



COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT



PRESS RELEASE

573rd Council meeting

- Energy -

Brussels, 27 March 1979

President: Mr André GIRAUD,
Minister for Industry
of the French Republic

5862/79 (Presse 33)

27.III.79

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

Belgium:

Mr Joseph VAN DER MEULEN Ambassador,
Permanent Representation

Denmark:

Mr Ole BECH Director General,
Ministry of Foreign Affairs

Germany:

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

France:

Mr André GIRAUD Minister for Industry

Ireland:

Mr Desmond O'MALLEY Minister for Industry,
Commerce and Energy

Italy:

Mr Eugenio PLAJA Ambassador,
Permanent Representation

Luxembourg:

Mr Josy BARTHEL Minister for Energy

SITUATION ON THE OIL AND ENERGY MARKET

In the light of the conclusions of the European Council meeting on 12 and 13 March 1979 and on the basis of the analysis of the world and Community energy situation carried out by the Commission in its communication of 20 March 1979, the Council agreed:

- to implement the specific measures needed to attain the objectives of limiting oil consumption in 1979 to 500 million tonnes and of limiting oil imports in 1985 to their level in 1978;
- to give urgent priority to examining the other measures already proposed by the Commission which are necessary for attaining the Community's medium and long-term energy objectives;
- to examine the development and application of effective and convergent energy policies in the Community;
- to examine, on the basis of proposals to be made by the Commission, new Community objectives for 1990 with a view to their forthcoming adoption;
- to discuss the best means for improving the Community's relations in the energy field with producing countries and other third countries.

- Monitoring of the oil market

In accordance with the conclusions of the European Council, the Council examined the measures to improve information on the quantities and prices of oil and petroleum products imported into the Community.

In this connection, it noted with satisfaction the Commission decision to collect each month the information referred to in the Council Directive 76/491 of 4 May 1976 regarding a Community procedure for information and consultation on the prices of crude oil and petroleum products in the Community. The Council asked the Commission to submit regular short-term forecasts concerning the supply structure.

The Council asked the Commission to prepare as a matter of urgency any improvements which could be made to this information in particular on the following points: original grades of the crude oil, loading dates and component data in the price of oil and petroleum products (in particular loading price and freight). It asked the Commission to submit proposals as soon as possible.

The Council also asked the Commission to resume immediately its monitoring of the operations of the various free markets, particularly Rotterdam, and to submit a report as soon as possible and in any case by the end of the year.

The Council instructed the Permanent Representatives Committee to follow the progress of the Community work so that the necessary decisions could be finalized before the next meeting.

-- Community crisis arrangements

In accordance with the conclusions reached by the European Council at its meeting on 12 and 13 March 1979 instructing the relevant Community Institutions to finalize the Community crisis arrangements, the principles of which were adopted in 1977, the Council examined the problems arising in this area.

As regards the introduction of detailed rules implementing Decision 77/706 concerning the reduction of consumption of petroleum and petroleum products, the Council noted that the Commission would adopt its implementing decision before the next Council meeting on energy, taking into account the comments made by various delegations.

-- Limitation of oil consumption

The Council

- held a discussion on on the practical means to be employed in order to reduce the Community's consumption of oil and petroleum products to 500 million tonnes in 1979, in accordance with the conclusions of the European Council;

DEMONSTRATION PROJECTS FOR ENERGY SAVING AND ALTERNATIVE ENERGY SOURCES

The Council agreed to adopt at a forthcoming meeting, following legal/linguistic finalization,

- 3 implementing regulations for geothermal energy, solar energy and the gasification and liquefaction of solid fuels;
- 2 regulations fixing ceilings for Community expenditure on projects concerning energy saving and alternative energy sources.

It also approved the Commission decisions granting financial support totalling,

- 21 MEUA for 53 demonstration projects in the field of energy saving;
- 28 MEUA for more than 30 demonstration projects in the field of alternative energy sources.

The Working Party on Energy should endeavour to arrive at a joint reply to the question of the need for such aid and the procedural details thereof, by replying in particular to the questions raised by the Presidency at the Council meeting on 21 December 1978, and by studying the objective criteria on which such aid could be granted.

- (c) The Council recalled that these efforts could not be undertaken separately without studying at the same time policies for the development of Community resources of hydrocarbons, nuclear energy and alternative energy.

- Community coal supplies

= Community coal

Community production is of strategic importance for the Community's supplies:

- (a) It is, first of all, desirable that an analysis be made, at Community level, of national policies to bring out the common features and the limits - notably economic - on the Member States' and the Community's action in this field.

A Commission report should therefore be submitted to the next Council meeting on this issue, as for other types of energy production in the Community.

COMMUNITY SUPPORT FOR HYDROCARBON EXPLORATION PROJECTS

The Council examined the problems arising in connection with the framework Regulation on support for joint hydrocarbon exploration projects. It noted that the fact that several Member States had upheld general reservations did not enable it at this juncture to reach a positive conclusion either on this framework Regulation or on any specific projects.

EXTERNAL MEASURES BY THE COMMUNITY

Having taken note of the progress made by its relevant subordinate bodies as regards the Commission communication entitled "Aspects of external measures by the Community in the energy sector" and having noted that the Commission had just submitted a communication on the initial measures for co-operation in the energy field with certain developing countries, the Council agreed to hold a detailed examination of these communications at its meeting on energy scheduled for April.

INDICATION BY LABELLING OF THE ENERGY CONSUMPTION OF
DOMESTIC APPLIANCES

After noting that

- the Directive on the indication by labelling of the energy consumption of domestic appliances, and
- the Directive applying to electric ovens the Council Directive on the indication by labelling of the energy consumption of domestic appliances

no longer posed any problems, agreed to adopt the relevant texts following legal/linguistic finalization after the Economic and Social Committee has delivered its Opinion.

OTHER DECISIONS

The Council adopted, in the official languages of the Communities,

- the Directive amending Directive 76/579/Euratom laying down the revised basic safety standards for the health protection of the general public and workers against the dangers of ionizing radiation
- the two decisions adopting research programmes for EURATOM on
 - = decommissioning of power plants, and
 - = safety in thermal water reactors (indirect nuclear action).

Appointments

On a proposal from the Belgian Government, the Council appointed Mr M. RENIERS a member of the Advisory Committee of the Euratom Supply Agency in replacement of Mr R. VANDAMME, who has resigned, for the remainder of the latter's term of office, i.e. until 28 March 1979.

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COPIE A M. G. FURCHARDT : D.G. I

A L'ATTENTION DE MM. LES CHEFS DE DELEGATION

OBJET : 937EME REUNION DU C.R.P. DU 29 MARS

= SUITES DU CONSEIL ''ENERGIE'' DU 27 MARS

PROCHAINE SESSION DU CONSEIL ''ENERGIE''

LE PRESIDENT DU COMITE, AYANT CONSTATE QU'IL Y A DES
DIFFICULTES POUR TENIR LE PROCHAIN CONSEIL ''ENERGIE'' A LA
DATE DU 24 AVRIL - QUI AVAIT ETE RETENUE EN PRINCIPE PAR LES
MINISTRES MEMES A L'OCCASION DU CONSEIL DU 27 MARS DERNIER-
LES REPRESENTANTS PERMANENTS SONT CONVENUS QUE CETTE SESSION
AURAIT LIEU VERS LA MI-MAI, A UNE DATE A PRECISER ULTERIEUREMENT..

MICHEL J. COLMANT (SEC.GFN.)

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NOTE BIO(79)106 AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU GROUPE, A M. BURGHARDT, DG I,
ET A M. LECOMTE, DG VIII

OBJET: PREPARATION CONSEIL ENERGIE (ROBERT ELPHICK)

LE CONSEIL DES MINISTRES DE L ENERGIE SE REUNIE DEMAIN (MARDI) A 10H DANS DES CIRCONSTANCES PARTICULIEREMENT IMPORTANTES. LE POINT MAJEUR DE L ORDRE DU JOUR SERA L EXAMEN DES CONCLUSIONS DU CONSEIL EUROPEEN A PARIS IL Y A DEUX SEMAINES A LA LUMIERE DE LA SITUATION ENERGETIQUE. ON DOIT REMARQUER QUE L OPEP SE REUNIE AUJOURD'HUI POUR EXAMINER SA PROPRE POLITIQUE APRES LES EVENEMENTS EN IRAN. LES PRINCIPAUX THEMES SUITE AUX DECISIONS PRISES A PARIS SONT LES MESURES D-ECONOMIE D ENERGIE A PRENDRE EN 1979 POUR ATTEINDRE UNE REDUCTION DE 5 POURCENT ET LA CONVERGENCE DES POLITIQUES NATIONALES.

RAPPELONS QUE LE CONSEIL EUROPEEN A DECIDE DE LIMITER NOTRE CONSOMMATION DE PETROLE A 500 MILLIONS DE TONNES EN 1979. NOUS CROYONS QUE LA REDUCTION ENVISAGEE NE JUSTIFIE PAS DES MESURES DE CARACTERE CONTRAIGNANT TELLES QUE REPARTITION AUTORITAIRE DES RESSOURCES, MAIS PLUTOT DES MESURES DE CARACTERE VOLONTAIRE PERMETTANT UNE REPARTITION EQUITABLE DES CONTRAINTES ENTRE LES DIFFERENTES CATEGORIES DE CONSOMMATEURS SANS AFFECTER L ACTIVITE ECONOMIQUE. L INITIATIVE DE CES MESURES EST DE LA COMPETENCE DES ETATS MEMBRES. LE ROLE DE LA COMMISSION EST D EN ANALYSER LES EFFETS, SUIVRE L APPLICATION DANS LES ETATS MEMBRES ET DE LES COORDINER POUR AUTANT QUE NECESSAIRE AU NIVEAU DE LA COMMUNAUTE.

DANS LE CONTEXTE DE LA DISCUSSION SUR LA SITUATION ENERGETIQUE MONDIALE (VOIR P-26 DE 1979), M. BRUNNER A L INTENTION D INFORMER LE CONSEIL DE SON ENTRETIEN AVEC M. SCHLESINGER A WASHINGTON IL Y A QUELQUES JOURS (LE 20.3) ET DES PERSPECTIVES QUI SE DESSINENT EN MATIERE DE CONTACTS ENTRE CONSOMMATEURS ET PRODUCTEURS. M. BRUNNER PROPOSE QUE LA COMMUNAUTE DEVRAIT PRENDRE L INITIATIVE EN PROPOSANT DES RENCONTRES PLUS SYSTEMATIQUES, PAR EX. DANS LE CADRE D UN GROUPE DE STRATEGIE A LONG TERME. POUR COMMENCER IL S AGIRAIT D ECHANGES DE VUES DE CARACTERE TECHNIQUE QUI PERMETTRAIENT D UNE PART ET D AUTRE UNE MEILLEURE CONNAISSANCE DES FAITS ET DES PERSPECTIVES ET FAVORISER UNE PLUS GRANDE COMPREHENSION MUTUELLE.

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E. PERLOT



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NOTE BIO(79)106 (SUITE 1) AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU GROUPE, A M. BURGHARDT, DG I,
ET A M. LECOMTE, DG VIII

SUBJECT: ENERGY COUNCIL (ROBERT ELPHICK)

THE COUNCIL OF ENERGY MINISTERS BEGAN MEETING AT 10 TODAY UNDER THE PRESIDENCY OF MR ANDRE GIRAUD. ALMOST IMMEDIATELY THE MINISTERS BEGAN AN EXAMINATION OF THE PRESENT ENERGY SITUATION AND THE WAYS OF PUTTING INTO EFFECT THE DECISIONS OF THE EUROPEAN COUNCIL OF 12 AND 13 MARCH IN PARIS. THIS COUNCIL NOTABLY DECIDED TO IMPLEMENT ENERGY SAVING MEASURES AND SET A LIMIT ON OIL CONSUMPTION THIS YEAR AT 500 MILLION TONNES WHICH IS AN EFFECTIVE REDUCTION OF 5 PERCENT.

FOR THE COMMISSION, MR BRUNNER POINTED OUT THAT THE OPEC COUNTRIES WERE ALSO MEETING IN GENEVA. THE TREND THERE WAS TO REDUCE PRODUCTION AND INCREASE PRICES. THIS MADE IT ALL THE MORE NECESSARY TO COME TO POSITIVE CONCLUSIONS AS OUTLINED AT PARIS. OVER THE FIRST SIX MONTHS OF 1979 THE COMMUNITY WILL HAVE A SUPPLY DEFICIT OF 6 PERCENT COMPARED WITH THE SAME PERIOD LAST YEAR. MUCH HUNG ON THE WEATHER, FROM ECONOMIC TRENDS AND FROM FUTURE POLICIES OF THE PRODUCING COUNTRIES.

THE SHRINKING OF THE STOCK POSITION IN THE COMMUNITY IS SLIGHTLY LESS DRAMATIC THAN FIRST THOUGHT. ON JANUARY 1, THIS YEAR, THE COMMUNITY HAD ON AVERAGE 113 DAYS OF STOCKS. ON MARCH 1 THESE HAD GONE DOWN TO AN AVERAGE OF 107 DAYS. THE POSITION DIFFERED COUNTRY FROM COUNTRY - IN LUXEMBURG IT WAS 80 DAYS AND IRELAND HAD 85 DAYS. THERE WAS STILL A DANGER OF SUDDEN MOVEMENTS IN STOCK REDUCTION, UNLESS WE CAN FILL UP STORAGE TANKS THIS SUMMER WE COULD BE VULNERABLE NEXT WINTER.

LATEST PRICE MOVEMENTS WERE DISQUIETING SAID BRUNNER. AVERAGE CRUDE OIL RISES OVER 1978 WERE 8.8 PERCENT. THE DECISION BY OPEC TO RAISE PRICES IN DECEMBER FROM 12.7 DOLLARS PER BARREL TO 14.54 DOLLARS HAD THE FOLLOWING EFFECT: IMPORT COSTS ROSE BY FIVE BILLION DOLLARS, BALANCE OF PAYMENTS WORSENER BY 2.5 BILLION DOLLARS. AVERAGE INFLATION RATE ROSE ON AVERAGE 0.45 PERCENT, ECONOMIC GROWTH WAS HIT BY 0.4 PERCENT. EVERY EXTRA DOLLAR ON A BARREL OF OIL WILL INCREASE THE OIL IMPORT BILL BY 3.6 BILLION DOLLARS AND WORSENER BALANCE OF PAYMENTS BY 3 BILLION DOLLARS. INFLATION WOULD RISE BY 0.3 PERCENT, GROWTH WOULD DECREASE BY 0.4 PERCENT.

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[Signature]

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NOTE BIO (79)106 (SUITE 2) AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU GROUPE, A M. BURGHARDT, DG I,
ET A M. LECOMTE, DG VIII

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SUBJECT:ENERGY COUNCIL (ROBERT ELPHICK)

THE COUNCIL WENT INTO RESTRAINT SESSSION BOTH BEFORE AND AFTER LUNCH TO DISCUSS THE GENERAL ENERGY SITUATION AND THE OPEC PRICE RISE. IN OPEN SESSION LATER THEY HAD ANOTHER LONG DISCUSSION ON THE COAL PROPOSALS PUT FORWARD BY THE COMMISSION. MR BRUNNER POINTED OUT THAT OUTSIDE SUPPLIES OF COAL COULD NOT BE RELIED UPON. LAST YEAR, FOR INSTANCE, THE COMMUNITY IMPORTED FROM AMERICA LESS COAL THAN IN ANY YEAR SINCE 1962. POLISH COAL WAS ALSO NOT AVAILABLE BECAUSE IT WAS WANTED AT HOME. AFTER SOME DISCUSSION THE COUNCIL ASKED THE COMMISSION AND THE GROUP OF EXPERTS TO PRESENT FURTHER PAPERS FOR THE COUNCIL IN JUNE.

DEMONSTRATION PROJECTS, ENERGY SAVING AND NEW SOURCES

THE COUNCIL SUCCEEDED IN REACHING AN AGREEMENT ON THE COMMISSION S PROJECTS. MR BRUNNER EXPLAINED THAT SOME CONCERN HAD BEEN EXPRESSED BY THE UNITED KINGDOM ABOUT COAL GASIFICATION AND LIQUEFACTION PROJECTS. HE UNDERTOOK TO MAKE A PROJECT PROPOSED BY BRITISH GAS A PRIORITY IN THE SECOND TRANCHE TOWARDS THE END OF THIS YEAR OR EARLY 1980. THE BRITISH REPRESENTATIVE WELCOMED THIS STATEMENT AND SAID THAT THE UNITED KINGDOM WOULD THEREFORE LIFT THEIR RESERVE. THE PROJECTS COVER ENERGY SAVING, GEOTHERMAL ENERGY, SOLAR ENERGY, AND COAL GASIFICATION AND LIQUEFACTION. A TOTAL AMOUNT OF 55 MUCE IS ALLOCATED OVER FOUR YEARS FOR ENERGY SAVING AND 95 MUCE FOR ALTERNATIVE SOURCES.

(19H00)

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NOTE BIO(79)106 (SUITE 3 ET FIN) AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU GROUPE, A M. BURGHARDT, DG I,
ET A M. LECOMTE, DG VIII

SUBJECT: ENERGY COUNCIL (ROBERT ELPHICK)

LABELLING OF DOMESTIC ELECTRICAL APPLIANCES: THE BRITISH REPRESENTATIVE ALSO RAISED THE RESERVE ON THE COMMISSION'S SCHEME FOR LABELLING OF DOMESTIC APPLIANCES, A MOVE DESIGNED TO PROMOTE ENERGY SAVING BY GIVING MORE INFORMATION TO CUSTOMERS ABOUT ELECTRICAL CONSUMPTION OF DISH WASHERS, OVENS AND THE LIKE. (SEE NOTE P-82 OF JULY 1978). THIS ENABLES THE SCHEME TO GO AHEAD.

JOINT HYDROCARBON EXPLORATION PROJECTS: THE COUNCIL HAD A SET BACK ----- LATER WHEN THE DANISH DELEGATION PRESSED THE CASE FOR EXPENDITURE ON GEOPHYSICAL WORK TO THE SOUTH EAST OF GREENLAND TO DISCOVER WHETHER THERE IS OIL. ALL DELEGATIONS THOUGHT THIS WOULD BE POLITICALLY DESIRABLE AND WERE WILLING TO GO AHEAD. THE IRISH REPRESENTATIVE, HOWEVER, SAID HE WOULD BE UNABLE TO AGREE UNLESS THE COUNCIL ACCEPTED A GENERAL FRAMEWORK REGULATION PERMITTING WORK ALSO TO GO AHEAD ON SIMILAR SCHEMES IN DIFFICULT CONDITIONS OFF THE WEST COAST OF IRELAND. THE SCHEME WAS THEREFORE DROPPED FOR THE TIME BEING.

AT HIS FINAL PRESS CONFERENCE THE PRESIDENT, M. GIRAUD, STRESSED THE NEW APPROACH TOWARDS AN ENERGY POLICY FOR THE COMMUNITY EXPRESSED AT THIS COUNCIL. IT WOULD BE BASED MORE ON THE CONVERGENCE OF NATIONAL ENERGY POLICIES. THESE COULD BE COMPLETED AND CONSOLIDATED IF NECESSARY BY A COMMUNITY INTERVENTION. IN ADDITION, THE COMMISSION COULD HELP ALONG THE CONVERGENCE BY FIXING OBJECTIVES. M. GIRAUD ALSO MENTIONED THAT HE HAD PAID A FLYING VISIT TO SAUDI ARABIA AND THE UNITED ARAB EMIRATES TO DISCUSS THE OIL SITUATION THERE, AS WELL AS THE SAUDI DESIRE FOR OFFICIAL CONTACTS BETWEEN PRODUCER AND CONSUMER COUNTRIES. THE COUNCIL HAD DECIDED TO SET UP A HIGH LEVEL ENERGY GROUP TO EXAMINE THE PROBLEMS INVOLVED. THIS WOULD REPORT TO A SPECIAL ENERGY COUNCIL TO BE HELD ON 24 APRIL. THE COMMISSION WOULD ALSO REPORT TO THIS COUNCIL ON THE EFFORTS MADE AT NATIONAL GOVERNMENT LEVEL TO BRING ABOUT THE ENERGY SAVINGS OF FIVE PERCENT DECIDED AT THE PARIS EUROPEAN COUNCIL.

ON OIL PRICES, THE COUNCIL CONCLUDED THAT THESE NEEDED CLOSER SURVEILLANCE, PARTICULARLY IN THE SHORT TERM ON THE SPOT MARKETS. THE COMMISSION THEREFORE WOULD BE ASKED TO MAKE A FURTHER STUDY OF THE SPOT MARKETS IN EUROPE ALONG THE LINES OF THE

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