



COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT



PRESS RELEASE

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1667th Council meeting

ECONOMIC AND FINANCIAL QUESTIONS

Luxembourg, 7 June 1993

**President: Ms Marianne JELVED
Minister for Economic Affairs
of the Kingdom of Denmark**

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

<u>Belgium:</u> Mr Philippe MAYSTADT	Minister for Finance
<u>Denmark:</u> Ms Marianne JELVED	Minister for Economic Affairs
<u>Germany:</u> Mr Theo WAIGEL Mr Johann EEKHOFF Mr Christoph ZEITLER	Federal Minister for Finance State Secretary for Economic Affairs State Secretary for Finance
<u>Greece:</u> Mr Stefanos MANOS	Minister for Economic Affairs
<u>Spain:</u> Mr Pedro PEREZ Mr Antonio ZABALZA	State Secretary for Economic Affairs and Finance State Secretary for Finance
<u>France:</u> Mr François SCHEER	Ambassador, Permanent Representative
<u>Ireland:</u> Mr Bertie AHERN	Minister for Finance
<u>Italy:</u> Mr Franco GALLO	Minister for Finance
<u>Luxembourg:</u> Mr Jean-Claude JUNCKER	Minister for Finance
<u>Netherlands</u> Mr Marius VAN AMELSVOORT	State Secretary for Finance
<u>Portugal:</u> Mr Jorge BRAGA DE MACEDO Mr José BRAZ	Minister for Finance State Secretary for the Treasury
<u>United Kingdom:</u> Mr Kenneth CLARKE Sir John COPE	Chancellor of the Exchequer Paymaster General
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<u>Commission:</u> Mr Henning CHRISTOPHERSEN Mr Peter SCHMIDHUBER Ms Christiane SCRIVENER Mr Raniero VANNI D'ARCHIRAFFI	Member Member Member Member
	- + -
<u>The following also attended:</u> Mr Jean-Claude TRICHET	Chairman of the Monetary Committee

GROWTH AND EMPLOYMENT

The Council heard a statement from Commissioner Christophersen on economic trends in the Community and the prospects for the future. He particularly highlighted developments on the labour market and the need to take additional measures against unemployment.

The President of the Council said that she would brief the President of the European Council on the results achieved following submission of the Commission report in April and the ECOFIN conclusions of 19 April on action by the Community and its Member States to support growth and employment.

The Presidency would also be calling on the European Council to take action on the ECOFIN Ministers' informal discussions in Kolding as regards taking environmental aspects into consideration when the Community and its Member States planned their policies for growth and employment.

The President said that the European Council would have to ensure that the growth and employment initiative was continued and strengthened, using all the means available to the Community and its Member States.

EURATOM BORROWINGS IN ORDER TO CONTRIBUTE TO THE FINANCING REQUIRED FOR IMPROVING THE DEGREE OF SAFETY AND EFFICIENCY OF NUCLEAR POWER STATIONS IN CERTAIN COUNTRIES IN EASTERN AND CENTRAL EUROPE AND IN THE FORMER SOVIET UNION

The Commission proposal of 16 December 1992 is designed to allow the use of the Euratom borrowing facilities currently available, up to an amount of ECU 1 000 million, to contribute to the financing required for improving the degree of safety and efficiency of nuclear power stations in Central and Eastern European countries and in certain CIS countries.

The Council reached political agreement on this measure, pending receipt of the European Parliament's Opinion.

Euratom loans can thus be granted to projects in the following countries: Bulgaria, Hungary, Lithuania, Romania, Slovenia, the Czech Republic, Slovakia, Russia, Armenia and Ukraine. Such projects may cover either nuclear power stations or fuel cycle installations, whether in service or under construction, or - by way of exception - the decommissioning of installations where modification is technically or economically not feasible.

FINANCIAL ASSISTANCE TO ALBANIA - COUNCIL CONCLUSIONS

The Council recalled the present economic situation of Albania and noted that the desirability of ensuring adequate support, through grants, loans or both, had been and would continue to be recognized.

The Council noted that the Commission will consult the Monetary Committee as soon as possible, in the light of Albania's progress in implementing the terms of its IMF stand-by arrangement, on the question of release of the second tranche of up to ECU 35 million of the balance of payments grant for Albania.

Taking account of the recent Commission proposal for a Council Decision on a framework for guarantees for EIB-lending to the countries of Central and Eastern Europe, the Council agreed that it would be appropriate to consider guarantees as regards Albania in the context of such a Council Decision. The Council also agreed that in the event that a decision on this proposal cannot be taken before the end of October 1993 it will come back to the Commission proposal on a specific Community guarantee as regards EIB loans to Albania on which there is a favourable Opinion from the European Parliament.

INTERINSTITUTIONAL AGREEMENT ON BUDGETARY DISCIPLINE

The Council was briefed by its President - and by Commissioner Schmidhuber - on the progress of negotiations with the European Parliament for an interinstitutional agreement on budgetary discipline.

The Council reiterated the importance it attached to concluding this agreement; it instructed the Permanent Representatives Committee to resume examination of the issue with a view to continuing negotiations with the European Parliament.

FIGHT AGAINST FRAUD

The Council reiterated the importance it attaches to combatting fraud and irregularities committed against the Community budget. While noting that there had been progress in the number of priorities identified in ECOFIN Council conclusions in 1992, it stressed the need to continue efforts at Community and national level to safeguard Community financial interests in the areas of both expenditure and revenue.

In support of this affirmation, the Council adopted the conclusions annexed hereto.

SEVENTH VAT DIRECTIVE

On the basis of a draft overall compromise submitted by the Presidency, the Council examined the last questions still to be settled regarding the 7th VAT Directive, which include the arrangements to be applied to imports of works of art from non-member countries, the supply of works of art, antiques and collectors' items within the Community, and jewellery.

Despite a substantial narrowing of differences between delegations, the Council was unable to reach an agreement. It therefore instructed the Permanent Representatives Committee to continue the search for a solution.

COMPANY TAXATION

The Council took note of a settlement by Ms SCRIVENER on the abolition of withholding tax on interest and royalty payments paid to undertakings in other Member States.

This Directive was anxiously awaited by European companies; its aim was to eliminate double taxation, which was prejudicial to any improvement in tax conditions for undertakings. The Commission therefore appealed to the Council to reach a decision on the proposal as soon as possible.

CO₂ ENERGY TAX - PRESIDENCY CONCLUSIONS

Following an exchange of views on this issue, the Council

- requested the ad hoc Working Party to pursue actively its discussions on the matter in the light of that day's debate;
- took note of the following Presidency conclusions:

1. Introductory remarks

The Presidency recalls the Community's commitment to stabilize CO₂ emissions at 1990 levels by the year 2000. It welcomes the progress achieved so far in developing the Community's overall strategy, to limit carbon dioxide emissions and to improve energy efficiency and draws attention to the discussions of the joint Environment/Energy Council of 23 April 1993. The Presidency agrees that fiscal instruments will play an important role in this respect and notes, in this context, that a number of Member States have indicated that fiscal instruments will make a significant contribution to their planned reductions in CO₂ emissions, and that a decision on such instruments at Community level should be reached as soon as possible. Account should also be taken of the report from the Economic Policy Committee.

Against this background and in the light of the work undertaken by the ad hoc Working Party on the basis of the Commission proposal, the Presidency considers that a Community framework is needed for the functioning of the internal market and that the application of a Community-wide CO₂/energy tax should be based on the following principles.

2. Competitiveness

The Presidency recognizes that, in respect of a CO₂/energy tax, due account will have to be taken of the impact on the competitiveness of EC businesses compared with the situation in countries which are the most important trading partners for the Member States in the specific sectors concerned by the tax. The Presidency considers this condition to be fulfilled if the competitiveness of EC firms is not adversely affected by such a tax. The impact on competitiveness of a CO₂/energy tax may be offset for firms or sectors in competition with third countries, in accordance with points 9 and 10, until similar measures have been introduced by the Member States' most important trading partners in the relevant sectors.

The Presidency draws attention to the statement by the EFTA countries to the effect that they have already introduced taxes on CO₂ emissions or are considering doing so. The Presidency considers that the Community should rapidly take an initiative in the OECD framework in order to promote the use of fiscal instruments with a view to an effective and co-ordinated effort to reduce CO₂ emissions, consistent with the Community's own strategy.

The Presidency is of the opinion that early introduction of new energy taxes in the US, together with similar measures by other important trading partners to change their energy price levels, will go some way to meet demands that the effects of the proposed tax on competitiveness in the Community be reduced.

3. Burden sharing

The Presidency considers that the different degrees of economic development of the Member States need to be taken into account when a decision on the introduction of the CO₂/energy tax is taken.

4. Degree of harmonization (principles concerning levying of a tax)

The Presidency considers that a Community CO₂/energy tax can only be introduced by unanimity and that it should be levied according to the same general principles in all the Member States without prejudice to the subsidiarity principle.

The Presidency considers that a CO₂/energy tax should as a general rule be charged in the Member State of destination.

The Presidency further finds it appropriate that the basic rules for the movement and control of goods subject to harmonized excise duties should apply to products subject to a CO₂/energy tax.

5. Relationship between a CO₂/energy tax and existing excise duties or taxes

The Presidency considers that a greater environmental impact would be achieved by imposing a CO₂/energy tax over and above existing excise duties or taxes. However, a legal ban on reducing existing excise duties or taxes may give rise to unforeseeable problems for Member States. The Presidency is therefore of the opinion that a CO₂/energy tax should be imposed over and above the harmonized minimum rates of excise duties. However, upon adoption of a Directive, a statement should be included in the minutes in which Member States state that they will have regard to the objectives of reducing CO₂ emissions and improving energy efficiency in any adjustment of their excise duties and/or other specific taxes.

As far as the road transport sector is concerned, the Presidency considers that Member States should consider giving stronger incentives to reduce CO₂ emissions.

6. The CO₂ and energy components of the tax

The Presidency accepts the objective of the Commission proposal, that efforts should be directed at switching to less CO₂-intensive types of fuel as well as to more efficient use of energy.

The Presidency considers that a CO₂/energy tax should have a mixed base. The Presidency notes that Member States have different preferences as to the balance between the energy component and the CO₂ component. The Presidency feels that a tax should have significant elements of both.

7. Taxation of electricity

The Presidency notes that a CO₂/energy tax on fuel input to power stations would under competitive market conditions be most effective from an environmental point of view with respect to the mix of fuel used in the production of electricity. However, the Presidency recognizes that the application of the destination principle, i.e. taxing imports and refunding tax on exports, in the case of a CO₂/energy tax imposed on input, may cause legal problems under Community law and GATT rules (see opinion of the Council's Legal Service in 10511/92). Furthermore, it recognizes that the application of the origin principle in this case may have adverse competitive, fiscal and environmental effects inter alia because of the risk that electricity will be imported in increased quantities from third countries not applying taxes and environmental standards comparable to those applied in the Community.

The Presidency therefore favours a two-stage approach whereby:

- in the initial stage a CO₂/energy tax will be imposed on electricity in the form of an output tax which provides as strong incentives as possible and whereby the destination principle is fully applied. Member States who want to apply the tax, or part of it, on an input basis with full application of the origin principle and no compensatory border adjustments for that part would, however, be allowed to do so;
- on a bilateral basis, contacts should be established with relevant third countries in order to find a technically and legally acceptable solution allowing the Member States to switch to a greater use of input tax taking into account the question of revenue for Member States.

8. Taxation of renewable energy

The Presidency considers that in order to protect the environment by promoting the use of alternative energy sources, Member States should be allowed, without prejudice to the taxation of electricity generated from renewable sources, to apply exemptions based on those proposed by the Commission for energy from renewable sources.

9. Exemption and abatement schemes

The Presidency starts from the premise that exemptions, rebates, refunds, etc. should be seen strictly in the light of the objective of stabilizing CO₂ emissions and improving energy efficiency, whilst at the same time not damaging the competitiveness of business or economic vitality of the Community.

The Presidency considers that a Community framework should be established for tax reductions for energy-intensive firms in competition with third-country firms not subject to the same tax burden or to measures having equivalent effect. Distortion of competition must be avoided. Tax abatements for firms exposed to competition and energy-intensive firms should therefore be determined in accordance with common guidelines, notably as regards the extent of the abatement and criteria for assessing energy intensiveness.

Common guidelines should also be laid down making tax exemptions for energy-intensive businesses possible on the condition that they take or have taken all steps that can be taken at reasonable cost to scale down CO₂ emissions and improve energy efficiency, including measures linked to voluntary agreements, according to the specific situation in the Member States concerned.

10. Investment incentives

The Presidency starts from the premise that the arrangements should be seen strictly in the light of the objective of stabilizing CO₂ emissions and improving energy efficiency.

The Presidency considers it advisable, in order to achieve that objective and to give businesses and energy producers more possibilities for making the necessary adjustments, that Member States should be allowed, within a Community framework, to establish aid schemes for investments relating to measures to improve energy efficiency and to reduce CO₂ emissions, including schemes linked to voluntary agreements. Such schemes should comply with the principles governing State aid in the Community, including the size of the aid element.

Such schemes should only apply to investments in measures entailing substantial reductions in energy consumption and CO₂ emissions and which would not have been carried out were it not for the aid.

11. Fiscal neutrality

The Presidency acknowledges the macro-economic importance of the proposal as regards fiscal neutrality. However, it is of the opinion that it should be left to Member States themselves to decide how revenue from a CO₂/energy tax should be used.

DEPOSIT GUARANTEE SCHEMES

The Council held an initial examination of the Directive on bank deposit guarantee schemes. The Directive is aimed at setting up a scheme to ensure that a certain proportion of the deposit is reimbursed where a credit institution suspends payments or goes bankrupt. Such schemes are generally financed by the participating credit institutions. They exist in a majority of Member States although there are differences between the various schemes, notably in respect of their scope and coverage.

The Commission's proposal, submitted to the Council in May 1992, aims to introduce certain harmonized rules of a minimal nature in this area, in the interests of protecting depositors and of discouraging sudden withdrawals of funds to the detriment of the stability of the banking system. The principal features of the Commission's proposal are as follows:

- (a) All credit institutions to belong to a scheme;
- (b) Deposits to be reimbursed, as a general rule in full, up to a fixed minimum level;
- (c) Provisions relating to branches of credit institutions established outside the institutions' home Member State; the basic principle is that deposits taken by such branches should be guaranteed by the home State's scheme.

The proposal also allows for certain options exercisable by the Member States in order to accommodate recognized national practices.

Preparatory discussions highlighted the importance of a number of key elements, such as the obligation to belong to a scheme, the minimum amount of coverage, including the minimum percentage of the deposit to be covered and the rules applicable to branches established in another Member State where the level of guarantee differs from that of the home Member State.

The Council was required at this meeting to decide - by virtue of the principle of subsidiarity - whether such a Directive was necessary; its response was, by a very broad majority, in the affirmative.

It also discussed the degree of harmonization necessary to achieve the objectives sought.

In conclusion, the Council instructed the Permanent Representatives Committee actively to pursue work on this matter in the light of that day's discussions.

MISCELLANEOUS DECISIONS**Textiles**

The Council adopted a Regulation opening supplementary quotas for imports into the Community of certain textile products originating in certain non-member countries participating in the 1993 Berlin Trade Fairs.

Customs union

The Council adopted Regulations

- amending and supplementing Regulation No 3915/92 opening and providing for the administration of Community tariff quotas bound in GATT for certain types of plywood and dried onions;
 - temporarily suspending the autonomous common customs tariff duties on a number of agricultural products (for the period from 1 July 1993 to 30 June 1994).
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1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that this is crucial for ensuring transparency and accountability in the organization's operations.

2. The second part of the document outlines the various methods and tools used to collect and analyze data. It highlights the need for consistent and reliable data collection processes to support effective decision-making.

3. The third part of the document focuses on the role of technology in data management and analysis. It discusses how modern software solutions can streamline data collection, storage, and reporting, thereby improving efficiency and accuracy.

4. The fourth part of the document addresses the challenges associated with data management, such as data quality, security, and privacy. It provides strategies to mitigate these risks and ensure that data is used responsibly and ethically.

5. The fifth part of the document concludes by summarizing the key findings and recommendations. It stresses the importance of ongoing monitoring and evaluation to ensure that data management practices remain effective and aligned with the organization's goals.

6. Finally, the document provides a list of references and resources for further reading. It includes links to relevant articles, books, and industry reports that can provide additional insights into data management best practices.

FIGHT AGAINST FRAUD - COUNCIL CONCLUSIONS

The Council,

- recalling the conclusions of the ECOFIN Council of 28 September 1992 on the fight against fraud, as well as those of the ECOFIN Council of 23 November 1992 concerning the results of the report of the high-level Working Party on the fight against fraud;
- taking note of the annual report of the Court of Auditors on the implementation of the 1991 Community budget as well as the statement of the President of the Court of Auditors when presenting the key elements of that annual report to the ECOFIN Council of 15 March 1993 concerning the importance of effective financial management and controls, both by Member States and by the Commission;
- having examined the present annual report presented by the Commission on the fight against fraud in 1992 and the action programme for 1993

draws the following conclusions:

- agrees with the Commission's statement in the annual report that the stakes are high in the fight against fraud;
- reiterates the importance of the fight against fraud so as to safeguard the Community's financial interests in the areas of expenditure and revenue, as well as the reputation of the Community, taking into account the prospective increase of the budget as agreed by the European Council of Edinburgh in December 1992;
- underlines the significance it attaches to the annual report on the Commission's activities to combat fraud and its timely appearance and notes the improvements made in the structure of the report;
- recognizes that the fight against fraud is a continuing task as reflected in the continuation by the Commission of certain actions in the new rolling action programme for 1993, and urges the Commission to extend the use of verifiable objectives as well as target dates in the annual action programme;
- notes that progress has been made in a number of the priorities which were identified by the conclusions of the ECOFIN Council in 1992;

- strongly supports simplification of the regulations in the CAP field and regarding the structural funds, both areas of Community expenditure subject to reform at present, and the establishment of clear criteria allowing the identification of fraud and irregularities;
 - stresses the need for a report procedure for the structural funds assuring systematic communication of cases of fraud and irregularity as found in other sectors;
 - recalls the importance of the method of risk-analysis for optimizing the use of available resources;
 - underlines that an effective level of internal control, administrative rigour and co-ordination in Community institutions and in the administrations of Member States is a necessary element in the fight against fraud;
- encourages the Commission to do its utmost to exercise fully its responsibilities in the fight against fraud and to play a vital role as a catalyst to further increase the development of joint action between Member States as well as between Member States and the Commission, in order to safeguard Community financial interests;
- states that the principle of subsidiarity cannot reduce the need for Community measures to contain adequate provision for the Commission and the Member States to ensure that Community law is properly enforced and to fulfil their obligations to safeguard Community revenue and expenditure;
- requests the Commission to report on the further development of the Community's strategy against fraud, taking into account all the relevant factors, indicating what specific improvements are necessary at the level of the Community and Member States, and to present to the Council its proposals at the latest in the framework of the annual report for 1993 in March 1994.

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Bruxelles, le 4 juin 1993

NOTE BIO(93) 150 AUX BUREAUX NATIONALS
CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE

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Préparation Conseil ECOFIN du 7 juin 1993, Luxembourg (U. d'UDEKEM)

Trois points relevant de la compétence de Madame Christiane SCRIVENER, Commissaire en charge de la Fiscalité, de la Douane et de la Politique des Consommateurs, figurent à l'ordre du jour du Conseil ECOFIN de ce lundi 7 juin 1993.

1. 7ème directive TVA sur les biens d'occasion et les œuvres d'art

Des progrès importants ont été réalisés sur ce dossier depuis le Conseil Ecofin du 19 avril dernier. Ils pourraient permettre aux Douze de se mettre d'accord sur cette 7ème directive TVA dès ce lundi.

Madame SCRIVENER soulignera l'urgence d'aboutir à un accord unanime au Conseil sur ce texte très important pour le bon fonctionnement du marché intérieur. La non adoption actuelle de la 7ème directive TVA représente un préjudice pour d'importants secteurs économiques tels que notamment le marché des voitures d'occasion.

Mise sur la table par la Commission en décembre 1988, cette proposition vise, par l'établissement de modalités communes de taxation, à supprimer les doubles impositions des ventes de biens d'occasion et d'œuvres d'art notamment à l'occasion des transactions transfrontalières et à éviter les distorsions de concurrence qui pourraient exister pour ces biens. Elle propose par ailleurs des modalités communes de taxation des importations d'œuvres d'art sur le territoire communautaire.

La proposition prévoit ainsi que la TVA applicable aux objets d'occasion et aux œuvres d'art sera calculée sur la marge du vendeur (et non sur la valeur totale). Toutefois, pendant une période transitoire, les Etats membres qui n'appliquent pas en ce moment un régime d'imposition de la marge pour les voitures d'occasion pourraient, sous certaines conditions, maintenir leur régime de taxation actuel.

La proposition prévoit par ailleurs la possibilité pour les Etats membres d'appliquer pour les importations d'œuvres d'art dans la Communauté, au lieu du taux normal de TVA, un taux réduit égal à au moins 5% ou une base d'imposition réduite de façon telle que la taxe soit au moins égale à 5%. Pour tenir compte de la situation particulière qui a prévalu jusqu'à présent au Royaume-Uni, à savoir l'exonération totale des importations d'œuvres d'art anciennes, le compromis actuellement sur la table envisage la possibilité pour ce pays d'appliquer jusqu'au 31 décembre 1996, un taux effectif de TVA de 3% à ces importations d'œuvres d'art.

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Une extension du régime douanier spécial pour les oeuvres d'art destinées à être réexportées est prévue. Ce régime d'admission temporaire permet à ces oeuvres d'art de circuler pendant six mois sur le territoire de l'ensemble de la Communauté sans que les droits de douane ou taxes ne soient totalement acquittés. Ce délai serait porté de six mois à deux ans.

2. Fiscalité des entreprises : directive redevances/intérêts

Les Douze tenteront de résoudre les questions encore en suspens suite aux travaux effectués sur cette proposition ces dernières semaines.

Proposée en novembre 1990, cette proposition de directive concerne l'établissement d'un régime fiscal commun applicable aux paiements d'intérêts et de redevances effectués entre sociétés mères et filiales d'Etats membres différents. Elle vise à éliminer la double imposition des flux transfrontières intracommunautaires d'intérêts et de redevances en supprimant les retenues à la source sur ces flux.

Pour Christiane SCRIVENER, cette directive contribuera à la création d'un environnement favorable au développement des entreprises dans la Communauté et au renforcement de leur compétitivité dans le cadre du grand marché. Elle favorisera par là-même la reprise de la croissance dans la Communauté.

3. Taxe énergie/CO2

Les Ministres auront sur ce point un débat d'orientation. Cette proposition a été présentée par la Commission le 27 mai dernier (P(02)20 et 21) dans le cadre d'un Plan global visant à lutter contre l'effet de serre et à respecter l'objectif communautaire de stabilisation en l'an 2000 des émissions de CO2 de la Communauté à leur niveau de 1990.

Le dispositif fiscal proposé repose sur l'instauration dans toute la Communauté d'une taxe CO2/énergie et la mise en place d'incitations fiscales à la réalisation d'investissements tendant à économiser l'énergie ou à réduire les émissions de dioxyde de carbone.

La taxe CO2/énergie serait définie et établie au niveau communautaire mais ses modalités de perception et de recouvrement relèveraient des Etats membres. Les recettes de cette taxe leur reviendraient également.

Madame SCRIVENER rappellera l'attachement de la Commission à ce que cette taxe

- respecte le principe de neutralité fiscale, c'est-à-dire qu'elle ne conduise pas à un accroissement global des charges fiscales dans les Etats membres;

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- satisfasse également à l'exigence de conditionnalité, à savoir qu'elle ne puisse être créée en Europe que si une taxe similaire ou des mesures ayant un effet financier équivalent sont introduites dans les autres pays de l'OCDE

Amitiés,

Bruno Dethomas

Luxembourg, 7 June 1993

**NOTE BIO(93) 150 (suite 1) AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE**

ECOFIN COUNCIL (T. KROYER)

The economic situation

Asked by the President of the Council to give a general overview of the economic situation, Commissioner Henning CHRISTOHPERSEN made the following points :

1. The Commission will publish its forecasts for 1993 and 1994 on the 16 of June
2. Due first of all to the fact that growth in the second half of 1992 was much slower than expected, the Commission now expects negative growth in 1993 and only a moderate recovery in 1994. Unemployment will still be increasing. Demographic factors and highly productivity oriented investments lie behind the fact that a growth rate in the order of 3% is necessary before the unemployment rate start to fall.
3. In terms of economic policy instruments, the Commissioner saw no further room for manouvre in the fiscal policy. Average public deficit in the Community will be in the order of 6%. However, there is still a possibility to switch from current spending to capital spending.
4. In the medium term, the deficits must be reduced to put less pressure on monetary policy.
5. The Commission will be presenting to the Copenhagen Summit reports on structural issues relating to unemployment. For example it needs to be analysed how labour markets can be made more flexible and what implications the lack of competition has on unemployment as well as the role SME's can play in a strategy for recovery. On the global level, the implementation of a GATT agreement and trade with PECO could be extremely important as well as successful enlargement negociations.

EURATOM loans to nuclear power stations

The Council took the political decision to permit the use of EURATOM borrowing facilities in the order of 1 billion ECU to contribute to the financing required for improving the safety and efficiency of nuclear power stations in countries of Central and Eastern Europe and in the Commonwealth of Independent states.

The Parliament has to deliver its opinion before a final decision can be taken.

Community strengthens measures to combat fraud

The ECOFIN-Council discussed the report for 1992 on measures to combat fraud and the action programme for 1993. The Commissioner in charge of the coordination of anti-fraud measures, Mr Peter M. Schmidhuber, pointed out some of the substantial improvements achieved, e.g. :

- Introduction of an integrated system of administration and control in the agricultural sector using high-tech tools such as satellite photography
- setting up of data bases and computerised networks.

Mr Schmidhuber further stressed the firm intention of the Commission to take new initiative Inter alia :

- Improvements in the reporting system set up by the member States;
- tighter control on the recovery of Community money in fraud cases by the competent authorities of the member States
- more systematic exploitation of data contained in the computerised networks and data bases in order to facilitate detection of fraud, especially in high risk sectors (such as agricultural products)
- creation of incentives for informants to disclose their knowledge of fraud cases and methods.

Most of these new initiative must be backed up by the member States since they require modification of existing rules or new Community legislation. Mr Schmidhuber therefore invited the member States to give their full support to the Commission's enhanced strategy. He stressed the fact that fraud detection and elimination is primarily the responsibility of the national administrations due to the decentralized organisation of the Community.

Regards,

T. Kroyer



Bruxelles, 8 juin 1993,

NOTE BIO(93)150 (suite 2 et fin) AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE

Conseil Ecofin du 7 juin 1993 (V. d'Udekem)

Aucune percée n'a été réalisée sur les points fiscaux figurant à l'ordre du jour du Conseil.

1. 7ème directive TVA sur les biens d'occasion et les oeuvres d'art

Malgré plus de deux heures de discussions au cours desquelles tant la Présidence que la Commission n'ont pas ménagé leurs efforts, les Douze n'ont pas réussi à résoudre la dernière question en suspens, à savoir la dérogation britannique au système de taxation des importations d'oeuvres d'art dans la Communauté, bloquant ainsi l'adoption de l'ensemble de cette directive.

Déplorant que, malgré les progrès importants réalisés sur ce dossier ces dernières semaines, les Douze n'aient pas pu conclure ce lundi, Madame SCRIVENER a insisté pour qu'un accord soit trouvé au plus tôt sur ce texte essentiel pour le bon fonctionnement du marché intérieur vu les distorsions importantes de concurrence que les différences actuelles de taxation entre les Etats membres entraînent. Il y va de l'intérêt tant des professionnels que des consommateurs européens.

2. Taxe énergie-CO2

Des conclusions de pure procédure de la Présidence ont clôturé le débat des Douze sur ce point.

Intervenant au nom de la Commission, Madame SCRIVENER a souligné que

"la Commission considère que l'absence de décisions sur les principes de base de la taxe CO2/énergie qu'elle a proposée et qui fait partie de la stratégie d'ensemble visant à réaliser l'objectif communautaire de stabilisation des émissions de CO2 hypothèque la réalisation de cet objectif et la crédibilité de l'action communautaire dans ce domaine. Elle estime que le travail approfondi du Groupe Ad Hoc permet dès maintenant de fixer de telles orientations de base. Elle estime indispensable que le Conseil parvienne à une décision sur la création d'une taxe CO2/énergie dès que possible."

3. Fiscalité des entreprises : directive redevances et intérêts

Sur ce point Madame SCRIVENER a déclaré que :

"La Commission considère qu'en dépit des efforts de compromis de la Présidence, l'absence de décision du Conseil sur la proposition faite par la Commission il y a deux ans et demi pour supprimer les doubles impositions résultant des retenues à la source sur les redevances et intérêts entre entreprises est tout-à-fait préjudiciable à l'amélioration de l'environnement fiscal des entreprises.

C'est d'autant plus regrettable que le renforcement de la coopération entre entreprises d'Etats membres différents, qui a déjà fait l'objet des propositions fiscales adoptées en juillet 1990 contre certaines doubles taxations, fait partie des initiatives indispensables en faveur de la croissance et des créations d'emploi.

La Commission rappelle que cette proposition, très attendue par les entreprises européennes, a un impact budgétaire modeste pour les Etats membres, qu'elle constitue la suite logique de la suppression des retenues à la source sur les dividendes des entreprises déjà adoptée en 1990 et que, comme l'a souligné le rapport Ruding, elle est une mesure nécessaire au bon fonctionnement du marché intérieur.

Il est donc essentiel que le Conseil parvienne à une décision sur cette proposition le plus rapidement possible."

Amitiés,
B. Dethomas

