



COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT



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1317th Council meeting

- Energy -

Brussels, 11 May 1989

President: Mr Claudio ARANZADI

Minister for Industry and Energy
of the Kingdom of Spain

Netherlands:

Mr Ch. R. van BEUGE Deputy Permanent Representative

Portugal:

Mr Luis Fernando de MIRA AMARAL Minister for Industry and Energy

United Kingdom:

Mr Peter MORRISON Deputy Minister for Energy

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Commission:

Mr Antonio CARDOSO E CUNHA Member

THE OIL MARKET AND THE REFINING INDUSTRY IN THE COMMUNITY:
DEVELOPMENTS AND THE PROSPECTS UNTIL 1995

The Council endorsed the following recommendations:

1. In order to achieve the objectives of the Single European Act in the refining sector, the Community should endeavour to reduce any distortions of competition having a significant impact on industrial costs and the competitiveness of refineries, including those resulting from rules related to environmental considerations. In this connection the Commission will if necessary submit proposals taking as a basis an appropriate level of environmental protection in accordance with the objectives of the Single European Act.
2. In the interests of safeguarding security of supply and the competitiveness of its economy,
 - the Community should maintain an efficient and viable refining industry of adequate capacity, operating at optimum utilization rates;
 - in this context responsibility for further restructuring will, as hitherto, rest with the industry itself, provided that freedom of competition is ensured and security of supply is not threatened.

3. Rationalization must continue, concentrating upon areas and refineries where utilization rates are less than optimum in relation to market requirements with the aim of raising these rates to an adequate level in all refineries.
4. The policies previously adopted regarding refining and imports of petroleum products should be continued.
5. Without jeopardizing the objectives referred to in paragraph 2, the Community should maintain its open attitude to imports of petroleum products and to downstream investments by oil-producing countries. In this connection, the Community would like to see the other major consuming and exporting countries pursue similar policies.

The Community will assess its attitude in this respect at regular intervals, on the basis of the Commission report referred to in the second indent of paragraph 9.

6. With a view to achieving the single market in energy, Governments should assume an active role in identifying and removing obstacles posed by national legislation to the rationalization of the refining industry.

7. It is in the first place a matter for the refining industry to take account of the Community dimension of the market by carrying out mergers or participating in joint ventures, in compliance with competition rules.
8. The Commission should continue to monitor developments and to report to the Council, if necessary together with appropriate proposals, concerning:
 - trends in consumption, external trade, refining capacity and profitability in the Community;
 - developments in other major oil-consuming and exporting countries;
 - progress made in restructuring, in order to ensure that there is no threat to security of supply or freedom of competition;
 - progress made by Member States in removing obstacles to rationalization;
 - implementation of measures concerning the environment and emissions in the various Member States.

RATIONAL USE OF ELECTRICITY

After receiving the Opinions of the European Parliament and the Economic and Social Committee, the Council approved a Decision adopting a Community action programme for improving the efficiency of electricity use.

This programme results from the Resolution of 15 January 1985 which the Council adopted on the matter and is in accordance with the Resolution of 16 September 1986 concerning Community energy policy objectives for 1995, which among other things calls for a rigorous energy-saving policy. This endeavour is of particular importance in the electricity sector, which contributes 35% to coverage of total primary energy consumption, with electricity consumption accounting for more than 17% of total final energy consumption.

Another important aspect is that energy savings entail savings in non-renewable raw materials and at the same time a reduction in environmental pollution.

Working on the conclusion that there is a major potential for improving electricity performance, the action programme will have as its twin objectives, inasmuch as this is technically and in the long term economically justified:

- to influence electricity consumers in favour of the use of appliances and equipment with high electrical efficiency in the most efficient manner;
- to encourage further improvements in the efficiency of electrical appliances and equipment and of electricity-based processes.

Activities which may be carried out under the action programme cover:

- consumer information;
- easy access to technical advice on the most efficient appliances and equipment;
- efficiency of electrical appliances and equipment;
- demonstration of new appliances;
- studies and other support activities.

Implementation of any or all of these activities depends on the specific situation of each Member State in relation to the Community objective to be achieved as defined above.

TRANSPARENCY OF CONSUMER ENERGY PRICES - PRESIDENCY CONCLUSIONS (1)

The Council discussed the Commission communication entitled "Transparency of consumer energy prices".

Following the debate the President drew the following conclusions:

"The Presidency, having stressed the importance of this subject in the context of completion of the single energy market, has taken note of the Commission's intention to submit to it by July 1989 a proposal intended to achieve greater transparency of information on prices charged to final consumers in the natural gas and electricity sectors.

The Presidency also noted that, in the context of achieving the single energy market, consideration should be given to whether or not it is desirable, as the Commission and certain Member States contend, to set up a system which, with due regard for the rules on confidentiality and competition, would permit transparency to be extended to cost structures and subsequently to price and tariff formation."

INTERNAL MARKET AND INTEGRATED ELECTRICAL ENERGY SYSTEMS

On the basis of a note from the Presidency on the internal market in integrated electrical energy systems, the Council conducted an exchange of views on the matter so that delegations and the Commission could put forward their initial thoughts on this important subject.

(1) Supported by eleven delegations and the Commission.

"THERMIE" PROGRAMME - COUNCIL CONCLUSIONS

Pending the Opinions of the European Parliament and the Economic and Social Committee, the Council held an initial exchange of views on the promotion of energy technology in the Community on the basis of the Commission communication entitled "Promotion of energy technology in Europe" (THERMIE programme).

The Council reached the following conclusions:

1. The Council welcomes the submission of this document by the Commission and notes that, in the context of the single market, the THERMIE technology programme can make a substantial contribution to technological development in the energy field.
2. In general terms, the Council is in agreement with the Commission's conclusions on the need for a new programme such as that set out in the above document, especially in the light of the expiry of the energy technology and hydrocarbon technology development programmes at the end of this year.
3. The Council hopes that the programme will be fully operational at the beginning of 1990.
4. The Council calls on the Commission, in accordance with the rules in force regarding financial estimates to submit a proposal on the total funding required for the programme, which could be the subject of an indicative breakdown taking account nonetheless of the overall objectives of the programme.
5. The Council instructs the Permanent Representatives Committee to take the appropriate steps to enable the document to be examined at the next Council meeting on energy questions.

USE OF NATURAL GAS IN POWER STATIONS

The Council, having before it a Commission staff paper, conducted an exchange of views on the use of natural gas in power stations, which is governed by Council Directive 75/404/EEC of 13 February 1975.

The Council noted that the Commission was keeping open the possibility of further thought on the matter in the context of long-term Community objectives related to the establishment of an internal market in energy.

AWARD OF PUBLIC CONTRACTS IN THE WATER, ENERGY AND TRANSPORT SECTORS - ENERGY ASPECTS

The Council reiterated the importance it attached to the dossiers concerning the internal energy market, including those which, while not relating solely to the energy sector, were of major importance to it. It stated its interest in communicating to the Internal Market Council, before the latter took a decision, its views on the energy aspects of the proposal for a Directive submitted on the matter by the Commission.

It instructed the Permanent Representatives Committee to make the appropriate arrangements for this communication to be prepared in good time.

MISCELLANEOUS DECISIONSAnti-dumping

The Council adopted the regulation imposing a definitive anti-dumping duty on imports of light sodium carbonate originating in Bulgaria, the German Democratic Republic, Poland and Romania.

For light sodium carbonate falling within CN codes ex 2836 20 00 and ex 3823 90 98, the amount of the duty will be:

- for all imports in bulk, the difference between the net price per tonne, free-at-Community-frontier, not cleared through customs, and the sum of ECU 143;
- for all imports in bags of a unit weight of less than 500 kg, the difference between the net price per tonne, free-at-Community-frontier, not cleared through customs, and the sum of ECU 159.

Social security for migrant workers- technical adjustments in connection with enlargement

The Council adopted the Regulation amending Regulation (EEC) No 1408/71 on the application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the Community and Regulation (EEC) No 574/72 laying down the procedure for implementing Regulation (EEC) No 1408/71.

The amendments concern transitional provisions on pensions and other benefits.

Appointments

The Council replaced:

- an alternate member of the Advisory Committee on Education and Training in the Field of Architecture;
 - a member of the Consultative Committee of the European Coal and Steel Community.
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