

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

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1450th Council meeting

- Industry -

Brussels, 26 November 1990

Presidents:

Mr Adolfo BATTAGLIA
Minister for Industry, Trade and
Craft Trades

Mr Carlo VIZZINI
Minister for Merchant Shipping

of the Italian Republic

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

Belgium

Mr Willy CLAES Minister for Economic Affairs

Denmark

Mrs Anne-Birgitte LUNDHOLT Minister for Industry

Mr Christopher Bo BRAMSEN State Secretary for Industry

Germany

Mr Jürgen TRUMPF Ambassador, Permanent Representative

Greece

Mr Vassilios MANTZORIS State Secretary for Industry, Energy and Technology

Spain

Mr Claudio ARANZADI Minister for Industry and Energy

France

Mr Roger FAUROUX Minister for Industry and Town and Country Planning

Ireland

Mr Desmond O'MALLEY Minister for Industry and Commerce

Italy

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| Mr Adolfo BATTAGLIA | Minister for Industry, Trade and Craft Trades |
| Mr Carlo VIZZINI | Minister for Merchant Shipping |
| Mr Franco BONFERRONI | State Secretary for Industry |

Luxembourg

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| Mr Robert GOEBBELS | Minister for Economic Affairs |
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Netherlands

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| Mr J.E. ANDRIESSEN | Minister for Economic Affairs |
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Portugal

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| Mr Luis MIRA AMARAL | Minister for Industry and Energy |
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United Kingdom

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| Lord HESKETH | Minister of State, Department of Trade and Industry |
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Commission

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| Mr Martin BANGEMANN | Vice-President |
| Sir Leon BRITTAN | Vice-President |

GENERAL INDUSTRIAL POLICY

The Council heard a statement by Vice-President BANGEMANN introducing the Commission communication entitled "Industrial policy in an open and competitive environment: Guidelines for a Community approach".

The Council then held an in-depth policy discussion in this connection at the close of which it adopted the following conclusions:

"The Council warmly appreciates the document forwarded by the Commission.

It approves the document's conclusions here attached, in view of achieving the goal of an industrial policy of the Community that would take into account the complexities of the situation both internal and external to the Community as well as allow a more balanced development and a greater economic and social cohesion within the Community.

It calls on the Commission to continue its work and its studies in the light of the discussion which has taken place, also bearing in mind:

- the evolution of the economic situation and of the strategies of the major non-EEC industrialized countries and of the newly industrialized countries;
- the need to ensure the utmost consistency between the various Community policies which directly or indirectly affect the system of production both of goods and of services on the one hand, as well as the consistency on the other hand between the said policies and those of the Member States;
- the need for an appropriate use of the instruments available to the Community in order to strengthen the technological capabilities and the competitiveness of the European industrial system.

The Council also notes the Commission's intention to submit the proposals that would prove necessary for the implementation of the guidelines thus set forth."

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Annex to the Council's conclusions: Conclusions of the Commission communication

I. The Commission proposes that the Council approves:

- the Commission's analysis of the degree of industrial adjustment achieved so far and of its ongoing character which is required for the global competitiveness of European industry;
- the concept that Community industrial policy should promote permanent adaptation to industrial change in an open and competitive market. It is based on the principle of free trade and on the competitive functioning of markets around long term industrial and technological perspectives;
- the principle that this policy be implemented through the creation of a favourable environment for firms' initiative through the coherent recourse to all those Community activities having an impact on industry;
- that industrial problems at a regional or sectoral level should increasingly be resolved by horizontal measures.

II. In order to implement these principles in the current competitive context, the Commission proposes that the Community and Member States:

1. Improve the functioning of the internal market:

- through ensuring its completion on the basis of the White Paper's approach, properly transposed and enforced at the national level;
- through ensuring better control of public financial assistance to industry, in particular when this assistance affects highly capital-intensive investments;
- through ensuring more coherence between different Community and national activities as far as they concern industrial policy. In order to achieve this and assure subsidiarity, it is important to develop dialogue and the exchange of information;
- through accepting the necessity for this policy to take into consideration developments resulting from the globalization of markets, production and operators, as well as the industrial policies of the Community's main competitors.

2. Improve the functioning of the world market:

- through a continuous effort to further open up and strictly implement the multilateral trading system;
- through facilitating the flow of international investment;
- through vigilance against unfair commercial practices, and the will to deal with them;
- through facilitating co-operation with international partners of the Community, amongst others in Central and Eastern Europe;

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- through ensuring that the markets of the Community's competitors are as open as that of the Community itself on the basis of the principle of balance between rights and obligations.
3. Pursue those positive adjustment policies aimed at building a favourable economic environment for private initiative and investment in the Community:
- by maintaining a macro-economic framework directed towards stability and the facilitation of medium and long-term funding for industrial enterprises. In the current context of growing international economic uncertainty, a dependable macro-economic framework is more and more necessary for business;
 - by ensuring that the efforts of firms, the Community and Member States for technological research and development are strengthened, through greater co-operation between the parties concerned and in particular between producers and users of new technologies, and through exploiting the industrial potential of innovation and technological research and development policies at national and Community level,
 - by directing national and Community structural instruments more towards backing structural adjustment and strengthening firms' competitiveness in less developed regions;
 - by strengthening policies which take into account the special requirements of SMEs and the promotion of new business formation. In particular, national and Community actions to support intra-Community and international co-operation between SMEs and large firms should be developed;
 - by recognizing that a high level of environmental protection offers both challenges and opportunities for industry, and that competitiveness and protection of the environment are not in opposition to one another;
 - by implementing effective policies to develop human resources, in particular through a life-long approach to the acquisition of skills based on detailed knowledge of industry's requirements;
 - by supporting the implementation of trans-European networks required for the proper functioning of the large market;
 - by ensuring that a sufficiently attentive examination of industrial development is made in order to ensure that the necessary requirements for adjustment are met.

SHIPBUILDING

The Council approved as to its substance the seventh Directive on aid to shipbuilding. This Directive follows on from the sixth Directive which is due to expire on 31 December 1990. The new Directive will have a period of validity of three years from 1 January 1991.

The enacting terms of the new Directive broadly correspond to the present aid arrangements, subject only to a few changes. It takes account of the fact that aid to this sector cannot be abolished at this stage because of the need to encourage restructuring in many shipyards but also bearing in mind international efforts to normalize market conditions by dismantling competition-distorting aspects.

To attain the objectives set, the Directive considers as compatible with the common market production aid for the building and conversion of ships where the total amount does not exceed a common maximum ceiling - currently 20% - of the contract value before aid.

The ceiling is fixed by the Commission with reference to the prevailing difference between the cost structures of the most competitive Community yards and the prices charged by their main international competitors with particular regard to the market sectors in which the Community yards remain relatively most competitive.

The ceiling will be reviewed annually, or at shorter intervals, where exceptional circumstances so warrant with the aim of reducing the ceiling gradually.

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It should be recalled that this common maximum ceiling covers both State aid and aid granted by regional or local authorities and applies to all forms of production aid - whether under sectoral, general or regional aid schemes - granted directly to the yards and aid to shipbuilders, provided that such aid is used for the building or conversion of ships in Community yards. The ceiling also covers operating aids granted to shipyards.

As regards small ships of a value of ECU 10 million or less for which competition is mainly between Member State shipyards, the Commission will take special measures to maintain aid at the lowest level possible - currently 14%.

Additional aid may be granted, subject to certain conditions, provided that it promotes restructuring: investment aid, aid for closures and aid for research and development.

Spain, as a new Member State, will continue to be exempted for a year. However, the granting of aid by Spain will be subject to its continuing to implement a sectoral restructuring programme, including the reduction in capacity and the progressive reduction in aid.

Greece will also enjoy a one year derogation as regards operating aid so as to enable the financial restructuring of Greek shipyards.

As regards the territory of the former GDR, the Council and the Commission undertook in a statement to examine a request by the German Government for a transitional arrangement aimed at permitting structural adjustments and

exclusively limited to the shipyards of that territory. This examination will be carried out as soon as the details concerning in particular the proposed structure for the sector and the exact state of its order books have been given. In this connection account will be taken of the implications of such transitional arrangements for conditions of competition in the Community.

The implementation, and the monitoring of application, of the Directive pursuant to Articles 92 and 93 of the EEC Treaty are the Commission's responsibility; Member States must provide the Commission with the necessary information.

SUPPLEMENTARY PROTECTION CERTIFICATE FOR MEDICINAL PRODUCTS

The Council held an exchange of views on certain questions raised by a proposal for a Regulation concerning the creation of a supplementary protection certificate for medicinal products covered by a patent, namely the questions relating to legal basis, the form of the instrument and the compatibility of the Commission proposal with the Munich European Patent Convention.

At the close of its exchange of views, from which it emerged that there was agreement in principle on the need for Community action to improve the legal protection of medicinal products, the Council instructed the Permanent Representatives Committee to continue proceedings on the proposal.

URUGUAY ROUND - INDUSTRIAL IMPACT

The Council noted a statement by Vice-President BANGEMANN on the impact of the Uruguay Round on European industry. He stressed in particular the vital importance for the Community, as a premier trading power, of the success of

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these negotiations and appealed to all partners participating in the talks to do their utmost to ensure their success.

In conclusion to the exchange of views on this matter, the Council invited the Commission to continue its activities and to ensure that the results of the Uruguay Round were not prejudicial to European industry.

THE FUTURE OF THE ECSC TREATY

The Council noted an oral communication from the Commission on the progress of its reflections on the future of the ECSC Treaty. The Council agreed to resume examination of this item at the appropriate time.

THE ROLE OF THE CRAFT TRADES IN THE COMMUNITY

The Council noted an oral communication from the Commission on the progress and results of the Conference it had organized in the preceding October in Avignon with the representatives of the authorities of the Member States and the interested circles, aimed at bringing into relief the specific problems of trade crafts in the Community and the possibility of action to promote future development.

The communication was favourably received by the Member States and the Commission was encouraged to continue its actions along the lines it had described.

EUROPEAN SEMI-CONDUCTOR INDUSTRY

The Council agreed to take this item at a forthcoming meeting.

Bruxelles, le 26 novembre 1990

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BIO(90)368 AUX BUREAUX NATIONAUX
CC. : MEMBRES DU SERVICE DU PORTE-PAROLE

Industry Council

POLITIQUE INDUSTRIELLE : LES DOUZE APPUIENT LE CONCEPT DE LA
COMMISSION EUROPEENNE (W. HÉLIN)

" Il ne s'agit plus aujourd'hui de se poser la question si une politique Industrielle au niveau de la Communauté Européenne est nécessaire, mais COMMENT la faire : une discussion scolastique à ce sujet n'est plus de mise en 1990, puisque tous nos pays, sans exception font de la politique Industrielle ".

C'est en ces termes que le Vice-Président Martin Bangemann a introduit lundi à Bruxelles, devant les Ministres de l'Industrie des Douze le débat sur le concept de politique Industrielle proposé par la Commission (voir la note P-82 à ce sujet).

Les Douze ont d'ailleurs unanimement approuvé ce concept.

"Le fondement même de notre concept de politique Industrielle, a rappelé M. Bangemann, n'est pas de présenter un document de politique conjoncturelle, mais bien au contraire de veiller à assurer l'ajustement structurel de l'industrie européenne confrontée à la mondialisation des marchés, aux défis technologiques et aux goulets d'étranglement de la formation professionnelle souvent défalliante en Europe".

Ces défis ne pourront être durablement affrontés, selon M. Bangemann, que si l'industrie européenne ne se replie pas sur elle-même dans un réflexe frileux de protectionnisme.

La compétition mondiale s'annonce de plus en plus dure, a-t-il poursuivi, pour deux raisons essentiellement : d'abord parce que la concurrence des nouveaux pays industrialisés sera plus forte et que la bataille dans les industries à haute densité de capital sera plus dure.

Pour nos industriels, a-t-il indiqué, de nouveaux défis s'annoncent dont ils devront tenir compte dans leurs stratégies à long terme : la lutte contre la pollution, les coûts sociaux et les besoins d'infrastructures performantes dignes d'un grand marché intégré. Il faut donc que le capital investi soit rentable.

L'ajustement structurel de l'industrie européenne devra en outre se dérouler selon un rythme accéléré, pour tenir compte de la rapidité des changements technologiques dans le monde.

Pour la Commission Européenne, a rappelé le Vice-Président Bangemann, ces défis peuvent être relevés si :

1. le grand marché est en place, comme prévu à la fin de 1992 : ceci est une condition sine qua non pour que nous puissions offrir à nos entreprises un "marché local" à la taille d'un continent.

C'est l'objectif que nous poursuivons par la mise en place de normes européennes, sévères et garantissant la meilleure qualité des produits industriels, par notre politique d'ouverture d'un grand marché des achats et commandes publiques, par nos propositions en matière de droit des sociétés véritablement européen ainsi que par notre effort d'abolir les politiques de quotas nationaux et de mettre en place un droit européen de la concurrence.

2. L'Europe se dote de véritables "champions européens" - comme le démontre à suffisance la position d'Airbus, confronté d'entrée de jeu à la compétition mondiale face à Boeing et McDonnell-Douglas - pour assurer le transfert technologique dans tous les secteurs d'activité.

La frontière entre "low tech" et "high tech" est de plus en plus vague, et même si nous ne devons pas être les premiers en tout, il faudra de plus en plus intégrer la R&D dans le concept de politique industrielle européen.

Certes, nous ne voulons pas l'instauration d'une sorte de MITI européen, mais il faut que les Européens concentrent davantage leurs efforts;

3. L'industrie européenne accepte le défi de la lutte contre la pollution et ne la considère plus comme un seul facteur de coûts de production supplémentaires, mais y voit, au contraire, une possibilité d'accroître sensiblement sa compétitivité dans des domaines industriels nouveaux.

Les temps sont révolus, a conclu M. Bangemann, où la politique industrielle au niveau européen se résumait en une action de "service de pompiers" destinée à éteindre les foyers d'incendies dans certains secteurs industriels.

ATTENTION SPECIALE WASHINGTON, TOKYO ET GENEVE

LES RETOMBÉES INDUSTRIELLES DE L'URUGUAY ROUND

" La Communauté Européenne est de loin le numéro un mondial des échanges commerciaux internationaux, avec à son actif 20 % du commerce du globe, contre 15 % aux Etats-Unis et 12 % au Japon : les répercussions d'un échec de l'Uruguay Round seraient donc particulièrement négatives pour les industriels de la Communauté : nous devons donc tout mettre en oeuvre pour faire aboutir ces négociations, parce que nous serions les premières victimes d'un échec."

C'est ce qu'a dit aux Ministres de l'Industrie des Douze, lundi à Bruxelles, le Vice-Président Bangemann.

"C'est l'avenir industriel de la Communauté qui est en jeu et ce serait une erreur fondamentale que de se concentrer uniquement sur le débat agricole", a-t-il poursuivi.

" En effet, a encore dit le Vice-Président Bangemann, plus que quiconque, nous avons besoin de règles multilatérales claires et contraignantes, sans quoi, nous n'éviterons pas les solutions bilatérales, sans quoi nous ne pourrions faire jouer pleinement les clauses de sauvegarde, les règles anti-dumping et les règles sur la protection industrielle qui coûte à l'industrie de la Communauté des milliards d'Ecus par an, en raison des actes de piraterie innombrables qu'il s'agisse du secteur de la pharmacie, de la chimie, de l'industrie du disque, des ordinateurs, du logiciel ou du traitement de données ".

"Nous devons donc pouvoir être en mesure de faire des concessions tarifaires et non-tarifaires : même si les chiffres du FMI peuvent être considérés comme optimistes - à savoir qu'une réduction de 50 % des droits de douane et des mesures non tarifaires en Europe, aux Etats-Unis et dans la zone pacifique se traduirait par une croissance supplémentaires de quelque 5 % dans ces régions - au moins de telles mesures seront génératrices de croissance et l'Europe en a besoin, notamment pour créer des emplois nouveaux et stables", a indiqué M. Bangemann.

ATTENTION SPECIALE PARIS, ROME ET MILAN

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LE DOSSIER DES AUTOMOBILES JAPONAISES EN EUROPE

" Tant que la France et l'Italie n'acceptent pas les éléments du compromis que la Commission Européenne a mis au point avec les responsables politiques et industriels japonais, comment serai-je en mesure de convaincre les autres pays de la Communauté, qui ne veulent pas entendre parler d'une quelconque protection du marché européen au-delà de la fin de 1992 ?", telle est la question qu'a lancée à la presse européenne lundi à Bruxelles, le Vice-Président Martin Bangemann, en marge de la réunion des Ministres de l'Industrie des Douze.

" Certains Industriels français de l'automobile - et ce n'est pas M. Lévy de la Régie Renault, a dit en souriant M. Bangemann ! - nous reprochent de ne pas appliquer les règles élémentaires de la démocratie : où est-elle cette démocratie, alors que dix pays sur douze refusent pour l'instant une solution qui devrait satisfaire deux d'entre eux : que les choses soient claires : si l'on continue à refuser ce qui est sur la table, j'arrête tout simplement de travailler sur ce dossier, et il n'y aura d'autre alternative que d'ouvrir pleinement le marché européen au 1er janvier 1993, c'est tout ", a dit encore M. Bangemann.

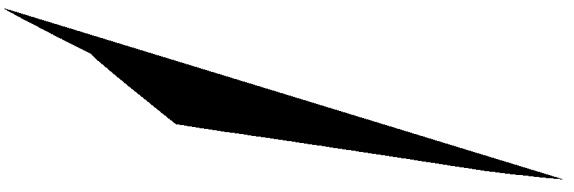
" Nous ne sommes pas de dictateurs, mais au contraire, nous essayons de faire en sorte que notre idée de faire accepter aux Japonais une période de transition serve essentiellement les intérêts de ceux des pays qui actuellement sont les plus protégés à l'égard de la pénétration des automobiles japonaises ", a poursuivi M. Bangemann.

Il a d'ailleurs tenu à souligner que la question n'avait pas été évoquée au Conseil des Ministres : "nous n'avons d'ailleurs pas besoin d'un mandat officiel de négociations ", a répété pour la nième fois M. Bangemann, soulignant qu'il appartient désormais aux pays de la Communauté de faire le nécessaire et non pas à la Commission Européenne, qui " a fait son travail ".

Amitiés,



Bruno Dethomas



Brussels, 27 November 1990

NOTE BIO (90) 368 SUITE 1 ET FIN AUX BUREAUX NATIONAUX
CC: AUX MEMBRES DU SERVICE PORTE-PAROLE

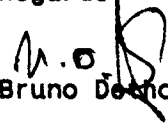
Industry Council - 26 November 1990 (M. Berendt)

Ministers last night gave their agreement in principle to the Seventh Shipbuilding Directive, which will take effect from the beginning of next year. This Directive will extend the terms of the Sixth Directive, which sets out the disciplines for granting of aid for shipyard restructuring and subsidies for shipbuilding. The directive is related to discussions in the OECD on the phasing out of shipbuilding aid on an international basis.

The Council directive will be for a three year period (the Commission had proposed two years). Spain will have a one-year derogation from the aid framework, while implementing a two-year restructuring plan for the industry. Portugal also has a restructuring plan, but has not asked for a derogation and will apply the new rules when they come into effect. The Council agreed a declaration which acknowledges the special problems of the shipyards in the eastern laender of Germany which "may require an aid support which cannot be covered under the provisions of the directive". The German authorities are finding it difficult to assess the real financial situation, since most of the ships being built or on order are for Comecon countries and there is some uncertainty over them.

There are two main elements in the directive. Aid for restructuring must be related to capacity reductions. When a yard is closed under such a scheme, the closure must be for at least five years; a government must have Commission agreement to any reopening of the yard in the subsequent five years. The levels of aid for individual ships are fixed on an annual basis by the Commission. The present level is 20 per cent of the capital cost of a vessel. A decision for 1991 will be taken in December.

Regards,


Bruno De Thomas

