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COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

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PRESS RELEASE

10463/88 (Presse 219)

1293rd Council meeting  
- Internal Market -  
Brussels, 21 December 1988

President: Mrs Vasso PAPANDEOU

Deputy Minister for Trade  
of the Hellenic Republic

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

Belgium:

Mr Paul DE KEERSMAEKER State Secretary for European Affairs and Agriculture

Denmark:

Mr Henning DYREMOSE Minister for Labour

Germany:

Mr Otto SCHLECHT State Secretary, Federal Ministry of Economic Affairs

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

Greece:

Mrs Vasso PAPANDREOU Deputy Minister for Trade

Spain:

Mr Pedro SOLBES State Secretary for Relations with the European Communities

France:

Mrs Edith CRESSON Minister for European Affairs

Ireland:

Mr Seamus BRENNAN Minister of State at the Department of Industry and Commerce

Italy:

Mr Pietro CALAMIA Ambassador, Permanent Representative

Luxembourg:

Mr Thierry STOLL Deputy Permanent Representative

Netherlands:

Baron van VOORST tot VOORST State Secretary for Foreign Affairs

Portugal:

Mr Vitor A.M. da COSTA MARTINS

State Secretary for European  
Integration

United Kingdom:

Mr Francis MAUDE

Under-Secretary of State,  
Department of Trade and Industry

o

o

o

Commission:

Lord COCKFIELD

Mr Peter SUTHERLAND

Vice-President

Member

SAFETY OF MACHINERY

In the context of removing technical barriers to trade, the Council adopted a common position on one of the most important Directives following the "new approach" defined in the Council Resolution of 7 May 1985. It is part of the work programme set out in the white paper on completion of the internal market.

The common position will be forwarded to the European Parliament under the co-operation procedure.

This new legal instrument has been introduced in particular to harmonize national provisions concerning the safety of new machines and to eliminate barriers to trade arising out of the disparity of such provisions.

The Directive defines the essential general safety and health requirements, supplemented by a series of more specific requirements for certain categories of machinery. Harmonized European standards will be drawn up by the European Committee for Standardization (CEN) and the European Committee for Electrotechnical Standardization (CENELEC). Those standards will relate to the design and construction of machinery and will enable compliance with the essential requirements to be checked.

Manufacturers themselves will be able to declare that their machinery complies with the essential requirements, although they may, if need be, call on third parties to carry out examinations.

A more restrictive certification procedure has been laid down for certain types of machinery with a higher risk potential.

From an economic viewpoint, it covers just over half of the Community's mechanical engineering sector, i.e. approximately 110 to 120 thousand million ECU. Its scope is vast because it covers both machines of very simple design and very complex machinery installations such as manufacturing cells and flexible workshops.

From the social policy viewpoint, the impact of this Directive is also considerable. By means of the essential requirements which it defines, the Directive introduces real Community legislation concerning prevention of accidents at the workplace.

The Directive is due to enter into force by 1 January 1993 at the latest.

CONTROL OF CONCENTRATIONS BETWEEN UNDERTAKINGS

The Council had a further detailed discussion on the main problems arising in the context of the control of concentrations between undertakings.

The following subjects in particular were at issue:

- determination of the scope of the Regulation (definition of concentrations having a Community dimension - in particular thresholds);
- proceedings for authorization of a concentration and appraisal criteria (competition aspects and certain others, in particular of a general economic nature);
- automatic suspensory effect of notification or Commission decision to suspend putting a concentration into effect;
- treatment of public undertakings;
- the Commission's powers and safeguarding Member States' legitimate interests;
- the problem of applying the Regulation and Articles 85 and 86 of the EEC Treaty.

Following the Council's discussions, the President observed that substantial progress had been made and noted the Council's willingness to continue these discussions on the basis of that day's proceedings.

RESTRUCTURING OF THE ITALIAN STEEL INDUSTRY

As a follow-up to the proceedings at its Industry meeting on 13 December 1988, the Council resumed its discussions on restructuring the Italian public steel industry.

Noting a statement by the German delegation defining the German government's position, the Council unanimously gave its assent to the compromise solution drawn up at its meeting on 13 December 1988.

OFFICIAL INSPECTION OF FOODSTUFFS

The Council approved a common position on the Directive laying down general principles for official inspections of foodstuffs.

The recitals of the Directive emphasize the importance of trade in foodstuffs in the common market, the need to protect health and the problems which the existence of different types of inspection could create for the free movement of goods.

For the purposes of the Directive, inspection relates to:

- foodstuffs;
- food additives, vitamins, mineral salts, trace elements and other additives intended to be sold as such;
- materials and articles intended to come into contact with foodstuffs.

The inspections provided for by the Directive are aimed at preventing risks to public health, guaranteeing fair commercial transactions and protecting consumer interests.

FOODSTUFFS - APPROXIMATION OF LAWS

After completing the procedure of co-operation with the European Parliament, the Council adopted three Directives on the approximation of the laws of the Member States in the following fields:

- materials and articles intended to come into contact with foodstuffs. The purpose of this Directive is to determine the sectors for which it is necessary to draw up specific directives and to define procedures to be followed to that end;
- food additives authorized for use in foodstuffs intended for human consumption. This Directive aims in particular at laying the foundations for drawing up lists of authorized additives and the conditions for their use;
- quick-frozen foodstuffs for human consumption. This Directive aims at drawing up Community rules in this field covering the various stages of the entire cold chain, such as manufacture, storage, transport, distribution and retail sale.



MEDICINAL PRODUCTS DERIVED FROM HUMAN BLOOD

The Council adopted a common position - to be forwarded to the European Parliament under the co-operation procedure - on a Directive extending the scope of Directives 65/65/EEC and 75/319/EEC and laying down special provisions for industrially manufactured medicinal products derived from human blood and plasma.

This Directive provides in particular for the introduction of a rigorous system of testing at manufacture and severe tests guaranteeing the quality, safety and efficacy of these medicinal products before they are placed on the market, in order to prevent in particular the transmission of infectious diseases such as AIDS and hepatitis.

The Directive will moreover encourage the voluntary unpaid donation of human blood and plasma in order to promote Community-wide self-sufficiency in human blood.

RADIOPHARMACEUTICALS

The Council adopted a common position on the Directive extending the scope of Directives 65/65/EEC and 75/319/EEC and laying down additional provisions for radiopharmaceuticals.

This Directive aims at preventing disparities in the provisions currently laid down by law, regulation or administrative action by Member States from hindering trade in radiopharmaceuticals within the Community.

The Directive lays down in particular special provisions for guaranteeing the quality, safety and efficacy of these medicinal products. The provisions cover marketing authorization, the packaging and labelling and the instruction leaflet.

The common position will be forwarded to the European Parliament under the co-operation procedure.

HIGHER-EDUCATION DIPLOMAS

Having discussed the amendments proposed by the Commission following the second reading by the European Parliament under the co-operation procedure, the Council adopted the Directive on a general system for the recognition of higher-education diplomas awarded on completion of professional education and training of at least three years' duration.

The Directive differs from the previous "sectoral" Directives in a number of important ways.

Firstly, it has a broad scope since the new system is intended to be applied to all regulated professions requiring at least three years' university-level training which have not been covered by a specific Directive.

Secondly, recognition must be based on the principle of mutual confidence, without prior co-ordination of the educational and training systems providing training for the various professions concerned.

Thirdly, recognition is granted to the "finished product", i.e. the fully qualified professional having already received any professional training required in addition to a university diploma.

Fourthly, in the event of major differences in education and training or in the structure of the profession, the Directive provides for compensatory mechanisms, viz. an adaptation period or an aptitude test. In principle, the choice between these two mechanisms is left to the migrant person but in the case of professions whose practice requires precise knowledge of national law and in respect of which the provision of advice and/or assistance concerning

national law is an essential and constant aspect of the pursuit of the professional activity, the host Member State may stipulate either an adaptation period or an aptitude test.

A Co-ordinating Group is also being set up under the aegis of the Commission with the task of facilitating the implementation and application of the Directive.

Member States will have a period of two years from notification of the Directive in which to implement it.

### COSMETIC PRODUCTS

The Council adopted a Directive on the approximation of the laws of the Member States relating to cosmetic products.

This Directive amends for the fourth time the original Directive (76/768/EEC) in order to improve the provisions on labelling.

TRADE MARKS

Pursuant to the common position it adopted in June and after approval by the European Parliament in the course of the co-operation procedure, the Council adopted a Directive to approximate the laws of the Member States relating to trade marks.

The Directive is intended to harmonize the laws of the Member States on fundamental aspects of trade mark law. Such harmonization is deemed necessary as part of completion of the single market.

It applies to all registered national trade marks whether for goods or services and whether these are individual, collective or guarantee trade marks.

The Directive gives a uniform definition of signs of which a trade mark may consist. It lays down an exhaustive list of grounds for refusal or invalidity and makes some of these grounds optional for the Member States. The Member States remain completely free to fix procedural provisions for this.

The Directive provides a uniform definition of the rights conferred by a trade mark on the proprietor together with the limitations on such rights and the conditions in which exhaustion of the rights occurs. These provisions are of particular importance for the free movement of goods and services.

To the same end and in order to reduce as much as possible the number of trade marks registered and the ensuing risk of disputes, the Directive introduces a use obligation. If the trade mark has not been put to genuine use in the Member State concerned for five years, it is revoked and may not be invoked in connection with a later right.

Member States will have three years from the date on which it is formally adopted to transpose the Directive into their national legislation. A special procedural device may however make it possible for the Council to adapt this period so that it coincides with the date of the opening of the Community Trademark Office.

#### INTRODUCTION OF COMMON BORDER POSTS

The Council adopted the Regulation on the abolition of certain exit formalities at internal Community frontiers.

This Regulation echoes an idea set out in the conclusions of the European Council meeting in Fontainebleau on 25 and 26 June 1984, and in the White Paper on Completing the Internal Market.

The Regulation provides in particular that, when goods cross internal frontiers, they need to be presented, for purposes of the formalities and controls to be carried out at the office of exit under the ATA carnet, the Community carnet or the form 302 procedure, only at the office of entry unless the office of exit is at the same time the office of departure.

TERMS OF PAYMENT OF A CUSTOMS DEBT

The Council adopted a common position on the Regulation on the entry in the accounts and terms of payment of the amounts of the import duties or export duties resulting from a customs debt.

The Regulation introduces Community rules for inclusion in the accounts (entry in the accounts books by the authorities) of the amounts of customs duties, and also transforms into a Regulation the existing Directive on the deferment of payment of customs duties (introduced as Directive 69/76/EEC, as amended and extended by Directive 78/453/EEC).

EXPORTS OF NON-FERROUS METAL WASTE

The Council adopted a Regulation on export arrangements for certain types of non-ferrous metal waste and scrap (1989), which

- renews for 1989 the surveillance arrangements (in force until 31 December 1988) for exports of aluminium and lead waste and scrap and introduces the same arrangements for 1989 for zinc waste and scrap
- renews and increases the volume of the quota arrangements for exports of copper ash and residues (28 500 tonnes) and copper waste and scrap (41 430 tonnes).

SUMMERTIME

Following approval of its common position by the European Parliament on 16 December 1988, the Council adopted the fifth Directive on summertime arrangements.

Under this Directive, Member States will take the measures necessary to ensure that summertime for 1990, 1991 and 1992 begins at 1 am GMT on the last Sunday in March, that is to say:

in 1990: on 25 March  
in 1991: on 31 March  
in 1992: on 29 March,

and ends at 1 am on the last Sunday in September, that is to say:

in 1990: on 30 September  
in 1991: on 29 September  
in 1992: on 27 September.

In the case of the United Kingdom and Ireland, it will end on the fourth Sunday in October (unless they decide to bring their summertime into line with the period in the ten other Member States), that is to say:

in 1990: on 28 October  
in 1991: on 27 October  
in 1992: on 25 October.

By 1 January 1992 the Council will adopt the arrangements to apply from 1993 onwards.



OTHER DECISIONS CONCERNING THE INTERNAL MARKETConsumer information

The Council adopted the Decision on a Community system for the rapid exchange of information on dangers arising from the use of consumer products.

Approximation of laws - Construction products

The Council adopted the Directive on the approximation of the laws, regulations and administrative provisions of the Member States relating to construction products.

This is the third Directive to be drawn up following those on pressure vessels and toys, pursuant to the Resolution of May 1985 on the new approach to harmonization of technical rules. Economically, this is probably the most important Directive since it is intended to facilitate the placing on the market and movement within the Community of a vast range of products representing a turnover of some 300 milliard ECU per annum.

Unlike the previous two Directives, this one contains safety and health protection requirements governing the works ("buildings") in which the construction products are intended to be used rather than the products themselves. It provides for the drawing up of documents ("interpretative documents") which will provide a link between the works requirements and the numerous product standards to be established by Commission "mandates" within the CEN (European Committee for Standardization).

The Council also adopted the Directive on requirements concerning the last components and characteristics needed to complete the full EEC type-approval procedure for new types of tractors. This Directive rounds off the work started in the Sixties, which has resulted in adoption in this sector of 22 Directives and six amendments to some of them. By making it possible to remove all technical barriers to trade in new tractors in the Community, it constitutes a major contribution to completion of the internal market.

The Council also adopted the Directive amending several Directives concerning the approximation of the laws of the Member States where there is provision in those Directives for publication in the Official Journal of attestations and certificates.

#### Food sector

The Council adopted the common positions on

- the Directive amending for the ninth time Directive 73/241/EEC on the approximation of the laws of the Member States relating to cocoa and chocolate products intended for human consumption
- the Directive on the approximation of the laws of the Member States relating to foodstuffs intended for particular nutritional uses  
(See Press Release - Internal Market Council - 18.XI.88, 9344/88 (Presse 174))

- the Directive amending Directive 79/112/EEC on the approximation of the laws of the Member States relating to the labelling, presentation and advertising of foodstuffs for sale to the final consumer  
(See Press Release - Internal Market Council - 18.XI.88, 9344/88 (Presse 174))
  
- the Directive on indications or marks identifying the lot to which a foodstuff belongs.  
(See Presse Release - Internal Market Council - 18.XI.88, 9344/88 (Presse 174))

#### Medicinal products

The Council adopted the Directive relating to the transparency of measures regulating the pricing of medicinal products for human use and their coverage under national health insurance systems.

(See Press Release - Internal Market Council - 22.VI.88, 7006/88 (Presse 95)).

#### MISCELLANEOUS DECISIONS

##### Customs union

The Council adopted the Regulations

- amending Regulation (EEC) No 918/33 setting up a Community system of reliefs from duty (concerning imports of equipment for research establishments or organizations based outside the Community)
  
- amending Regulation No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff

- laying down the provisions applicable to goods brought into the customs territory of the Community ("customs treatment")
- amending regulation No 2144/87 on customs debt.

#### Tariff quotas

##### - State-trading countries

The Council adopted the Decisions

- = on import quotas to be opened by Member States in respect of State-trading countries in 1988, and
- = concerning the implementation of the Decision on import quotas to be opened by Member States in respect of State-trading countries in 1988.

##### - EFTA countries

The Council adopted the Regulations opening and providing for the administration of Community tariff quotas for

- = certain quality wines and sparkling wines originating in Austria
- = certain products originating in the EFTA countries (1989).

##### - Mediterranean countries

The Council adopted the Regulations opening and providing for the administration of Community tariff quotas for

- = new potatoes, fresh tomatoes and peas and immature beans, prepared or preserved, originating in Morocco (1989)

= certain agricultural products originating in Israel (1989).

- ECSC

The Representatives of the Governments of the Member States of the ECSC, meeting within the Council, adopted the Decisions on the opening of zero-duty tariff quotas for flat-rolled products of silicon-electrical steel for

= Spain

= the Benelux countries

= the Federal Republic of Germany.

- Other tariff quotas

The Council adopted the Regulations opening, allocating and providing for the administration of

= unilateral tariff quotas for coffee, unroasted and not freed of caffeine, and cocoa beans, whole or broken, raw or roasted, falling within CN codes 0901 11 00 and 1801 00 00 (1989)

= Community tariff quotas for 1989 for

(a) certain fishery products originating in the Canary Islands

(b) boysenberries, preserved by freezing, not containing added sugar, intended for any form of processing except for the manufacture of jam entirely from boysenberries

(c) certain petroleum products refined in Spain and certain woven products of cotton coming from Spain.

Commodities

The Council adopted the Decision on the provisional application of the 1987 International Natural Rubber Agreement.

## Textiles

The Council adopted a Decision concerning the provisional application of a modification to the Agreement between the Community and Hong Kong on trade in textile products.

## Relations with EFTA countries

The Council adopted

- the Decision on the conclusion of the Agreement in the form of an Exchange of Letters between the EEC and Norway concerning reciprocal trade in cheese
- the Regulations concerning the safeguard clause provided for in Article 2 of Decisions No 5/88 of the EEC-EFTA Joint Committees amending Protocol No 3 in order to simplify the cumulation rules
- the Regulations concerning the implementation of Decisions Nos 2/88, 3/88 and 4/88 of the EEC-EFTA Joint Committees supplementing and amending Protocol No 3 concerning the concept of originating products and methods of administrative co-operation (perborate of sodium - used tyres - nuclear fuel elements)
- the Regulations on the application of Decisions No 5/88 of the EEC-EFTA Joint Committees modifying Protocol No 3 concerning the definition of the concept of "originating products" and methods of administrative co-operation in order to simplify the cumulation rules.

The Council also authorized the Commission to open negotiations with the EFTA countries in order to enable them fully to suspend as soon as possible the customs duties applicable to imports into their countries of industrial products from Spain.

#### ECSC products - Yugoslavia

The Representatives of the Governments of the Member States of the ECSC, meeting within the Council, adopted the Decision extending the arrangements applicable to trade with Yugoslavia in products covered by the ECSC Treaty.

#### Relations with the Mediterranean countries

The Council

- approved the Agreements in the form of Exchanges of Letters negotiated by the Commission with

= Algeria, Morocco and Turkey on olive oil

= Algeria, Morocco and Israel on fruit salads

= Algeria on tomato concentrates

and decided to sign these Agreements

- adopted the Decisions concluding these Agreements and the Regulations implementing them.

### Research

The Council formally adopted the common position reached on 15 December 1988 on a specific research and technological development programme of the EEC in the fields of industrial manufacturing technologies and advanced materials applications (BRITE/EURAM) (1989-1992).

(See Press Release of the Research Council on 15.XII.88, 10221/88 (Presse 210)).

### Tax reliefs

The Council adopted the Directives

- amending for the ninth time Directive 69/169/EEC on the harmonization of provisions laid down by law, regulation or administrative action relating to exemption from turnover tax and excise duty on imports in international travel;
- amending for the fifth time Directive 74/651/EEC on the tax reliefs to be allowed on the importation of goods in small consignments of a non-commercial character within the Community.

(See Press Release of the ECOFIN Council on 12.XII.88, 10149/88 (Presse 206)).

### Annual report

The Council adopted the Decision adopting the annual report on the economic situation in the Community and laying down economic policy guidelines for 1989.

(See Press Release of the ECOFIN Council on 12.XII.88, 10149/88 (Presse 206))



Credit institutions - transferable securities

The Council adopted the Directive on the obligations of branches established in a Member State of credit institutions and financial institutions having their head offices outside that Member State regarding the publication of annual accounting documents <sup>(1)</sup>.

(See Press Release of the Internal Market Council on 7.VI.88, 6635/88 (Presse 78)).

The Council further adopted common positions

- on the Directive co-ordinating the requirements for the drawing up, scrutiny and distribution of the prospectus to be published when transferable securities are offered for subscription or sale to the public;
- on the Directive on the own funds of credit institutions.

(See press release of the ECOFIN Council on 12.XII.88, 10149/88 (Presse 206)).

Aid to the coal industry

The Council took note of the Commission report on the application of Community rules for State aid to the coal industry in 1987, together with comments made by certain Member States and the replies given by the Commission.

The Council gave the consultation requested by the Commission on the basis of its memorandum on the financial aids granted by Spain and Portugal to the coal industry in 1986. It agreed with the Commission's conclusions that these aids

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(1) One delegation however, maintained a parliamentary scrutiny reservation at this stage. The General Secretariat will be informed as soon as the reservation has been withdrawn.

are compatible with Decision 528/76/ECSC and with the proper functioning of the common market.

### Agriculture

The Council adopted the Regulations

- amending Regulation (EEC) No 354/79 laying down general rules for the import of wines, grape juice and grape must;
- amending Regulation (EEC) No 822/87 on the common organization of the market in wine;
- on the preparation and marketing of liqueur wines produced in the Community;
- amending regulation (EEC) No 2990/82 on the sale of butter at reduced prices to persons receiving social assistance;
- derogating from Regulation (EEC) No 3220/84 on the application of the Community scale for grading pig carcasses in Greece;
- amending, for 1989, the quota applicable for imports into Portugal of live swine from the Community as constituted on 31 December 1985;
- amending regulation (EEC) No 315/68 fixing quality standards for flowering bulbs, corms and tubers.

Fisheries

Following the discussions of the Fisheries Council on 9, 10 and 11 December 1988, the Council adopted the Regulations:

- fixing, for certain fish stocks and groups of fish stocks, the total allowable catches for 1989 and certain conditions under which they may be fished (TACs and quotas for 1989);
- amending for the seventh time Regulation (EEC) No 3094/86 laying down certain technical measures for the conservation of fishery resources;
- laying down, for 1989, certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Norway;
- allocating, for 1989, certain catch quotas between Member States for vessels fishing in the Norwegian Exclusive Economic Zone and the fishing zone around Jan Mayen;
- laying down, for 1989, certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Sweden;
- allocating among certain Member States the 1989 catch quotas for vessels fishing in Swedish waters;
- laying down, for 1989, certain measures for the conservation and management of fishery resources applicable to vessels registered in the Faroe Islands;

- allocating, for 1989, certain catch quotas between the Member States for vessels fishing in Faroese waters.

(See Press Release of the Fisheries Council on 9/10/11.XII.88, 10147/88 (Presse 204)).

### Energy

The Council adopted the Regulation amending Regulations (EEC) No 1893/79 and (EEC) No 2592/79 introducing registration for crude oil imports into the Community (extension until 31.12.1991).

### Environment

The Council adopted the Resolution concerning transfrontier movements of hazardous waste to third countries

(See Press Release of the Environment Council on 24/25.XI.88, 9580/88 (Presse 184)).

The Council further adopted the common position, reached on 24 November 1988, aimed at amending Directive 70/220/EEC on the approximation of the laws of the Member States relating to measures to be taken against air pollution by emissions from motor vehicles (cars with small-capacity engines, i.e. less than 1400 cc).

(See Press Release of the Environment Council on 24/25.XI.88, 9580/88 (Presse 184)).

Health

The Council adopted the Decision approving the amendments to the Protocol to the European Agreement on the Exchange of Blood-Grouping Reagents <sup>(1)</sup>.

Tourism

The Council formally adopted the Decision on an action programme for European Tourism Year (1990).

(See press release of the Tourism Council on 14.XII.88, 10219/88 (Presse 208)).



(1) One delegation, however, maintained a parliamentary scrutiny reservation at this stage. The General Secretariat will be informed as soon as the reservation has been withdrawn.

Bruxelles, le 20 décembre 1988

NOTE BIO (88) 415 AUX BUREAUX NATIONAUX  
cc. aux Membres du Service du Porte-Parole

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INTERNAL MARKET COUNCIL December 21 1988 (M.F.Berendt)

The agenda of this Council includes a number of 'A' points which are expected to be adopted without further negotiation, adding a useful number of decisions to those needed for the construction of a single European market. The Council will also be discussing the Community control of concentrations and the fifth company directive.

Among the points to be adopted without discussion will be the mutual recognition of qualifications, a measure of great importance to creating a genuine citizen's Europe, since it will allow someone who has gained professional qualifications in one member state following a minimum three-year training period to have those qualifications recognised throughout the Community. This directive has to be implemented by member countries within two years of adoption. It will cover all regulated professions where university qualifications are necessary and where no specific directive yet exists.

Another point to be adopted should be the standards for agricultural tractors. The new directive will complete Community legislation in this important industrial and agricultural sector, establishing a European specification which will be accepted in all member countries.

The system of rapid exchange of information for consumers should also be adopted, and a package of measures on foodstuffs, including minimum standards for all frozen food from the place of production to retail sale. Food additives and cosmetics legislation should also go through.

The directive on merger control, which envisages exclusive Community competence for controlling major mergers between companies in more than one member country, will be subject to further negotiation.

The proposal on mergers is a modified version of a proposal first made by the Commission in 1973. All member states now accept the general principle of "exclusiveness" i.e. that where Community control is necessary, national controls over mergers should no longer apply. The Council negotiation centers around the criteria to be used to determine which mergers should be made subject to Community control.

The Commission proposes three main criteria : for mergers between companies where global turnover is 1000 mecu or more; where turnover in the Community is 100 mecu or more; and where the

turnover of the wood-be merged group in one member state is less than 75 per cent of the total turnover. Half the member states approve this approach, whereas the others seek changes to these proposed criteria.

Discussion of the fifth company law directive will again deal with the question of worker participation, where UK has consistently refused to countenance its inclusion under any Community legislation while some other member states demanded its inclusion. A presidency compromise offering various optional models of participation was rejected by the British when the issue was last discussed.

CONSEIL AGRICOLE - Voir Note BIO (88) 414 envoyée séparément

MATERIEL DISTRIBUE :

- IP 819 - FEDER
- IP 826 - Résumé du discours de M. Schmidhuber à la première réunion du Conseil consultatif des collectivités régionales et locales
- IP 830 - Visite de M. De Clercq en Tchécoslovaquie
- IP 831 - Adoption de 3 propositions sur les médicaments vétérinaires
- IP 832 - Grants for transport infrastructure
- IP 833 - Aide alimentaire
- IP 834 - Aide médicale en faveur de la Pologne
- IP 835 - Protection des éléphants africains
- Mémo 162 - Réforme des Fonds structurels

Amitiés,



C.D. EHLERMANN

Bruxelles, le 22 décembre 1988

NOTE BIO (88) 415 (SUITE 1 ET FIN) AUX BUREAUX NATIONAUX  
cc. aux Membres du Service du Porte-Parole

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INTERNAL MARKET COUNCIL December 21 1988 (suite 1 et fin)  
(M.F.Berendt)

The Internal market Council concluded its year's work under the presidency of Commissioner-designate Ms Vasso Papandreou with the adoption of 22 directives. This brings the percentage of White Paper directives so far adopted by the Council to 47 per cent. The day's only disappointment was the slow progress made on the mergers proposal.

The Council paid tribute to the work done by Lord Cockfield and Mr Sutherland at this, their last, confrontation with the Ministers.

The most significant groups of directives adopted concerned machines, tractors, construction products and consumer protection legislation which included a package of measures concerning the foodstuffs sector. The mutual recognition of diplomas was also agreed.

The machinery directive harmonises the national provisions on the safety of new machinery. It sets the conditions to be met by manufacturers for their machines to be allowed free movement throughout the Community. The Council also reached a common position (but not adoption) on a directive setting standards for the use of machines in the workplace.

The decision on tractors finally completes the definition of Community standards for these vehicles. Once it has been transposed by member states into their own legislation it will be possible for manufacturers anywhere in the Community to demand EEC certification (provided they meet the standards) and to sell their product in any member state without further formalities. The Community is the world's biggest producer of tractors, output amounting to 300 000 a year from 10 manufacturers. About a third of production is exported to third countries. The decision has great potential importance for the industry.

The package of consumer protection measures included batch marking of foods, the rapid exchange of information on dangerous products, the packaging, presentation and advertising of food and for specific foodstuffs such as dietary foods and baby foods. The Council also agreed standards for the frozen food chain, which will, for example, require a maximum temperature of minus 18 degrees celsius for all quick frozen foodstuffs from the point of production to the final retail outlet. Member states may delay implementation for the retail trade for eight years.

Framework directives on additives and on packaging materials for food were also adopted.



Agreement on the mutual recognition of diplomas marks an important step in allowing people to seek work and take professional jobs throughout the Community. It will mean that the qualifications gained by a minimum period of study of three years will be accepted in all member states for those professions where such qualifications are required, subject to certain special provisions where the training in the country of origin is substantially shorter than in the country of settlement.

The discussion on the mergers proposal produced little progress of substance, although in the words of Commissioner Sutherland, "the regulation is on a road where there is no turning back." The German and British ministers continued to have the most serious objections to the Commission proposals. The general principle of a Community policy for mergers is now broadly accepted by all member states, especially as an increasing number of mergers are being examined by the Commission anyway by dint of its existing responsibilities and powers.

The main points still at issue concern the threshold above which mergers would be examined by the Commission (which might be willing to move from 1000 mecu to 2000 mecu); the grounds for giving the go-ahead or refusing it (the UK wants competition considerations alone; most member states and the Commission would see other economic factors as relevant); the extent to which member states would be able to apply their own merger control mechanisms to cases being examined by the Commission (a particular German problem); and the suspending effect of a reference to the Commission (where the Commission would only demand suspension of the merger process on the merits of a particular case).

Amities,



C.D. EHLERMANN

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MESSAGE # 137  
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BRUXELLES, LE 22 DECEMBRE 1988

INTERNAL MARKET COUNCIL DECEMBER 21 1988 (SUITE 1 ET FIN)  
(M.F. BERENDT)

THE INTERNAL MARKET COUNCIL CONCLUDED ITS YEAR'S WORK UNDER THE PRESIDENCY OF COMMISSIONER-DESIGNATE MS VASSO PAPANDREOU WITH THE ADOPTION OF 22 DIRECTIVES. THIS BRINGS THE PERCENTAGE OF WHITE PAPER DIRECTIVES SO FAR ADOPTED BY THE COUNCIL TO 47 PER CENT. THE DAY'S ONLY DISAPPOINTMENT WAS THE SLOW PROGRESS MADE ON THE MERGERS PROPOSAL.

THE COUNCIL PAID TRIBUTE TO THE WORK DONE BY LORD COCKFIELD AND MR SUTHERLAND AT THIS, THEIR LAST, CONFRONTATION WITH THE MINISTERS.

THE MOST SIGNIFICANT GROUPS OF DIRECTIVES ADOPTED CONCERNED MACHINES, TRACTORS, CONSTRUCTION PRODUCTS AND CONSUMER PROTECTION LEGISLATION WHICH INCLUDED A PACKAGE OF MEASURES CONCERNING THE FOODSTUFFS SECTOR. THE MUTUAL RECOGNITION OF DIPLOMAS WAS ALSO AGREED.

THE MACHINERY DIRECTIVE HARMONISES THE NATIONAL PROVISIONS ON THE SAFETY OF NEW MACHINERY. IT SETS THE CONDITIONS TO BE MET BY MANUFACTURERS FOR THEIR MACHINES TO BE ALLOWED FREE MOVEMENT THROUGHOUT THE COMMUNITY. THE COUNCIL ALSO REACHED A COMMON POSITION (BUT NOT ADOPTION) ON A DIRECTIVE SETTING STANDARDS FOR THE USE OF MACHINES IN THE WORKPLACE.

THE DECISION ON TRACTORS FINALLY COMPLETES THE DEFINITION OF COMMUNITY STANDARDS FOR THESE VEHICLES. ONCE IT HAS BEEN TRANSPOSED BY MEMBER STATES INTO THEIR OWN LEGISLATION IT WILL BE POSSIBLE FOR MANUFACTURERS ANYWHERE IN THE COMMUNITY TO DEMAND EEC CERTIFICATION (PROVIDED THEY MEET THE STANDARDS) AND TO SELL THEIR PRODUCT IN ANY MEMBER STATE WITHOUT FURTHER FORMALITIES. THE COMMUNITY IS THE WORLD'S BIGGEST PRODUCER OF TRACTORS, OUTPUT AMOUNTING TO 300 000 A YEAR FROM 10 MANUFACTURERS. ABOUT A THIRD OF PRODUCTION IS EXPORTED TO THIRD COUNTRIES. THE DECISION HAS GREAT POTENTIAL IMPORTANCE FOR THE INDUSTRY.

THE PACKAGE OF CONSUMER PROTECTION MEASURES INCLUDED BATCH MARKING OF FOODS, THE RAPID EXCHANGE OF INFORMATION ON DANGEROUS PRODUCTS, THE PACKAGING, PRESENTATION AND ADVERTISING OF FOOD AND FOR SPECIFIC FOODSTUFFS SUCH AS DIETARY FOODS AND BABY FOODS.

THE COUNCIL ALSO AGREED STANDARDS FOR THE FROZEN FOOD CHAIN, WHICH WILL, FOR EXAMPLE, REQUIRE A MAXIMUM TEMPERATURE OF MINUS 18 DEGREES CELSIUS FOR ALL QUICK FROZEN FOODSTUFFS FROM THE POINT OF PRODUCTION TO THE FINAL RETAIL OUTLET. MEMBER STATES MAY DELAY IMPLEMENTATION FOR THE RETAIL TRADE FOR EIGHT YEARS. FRAMEWORK DIRECTIVES ON ADDITIVES AND ON PACKAGING MATERIALS FOR FOOD WERE ALSO ADOPTED.

AGREEMENT ON THE MUTUAL RECOGNITION OF DIPLOMAS MARKS AN IMPORTANT STEP IN ALLOWING PEOPLE TO SEEK WORK AND TAKE PROFESSIONAL JOBS THROUGHOUT THE COMMUNITY. IT WILL MEAN THAT THE QUALIFICATIONS GAINED BY A MINIMUM PERIOD OF STUDY OF THREE YEARS WILL BE ACCEPTED IN ALL MEMBER STATES FOR THOSE PROFESSIONS WHERE SUCH QUALIFICATIONS ARE REQUIRED, SUBJECT TO CERTAIN SPECIAL PROVISIONS WHERE THE TRAINING IN THE COUNTRY OF ORIGIN IS SUBSTANTIALLY SHORTER THAN IN THE COUNTRY OF SETTLEMENT.

THE DISCUSSION ON THE MERGERS PROPOSAL PRODUCED LITTLE PROGRESS OF SUBSTANCE, ALTHOUGH IN THE WORDS OF COMMISSIONER SUTHERLAND, 'THE REGULATION IS ON A ROAD WHERE THERE IS NO TURNING BACK.'

THE GERMAN AND BRITISH MINISTERS CONTINUED TO HAVE THE MOST SERIOUS OBJECTIONS TO THE COMMISSION PROPOSALS. THE GENERAL PRINCIPLE OF A COMMUNITY POLICY FOR MERGERS IS NOW BROADLY ACCEPTED BY ALL MEMBER STATES, ESPECIALLY AS AN INCREASING NUMBER OF MERGERS ARE BEING EXAMINED BY THE COMMISSION ANYWAY BY DIRT OF ITS EXISTING RESPONSIBILITIES AND POWERS.

THE MAIN POINTS STILL AT ISSUE CONCERN THE THRESHOLD ABOVE WHICH MERGERS WOULD BE EXAMINED BY THE COMMISSION (WHICH MIGHT BE WILLING TO MOVE FROM 1000 MECU TO 2000 MECU)., THE GROUNDS FOR GIVING THE GO-AHEAD OR REFUSING IT (THE UK WANTS COMPETITION CONSIDERATIONS ALONE., MOST MEMBER STATES AND THE COMMISSION WOULD SEE OTHER ECONOMIC FACTORS AS RELEVANT)., THE EXTENT TO WHICH MEMBER STATES WOULD BE ABLE TO APPLY THEIR OWN MERGER CONTROL MECHANISMS TO CASES BEING EXAMINED BY THE COMMISSION (A PARTICULAR GERMAN PROBLEM)., AND THE SUSPENDING EFFECT OF A REFERENCE TO THE COMMISSION (WHERE THE COMMISSION WOULD ONLY DEMAND SUSPENSION OF THE MERGER PROCESS ON THE MERITS OF A PARTICULAR CASE).

AMITIES,

=: .D. EHLERMANN

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