adopting a specific programme for the dissemination and exploitation of the results of activities in the field of research, technological development and demonstration (1994-98)

Proposal for a Council Decision adopting a specific research and technological development programme in the field of stimulation of the training and mobility of researchers (1994-98)

Proposal for a Council Decision adopting a specific research and development programme to be carried out for the European Community, on the one hand by means of direct action (JRC), and on the other by means of activities within the framework of a competitive approach and intended for scientific and technical support to Community policies (1995-98)

OJ C 228, 17.8.1994

*Point 1.2.78*

Commission Decision 94/569/Euratom of 15 March 1994 concerning the conclusion of three bilateral Cooperation Agreements between the European Atomic Energy Community and the Kingdom of Norway, the Kingdom of Sweden and the Swiss Confederation, on research and education in the field of radiation protection

OJ L 219, 24.8.1994

*Point 1.2.158*

Council Decision 94/479/EC of 29 March 1994 on the conclusion of an Agreement in the form of Exchanges of Letters between the European Community and the European Bank for Reconstruction and Development on the contribution of the Community to the Nuclear Safety Account

OJ L 200, 3.8.1994

*Point 1.3.38*

Decision No 1/94 (94/612/EC) of the Association Council between the European Communities and their Member States, on the one part, and the Republic of Hungary, on the other part, of 7 March 1994 on its rules of procedure

OJ L 242, 17.9.1994

**Bull. 4-1994**

*Point 1.2.38*

Proposal for a European Parliament and Council Directive amending Council Directive 89/647/EEC

Bull. EU 7/8-1994

with respect to the supervisory recognition of contracts for novation and netting agreements ('contractual netting')

OJ C 231, 20.8.1994 (annuls and replaces the text published in OJ C 142, 25.5.1994)

*Point 1.2.76*

Proposal for a European Parliament and Council Decision on Community guidelines for the development of the trans-European transport network

OJ C 220, 8.8.1994

*Point 1.3.16*

Commission Opinion of 19 April 1994 on the applications for accession to the European Union by the Republic of Austria, the Kingdom of Sweden, the Republic of Finland and the Kingdom of Norway

OJ C 241, 29.8.1994

*Point 1.7.44*

Opinions adopted by the Committee of the Regions at its second meeting on 5 and 6 April 1994

OJ C 217, 6.8.1994

**Bull. 5-1994**

*Point 1.2.11*

Directive 94/20/EC of the European Parliament and of the Council of 30 May 1994 relating to the mechanical coupling devices of motor vehicles and their trailers and their attachment to those vehicles

OJ L 195, 29.7.1994

*Point 1.3.20*

Decision of the Council of the European Union of 16 May 1994 on the admission of the Kingdom of Norway, the Republic of Austria, the Republic of Finland and the Kingdom of Sweden to the European Union

OJ C 241, 29.8.1994

*Point 1.3.21*

European Parliament Legislative Resolution of 4 May 1994 on the application by the Republic of Austria to become a member of the European Union

European Parliament Legislative Resolution of 4 May 1994 on the application by the Kingdom of Sweden to become a member of the European Union

European Parliament Legislative Resolution of 4 May 1994 on the application by the Republic of Finland to become a member of the European Union

European Parliament Legislative Resolution of 4 May 1994 on the application by the Kingdom of Norway to become a member of the European Union

OJ C 241, 29.8.1994

*Point 1.6.35*

Opinions adopted by the Committee of the Regions at its third meeting on 17 and 18 May 1994

OJ C 217, 6.8.1994

**Bull. 6-1994**

*Point 1.2.18*

Common position (EC) No 25/94 of 16 June 1994 adopted by the Council, acting in accordance with the procedure referred to in Article 189b of the Treaty establishing the European Community, with a view to adopting a European Parliament and Council Directive on the approximation of the laws, regulations and administrative provisions of the Member States relating to lifts

OJ C 232, 20.8.1994

*Point 1.2.23*

Common position (EC) No 29/94 of 16 June 1994 adopted by the Council, acting in accordance with the procedure referred to in Article 189b of the Treaty establishing the European Community, with a view to adopting a European Parliament and Council Directive amending for the 13th time Directive 76/769/EEC on the approximation of the laws, regulations and administrative provisions of the Member States relating to restrictions on the marketing and use of certain dangerous substances and preparations

OJ C 244, 31.8.1994

*Point 1.2.24*

Common position (EC) No 30/94 of 27 June 1994 adopted by the Council, acting in accordance with the procedure referred to in Article 189b of the Treaty establishing the European Community, with a view to adopting a European Parliament and Council Directive amending for the 15th time Directive 76/769/EEC on the approximation of the laws, regulations and administrative provisions of the Member States relating to the restrictions on the marketing and use of certain dangerous substances and preparations

OJ C 244, 31.8.1994

*Point 1.2.26*

European Parliament and Council Directive 94/34/EC of 30 June 1994 amending Directive 89/107/EEC on the approximation of the laws of Member States concerning food additives authorized for use in foodstuffs intended for human consumption

OJ L 237, 10.9.1994

*Point 1.2.27*

European Parliament and Council Directive 94/36/EC of 30 June 1994 on colours for use in foodstuffs

OJ L 237, 10.9.1994

*Point 1.2.28*

European Parliament and Council Directive 94/35/EC of 30 June 1994 on sweeteners for use in foodstuffs

OJ L 237, 10.9.1994

*Point 1.2.36*

Common position (EC) No 24/94 of 6 June 1994 adopted by the Council, acting in accordance with the procedure referred to in Article 189b of the Treaty establishing the European Community, with a view to adopting a European Parliament and Council Directive amending Directives 77/780/EEC and 89/646/EEC in the field of credit institutions, Directives 73/239/EEC and 92/49/EEC in the field of non-life insurance, Directives 79/267/EEC and 92/96/EEC in the field of life assurance, Directive 93/22/EEC in the field of investment firms and Directive 85/611/EEC in the field of undertakings for collective investment in transferable securities (UCITS), with a view to reinforcing prudential supervision

OJ C 213, 3.8.1994

*Point 1.2.37*

Proposal for a Council Directive amending Council Directive 92/12/EEC of 25 February 1992 on the general arrangements for products subject to excise duty and on the holding, movement and monitoring of such products, Council Directive 92/81/EEC of 19 October 1992 on the harmonization of the structures of excise duties on mineral oils and Council Directive 92/82/EEC of 19 October 1992 on the approximation of the rates of excise duties on mineral oils

OJ C 215, 5.8.1994

*Point 1.2.123*

Council Resolution of 22 June 1994 on the promotion of equal opportunities for men and women through action by the European Structural Funds

OJ C 231, 20.8.1994

*Point 1.2.173*

Common position (EC) No 19/94 of 8 June 1994 adopted by the Council, acting in accordance with the procedure referred to in Article 189c of the Treaty establishing the European Community, with a view to adopting a Council Regulation amending Annex I to Regulation (EEC) No 2455/92 concerning the export and import of certain dangerous chemicals

OJ C 213, 3.8.1994

*Point 1.2.174*

Common position (EC) No 21/94 of 8 June 1994 adopted by the Council, acting in accordance with the procedure referred to in Article 189c of the Treaty establishing the European Community, with a view to adopting a Council Directive amending Directive 88/609/EEC on the limitation of emissions of certain pollutants into the air from large combustion plants

OJ C 213, 3.8.1994

*Point 1.2.179*

Proposal for a Council Directive on the ecological quality of water

OJ C 222, 10.8.1994

*Point 1.2.186*

Common position (EC) No 20/94 of 8 June 1994 adopted by the Council, acting in accordance with the procedure referred to in Article 189b of the Treaty establishing the European Community, with a view to adopting a European Parliament and Council Directive amending Council Directive 86/662/EEC on the limitation of noise emitted by hydraulic excavators, rope-operated excavators, dozers, loaders and excavator-loaders

OJ C 213, 3.8.1994

*Point 1.2.192*

Council Directive 94/33/EC of 22 June 1994 on the protection of young people at work

OJ L 216, 20.8.1994

*Point 1.2.201*

Proposal for a European Parliament and Council Decision adopting a programme of Community action on health promotion, information, education and training

within the framework for action in the field of public health

OJ C 252, 9.9.1994

*Point 1.2.203*

Common position (EC) No 23/94 of 2 June 1994 adopted by the Council, acting in accordance with the procedure referred to in Article 189b of the Treaty establishing the European Community, with a view to adopting a European Parliament and Council Directive on the extension of the 'Europe against AIDS' programme

OJ C 213, 3.8.1994

*Point 1.2.206*

Proposal for a European Parliament and Council Decision adopting a programme of Community action on the prevention of drug dependence within the framework for action in the field of public health (1995-2000)

OJ C 257, 14.9.1994

*Point 1.2.210*

Council Conclusions of 17 June 1994 on drawing up a Community action plan in the field of cultural heritage

OJ C 235, 23.8.1994

*Point 1.2.211*

Council Conclusions of 17 June 1994 concerning greater cooperation in the field of archives

OJ C 235, 23.8.1994

*Point 1.2.214*

Council Conclusions of 21 June 1994 on cultural and artistic aspects of education

OJ C 229, 18.8.1994

*Point 1.2.215*

Council Conclusions of 17 June 1994 concerning children and culture

OJ C 235, 23.8.1994

*Point 1.6.2*

Common position (EC) No 22/94 of 8 June 1994 adopted by the Council, acting in accordance with the

procedure referred to in Article 189b of the Treaty establishing the European Community, with a view to adopting a Council Decision adopting a four-year de-

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OJ C 213, 3.8.1994



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