

PRESS RELEASE

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1718th Council meeting

ECONOMIC AND FINANCIAL QUESTIONS

Brussels, 5 December 1993

President: Mr Philippe MAYSTADT,
Minister for Finance
of the Kingdom of Belgium

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

<u>Belgium:</u> Mr Philippe MAYSTADT	Minister for Finance
<u>Denmark:</u> Ms Marianne JELVED Mr Jens THOMSEN	Minister for Economic Affairs State Secretary for Finance
<u>Germany:</u> Mr Theo WAIGEL Mr Günther REXRODT Mr Gert HALLER	Minister for Finance Federal Minister for Economic Affairs State Secretary for Finance
<u>Greece:</u> Mr Yiannos PAPANTONIOU	Deputy Minister for Economic Affairs
<u>Spain:</u> Mr Pedro SOLBES MIRA	Minister for Economic Affairs and Finance
<u>France:</u> Mr Edmond ALPHANDERY	Minister for Economic Affairs
<u>Ireland:</u> Mr Bertie AHERN	Minister for Finance
<u>Italy:</u> Mr Piero BARUCCI	Minister for the Treasury
<u>Luxembourg:</u> Mr Jean-Claude JUNCKER	Minister for Finance
<u>Netherlands:</u> Mr Wim KOK	Minister for Finance
<u>Portugal:</u> Mr José BRAZ	State Secretary for the Treasury
<u>United Kingdom:</u> Mr Kenneth CLARKE	Chancellor of the Exchequer
<u>Commission:</u> Mr Henning CHRISTOPHERSEN	Member
<u>The following also attended:</u> Sir Nigel WICKS Mr François MONIER	Chairman of the Monetary Committee Chairman of the Economic Policy Committee

PREPARATION FOR THE EUROPEAN COUNCIL

On the basis of a Commission recommendation, the Council proceeded with preparations for the discussions to be held by the European Council on 10 and 11 December on the broad guidelines of the economic policies of the Member States and the Community.

In accordance with Article 103 of the TEU, the Council drew up a draft of those guidelines, which it will submit for discussion by the Heads of State and Government.

The recommendation laying down these broad guidelines will subsequently be adopted by the ECOFIN Council, acting by a qualified majority, if possible on 13 December, and sent to the European Parliament. The guidelines will serve as the point of reference for the conduct of the economic policies of the Community and the Member States.

The Council also heard a presentation by Commissioner CHRISTOPHERSEN, concerning inter alia the section dealing with the major trans-European infrastructure networks in the White Paper on "Growth, competitiveness and employment", which the Commission has just adopted today with a view to the European Council on 10 and 11 December, in accordance with the conclusions reached in Comenhagen on 21 and 22 June 1992.



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The ECOFIN Council yesterday adopted Draft Broad Guidelines of the economic policy according to article 103 of the Treaty. These Draft Guidelines will now be submitted to the European Council on 10 and 11 December. On the basis of the conclusions of the European Council, the ECOFIN Council on 13 December will formally adopt the Guidelines.

After yesterday's meeting, the Draft Guidelines were presented by the President of the Council, Belgian Finance Minister Philippe Maystadt and Commissioner Henning Christophersen. They both underlined that the Draft Guidelines to a large extent reflect the recommendations adopted by the Commission on 24 November (on rapid). The document spells out the general objectives (reducing the rate of unemployment, for instance cutting it by half by year 2000, is estimated to imply the creation of at least 15 million new jobs). (To return to sustainable non inflationary growth). The Guidelines themselves are also in the adopted version from yesterday contained in three headings:

- price and exchange rate stability
- sound public finances and
- creation of more employment.

The White Paper

The White Paper adopted Sunday morning by the Commission was not on the Agenda for the ECOFIN Council. Commissioner Henning Christophersen was however asked by the President of the Council to inform the Ministers on the White Paper section on Transeuropean Networks.

The Commissioner said that it is a question of applying article 129 b) and c) of the Maastricht Treaty to improve the competitiveness of European industries in a medium and long-term perspective. It was not part of a short-term employment creation. It is not a quick fix or a conjunctural measure, he said. According to the Maastricht Treaty, the Union identifies projects of common interests within broad actions to implement Transeuropean Networks within transport, telecommunication and energy infrastructure. The Commission has identified a need for an annual contribution from the Community to the investments in the order of 20 billion Ecu. The Structural Funds, the Cohesion Fund, the European Investment Bank and the European Investment Fund would probably be able to provide some 12 billion Ecu per year. The White Paper raises the possibility of financing the residual 8 billion Ecu per year by a Community loan mechanism according to which the Community would raise the money and on lend to national, public or private investors. The Commissioner underlined that the Community was a frequent borrower on the market in the context of our balance of payment loans and Coal and Steel. Such a scheme could be compared to the Ortolì Facility or the NIC Facility.

Responding to critical remarks by some Ministers concerning the non-involvement of Finance Ministers in the White Paper preparation, the Commissioner said that the White Paper has been discussed by ECOFIN on two occasions: the Informal Meeting in Genval in October and the Formal Meeting on 22 November. Furthermore, all Member States have been invited to submit contribution to the the White Paper.

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