

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

10585/87 (Presse 231)

1216th Council meeting

- Industry -

Brussels, 22 December 1987

President: Mr Nils WILHJELM
Minister for Industry
Kingdom of Denmark

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

Belgium:

Mr Philippe MAYSTADT Minister for Economic Affairs

Denmark:

Mr Nils WILHJELM Minister for Industry

Germany:

Mr Martin BANGEMANN Federal Minister for Economic Affairs

Greece:

Mr Costas PAPANAYOTOU Deputy Minister for Industry,
Energy and Technology

Spain:

Mr Luis Carlos CROISSIER BATTISTA Minister for Industry and Energy

France:

Mr Alain MADELIN Minister for Industry

Ireland:

Mr Sean McCARTHY Minister of State, Department of
Industry and Commerce

Italy:

Mr Adolfo BATTAGLIA Minister for Industry, Trade and
Commerce

Mr Luigi GRANELLI Minister for State Holdings

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Luxembourg:

Mr Jacques F. POOS	Minister for Economic Affairs
Mr Johny LAHURE	State Secretary for Economic Affairs

Netherlands:

Mr R.W. DE KORTE	Minister for Economic Affairs
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Portugal:

Mr Luis Fernando de MIRO AMARAL	Minister for Industry and Energy
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United Kingdom:

Mr Kenneth CLARKE	Secretary of State for Trade and Industry
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Commission:

Mr Karl-Heinz NARJES	Vice-President
Mr Peter SUTHERLAND	Member
Mr Peter M. SCHMIDHUBER	Member

STEEL POLICY

- Extension of the quota system for certain categories of products

The Council gave its assent, in accordance with Article 58 ECSC to the Commissions proposals relating to the extension of the steel quota regime beyond 1 January 1988, as follows:

- with regard to categories I a) and b), the production quota regime will come to an end on 30 June 1988.
- with regard to categories II and III, the production quota regime will continue until 30 June 1988 and should be extended until the end of 1990 if, by 10 June 1988, the Commission has received guaranteed undertakings to reduce production capacity by means of closure by at least 75% of the surplus the Commission deems to exist. In the case of these conditions not being fulfilled for one of these categories, quotas will end for that category on 30 June 1988.
- the Commission will allocate to firms quotas for the second quarter of 1988 some 2% higher than would correspond to a market assessment to prepare for the return to the free market.

The Council notes that there is agreement in the Council to accept a Commission proposal extending the quotas for category I products beyond 30 June 1988 on condition that guaranteed undertakings on reduction of capacity in category I a) by means of closure of at least 7,5 million tons are obtained before 10 June 1988.

The Council notes that the Commission is ready to reconsider its present position on category I products provided the conditions of the Treaty are fulfilled and the commitments set out above are obtained.

Community programme to assist the conversion of steel areas - RESIDER

The Council approved the substance of the RESIDER programme aimed at assisting the conversion of certain declining industrial regions in the Community affected by the restructuring of the steel industry; the programme will be formally adopted as soon as the amendments adopted by the Council at this meeting have been incorporated.

Concurrently with the social measures, action under the RESIDER programme should accompany the efforts to restructure the steel industry by contributing to the development of new economic activities. The measures provided for in this programme are focussed on the development of the indigenous potential of the regions and zones concerned. It involves a series of measures combining improvements in infrastructure and the physical and social environment of the areas and the growth of small and medium-sized undertakings (SMU), particularly by means of business advisory services, improvements in management, development of common services, promotion of innovation, access to risk capital, the preparation of sectoral studies and aid to investment.

All or part of the investment aid may be in the form of a capital grant.

The programme involves areas which meet the following criteria:

- (a) minimum number of jobs in the steel industry: about 3 500;
- (b) industrial employment dependent in large measure on the steel industry - in principle equal to or higher than 10%;

- (c) major job losses in the steel sector - of the order of 1 500;
- (d) socio-economic situation in the region in which the area concerned is located characterized by particularly marked employment difficulties.

The programme will apply, subject to a decision by the Commission, to areas which satisfy the abovementioned criteria and in which the restructuring of the steel industry carried out within the framework of the Community's general objectives for steel between 1 January 1986 and the end of 1989 entails major job losses in the steel sector.

The programme is financed jointly by the Member State and the Community. Assistance from the Fund, which may not as a rule exceed 55% of the total public expenditure taken into account in the programme, will be provided from the appropriations entered for this purpose in the general budget of the European Communities.

Social aspects

The Council has asked the Commission to spend an extra 50 million ECU on social aid in 1988 and is working on the assumption that the funds intended for the 1988 payments will be taken from ECSC reserves. The Council is prepared to re-examine the funding of social measures in future years in the light of requirements and bearing in mind the possibility of a transfer of ECSC customs duties to the Community.

MISCELLANEOUS DECISIONS

Other decisions in the steel sector

The Representatives of the Governments of the Member States, meeting within the Council, adopted in the official languages of the Communities the Decisions:

- on certain measures to be applied, in respect of State-trading countries, to trade in iron and steel products covered by the ECSC Treaty;
- determining the conditions under which certain ECSC products are eligible upon importation for a favourable tariff arrangement by reason of their end-use.

Problems relating to radioactivity

In line with the political approach developed at the meeting of the General Affairs Council on 14 December 1987, the Council adopted in the official languages of the Communities the Regulations:

- on the conditions governing imports of agricultural products originating in third countries following the accident at the Chernobyl nuclear power-station (this Regulation will enter into force on the day of its publication in the Official Journal).
- laying down maximum permitted levels for radioactive contamination of foodstuffs and feedingstuffs following a nuclear accident or in the event of any other radiological emergency.

(See Press Release 10335/87 Presse 220, 14.12.1987)

Customs union

The Council adopted in the official languages of the Communities the Regulations:

- concerning the basic duties to be adopted in the Community as constituted on 31 December 1985 for the purpose of calculating the successive reductions provided for in the Act of Accession of Spain and Portugal further to the entry into force of the Combined Nomenclature;
- opening and providing for the administration of a Community tariff quota for sweet, clear-fleshed cherries, marinated in alcohol, falling within code ex 2008 60 39 of the Combined Nomenclature and intended for the manufacture of chocolate products (1988);
- opening and providing for the administration of a tariff quota for a certain quality of polyether falling within codes ex 3907 20 19 and ex 3907 20 90 of the Combined Nomenclature;
- opening, allocating and providing for the administration of tariff quotas for:
 - = certain hand-made products (1988)
 - = raw silk (not thrown), falling within code 5002 00 00 of the Combined Nomenclature

- = yarn, entirely of silk, not put up for retail sale, falling within codes ex 5004 00 10 and ex 5004 00 90 of the Combined Nomenclature
- = yarn spun entirely from waste silk other than noil, not put up for retail sale, falling within codes ex 5005 00 10 and ex 5005 00 90 of the Combined Nomenclature
- = coffee, unroasted and not freed of caffeine, and cocoa beans, whole or broken, falling within codes 0901 11 00 and 1801 00 00 of the Combined Nomenclature (1988)
- = ferro-chromium containing by weight more than 6% of carbon and falling within code 7202 41 90 of the Combined Nomenclature
- = ferro-phosphorus falling within code ex 7202 99 19 of the Combined Nomenclature
- = a certain form of polyvinylpyrrolidone falling within code ex 3905 90 00 of the Combined Nomenclature
- = certain grades of magnesium falling within code ex 8104 11 00 of the Combined Nomenclature
- = certain flat-rolled products falling within code ex 7226 10 91 of the Combined Nomenclature
- = newsprint falling within code 4801 00 10 of the Combined Nomenclature (1988) and extending this quota to include certain other types of paper

- = rosin falling within code ex 3806 10 90 of the Combined Nomenclature (1988)
- = certain types of manufactured tobacco processed in the Canary Islands (1988)
- = certain petroleum products refined in Spain, falling within chapter 27 of the Combined Nomenclature (1988)
- = certain woven fabrics of cotton originating in Spain (1988)
- = certain cod and fish of the species *Boreogadus saida*, dried, salted or in brine, whole, headless or in pieces (1988)
- = boysenberries, preserved by freezing, not containing added sugar, intended for any form of processing, except for the manufacture of jam entirely from boysenberries, falling within code ex 0811 90 90 of the Combined Nomenclature (1988)
- = importation into Spain of certain fisheries products originating in the Canary Islands or Ceuta and Melilla (1988)
- = certain fisheries products originating in the Canary Islands (1988)
- = certain kinds of prepared and preserved fish from Portugal (1988).

Agriculture

The Council took note of the 1984/1986 triennial Commission report to the European Parliament and to the Council adopting joint research programmes and programmes for co-ordinating agricultural research.

The Council took note of the twelfth Commission communication to the Council concerning the programme for the utilization of co-responsibility levy funds in the milk sector for the 1988/1989 milk year.

The Council adopted in the official languages of the Communities the Regulations:

- amending Regulation No 1981/82 drawing up the list of Community regions in which production aid for hops is granted only to recognized producer groups. In this case the region "Belgium" is added to the list. This rule will apply as from the 1987 harvest.
- amending for the tenth time Regulation No 351/79 concerning the addition of alcohol to products in the wine sector.
- amending Regulation No 3034/80 fixing the quantities of basic products considered to have been used in the manufacture of goods covered by Regulation No 3033/80. The aim of this amendment is to make the necessary changes to the codes and definitions of the harmonized system (Combined Nomenclature). These amendments will enable the variable components and the "monetary" and "accession" compensatory amounts to be calculated accurately.

- extending (until 31 December 1988 for Spain and until 31 December 1990 for Portugal) the period provided for in Articles 90(1) and 257(1) of the Act of Accession of Spain and Portugal. This Regulation will enable the transitional measures taken under the above Articles to be maintained so as to avoid specific problems which have occurred or might occur during the process of integration of these two countries.
- fixing, for 1987, the quota applicable for imports into Portugal of certain wines from the Community as constituted on 31 December 1985.
- extending Regulation No 3310/75 on agriculture in the Grand Duchy of Luxembourg.

The Council also adopted in the official languages of the Communities the Regulations amending Regulations:

- No 804/68 on the common organization of the market in milk and milk products;
- No 805/68 on the common organization of the market in beef and veal;
- No 1035/72 on the common organization of the market in fruit and vegetables;

- No 2759/75 on the common organization of the market in pigmeat and No 2766 establishing the list of products for which sluice-gate prices are to be fixed and laying down the rules for fixing the sluice-gate prices for pig carcasses;
- No 2777/75 on the common organization of the market in poultrymeat;
- No 1837/80 on the common organization of the market in sheepmeat and goatmeat;
- No 426/86 on the common organization of the market in products processed from fruit and vegetables;
- No 827/68 on the common organization of the market in certain products listed in Annex II to the Treaty.

These exclusively technical amendments proved to be necessary so as to avoid classification problems when the Harmonized Commodity Description and Coding System is introduced.

The Council also adopted in the official languages of the Communities the Regulations:

- opening, allocating and providing for the administration of a Community tariff quota for:
 - = grapes originating in Spain (1988)
 - = dried figs originating in Spain (1988)

- fixing, for 1988, the quotas applicable for imports into Portugal of:

= eggs and poultrymeat from the Community as constituted on 31 December 1985

= pigmeat from the Community as constituted on 31 December 1985

= oil cake from third countries.

The Council also adopted in the official languages of the Communities the Regulations opening, allocating and providing for the administration of Community tariff quotas for:

- new potatoes,

- fresh flowers,

- certain live plants,

- tomatoes, cucumbers and aubergines,

- beans of the Phaseolus species, onions and sweet peppers,

originating in the Canary Islands (1988).

Relations with Morocco

The Council adopted in the official languages of the Communities the Regulations on Community tariff quotas for Morocco concerning:

- apricot pulp
- sardines

Economic and financial affairs

Following the approval of the substance during the Ecofin Council meeting on 7 December 1987, the Council adopted in the official languages of the Communities the Decision adopting the annual report on the economic situation in the Community and establishing economic policy guidelines for 1988.

Transport

The Council adopted in the official languages of the Communities the Regulation on the grant of financial support to transport infrastructure projects. This Regulation provides that within the limits of the budget appropriations remaining from the 1986 budget and those available under the 1987 budget, i.e. 53 MECU in all, the Community will provide financial support for transport infrastructure projects by contributing to the cost of the following projects:

- studies preparatory to construction work
- projects on major transit routes including those to assist transit through non-member countries

- links to the Iberian Peninsula
- integration of peripheral regions.

The Council also adopted in the official languages of the Communities the Fourth Directive on summertime arrangements (see press release 10182/87 Presse 208, 7.12.1987).

Social Affairs

The Representatives of the Governments of the Member States meeting in the Council adopted in the official languages of the Communities the Resolution extending the application of the Resolution of 21 December 1981 concerning the social integration of handicapped persons until a decision is taken on the proposals submitted by the Commission within the framework of its communication on a second Community action programme for disabled people.

Bruxelles, le 22 décembre 1987

NOTE BIO (87) 360 AUX BUREAUX NATIONAUX
CC AUX MEMBRES DU SERVICE DU PORTE-PAROLE

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Réunion du Conseil Industrie (G. Anouil)

Au début de la réunion du Conseil de ce jour, consacrée au "paquet de la Commission" concernant la sidérurgie (production, volet social et volet régional), le Vice-Président Narjes a informé les ministres des résultats de ses entretiens de ces derniers jours avec les Etats membres. Il apparaît que:

- pour les larges bandes à chaud (coils), où les surcapacités de productions sont de 11,1 Mio/t, les indications de fermeture d'installations vont de 24,8 à 52%;
- pour les tôles fortes, où les surcapacités sont de 5,9 Mio/t, les indications de fermeture portent sur 52%;
- pour les profilés lourds où les surcapacités sont de 3,7 Mio/t, les indications de fermeture sont de 61%.

Au total, les tonnages globaux indiqués par les Etats membres s'élèvent à un chiffre qui va de 8 à 11 Mio/t, ce qui correspond à un pourcentage de 39 à 53,5% des surcapacités constatées par la Commission. Ceci dit, il faut prendre ces chiffres avec précaution, car ils ne sont qu'indicatifs.

Dans ces conditions, le Vice-Président Narjes a confirmé la proposition de la Commission en date du 26 novembre, qui vise à mettre un terme au régime des quotas pour la première catégorie de produits le 30 juin 1988, et qui envisage une prolongation des quotas pour les deux autres catégories jusqu'à la fin 1990 si, d'ici le 10 juin 1988, la Commission reçoit des engagements garantis d'importantes diminutions de capacité de production.

Avant de se séparer à la fin de la matinée, le Conseil a encore entendu des explications supplémentaires du Vice-Président Narjes qui a mis l'accent sur les nombreux efforts entrepris par la Commission depuis 1985, et tout spécialement en 1987 (Rapport Peat Marwick, Rapport des Trois Sages) pour aboutir à une restructuration collective de la sidérurgie européenne - le dernier rapport ayant d'ailleurs particulièrement confirmé l'analyse faite par la Commission.

L'alternative n'est pas entre restructuration et libéralisation, puisque la seconde ne met pas un terme à la nécessité de poursuivre la première.

Au cours de l'après-midi, la Commission a montré une certaine souplesse concernant la première catégorie (coils), facilitant ainsi un accord du Conseil.


Amities,
C.D. Ehlermann

Bruxelles, le 23 décembre 1987

NOTE BIO (87) 360, suite et fin AUX BUREAUX NATIONAUX
CC AUX MEMBRES DU SERVICE DU PORTE-PAROLE

Réunion du Conseil Industrie (G. Anoull)

A l'issue de 11 heures de discussions, le Conseil est parvenu aux décisions suivantes:

- quotas de production:

- a) pour les catégories 2 et 3, c'est-à-dire les tôles fortes et les profilés lourds, les quotas continueront jusqu'au 30 juin 1988 et devraient être poursuivis jusqu'à la fin 1990 si, à la date du 10 juin 1988, la Commission a reçu des engagements garantis de réduction des capacités excédentaires dans ces secteurs d'au moins 75% des dites capacités; au cas où cette condition ne serait pas remplie, les quotas s'arrêteront le 30 juin;
- b) en ce qui concerne les catégories 1a et 1b, c'est-à-dire les larges bandes à chaud et à froid, les quotas cesseront le 30 juin 1988; cependant, le Conseil a marqué son accord sur la proposition de la Commission d'étendre éventuellement ces quotas au-delà de cette date si, au 10 juin 1988, elle aurait reçu des engagements garantis de réduction de capacités, sous forme de fermetures d'installations, d'au moins 7,5 Mio/t pour la catégorie 1a d'ici le 10 juin 1988;
- c) par ailleurs, le Conseil a noté que la Commission augmentera les quotas de 2% au second trimestre 1988, en fonction du marché et dans l'optique de préparer un retour à la liberté de celui-ci.

Commentant cette première partie des résultats du Conseil, le Vice-Président Narjes s'est déclaré satisfait, "même si les souhaits de tous les participants n'ont pas été exaucés, y compris ceux de la Commission". De plus, la Commission maintient ainsi sa liberté de décision et, en juin, elle fixera sa position en fonction des engagements de réduction de capacités qu'elle juge indispensables.

- Volet social:

Il faut rappeler tout d'abord que le volet social, tout comme le volet régional (voir ci-dessous), constitue une part intégrante du "paquet" sidérurgie de la Commission.

En ce qui concerne le volet social, le Vice-Président Narjes a souligné l'opposition entre la Commission et le conseil concernant le financement des 50 MECU qui doivent être engagés en '88. Pour la Commission, il ne peut être question de les prélever sur les réserves CECA qui ont déjà été sollicitées au maximum et il est souhaitable d'effectuer un transfert à partir du budget général de la CEE. La Commission a d'ailleurs fait une déclaration à ce sujet lors du Conseil Industrie du 22.

En revanche, le Conseil a fait une déclaration indiquant que les paiements de '88 devraient être prélevés sur les réserves CECA, quitte à réexaminer le problème du financement du volet social au cours des années suivantes, avec un éventuel transfert sur le budget CECA des ressources des droits de douane sur les produits CECA qui, pour le moment, sont affectées au budget général.

- Volet régional :

Il s'agit du programme RESIDER pour la reconversion des zones sidérurgiques touchées par les réductions de capacités. La Commission en a pris l'initiative et y est particulièrement attachée. Mais elle n'entend pas que ce programme, doté actuellement de 300 MECU provenant du FEDER, soit mis en oeuvre de façon incohérente par rapport à la réforme des fonds structurels (COM 100) concernant notamment l'objectif n. 2, c'est-à-dire la reconversion des régions industrielles en déclin. Or, le Conseil s'est mis en tête de définir des critères pour la répartition de RESIDER. Ce à quoi la Commission a répondu par la déclaration suivante: "La Commission fera ses propositions sur les modalités d'accompagnement de RESIDER à la lumière des conclusions du Conseil européen sur les politiques d'accompagnement financées par les fonds structurels".

Le Vice-Président Narjes a manifesté son espoir que, malgré cette opposition entre le Conseil et la Commission, un consensus puisse être trouvé.

Amitiés, 
C.D. Ehlermann