

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

8132/92 (Presse 145)

1600th Council meeting

- BUDGET -

Brussels, 23 July 1992

President: Sir John COPE,

Paymaster General,
United Kingdom

23.VII.92

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

Belgium

Mrs Mieke OFFECIERS Minister for the Budget

Denmark

Mr Jørgen ØRSTRØM MØLLER State Secretary for Foreign Affairs

Germany

Mr Jochen GRUENHAGE Deputy Permanent Representative

Greece

Mr Ioannis PALAIOKRASSAS Minister for Finance

Spain

Mr Antonio ZABALZA MARTI State Secretary for Finance

France

Mr Michel CHARASSE Minister for the Budget

Ireland

Mr Tom KITT Minister of State for European Affairs

Italy

Mr Rocco Antonio CANGELOSI Deputy Permanent Representative

Luxembourg

Mr Jean-Claude JUNCKER Minister for the Budget

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Netherlands

Mr Piet DANKERT

State Secretary for Foreign Affairs

Portugal

Mrs Maria Manuela FERREIRA-LEITE

State Secretary for the Budget

United Kingdom

Sir John COPE

Paymaster General

Mr Anthony NELSON

Economic Secretary to the Treasury

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Commission

Mr Peter SCHMIDHUBER

Member

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1992 BUDGET PROCEDURE

Before embarking on an examination of the preliminary draft general budget for 1993, the Council met a European Parliament delegation headed by the President of the European Parliament, Mr KLEPSCH, and comprising Mr SAMLAND, Rapporteur on Section III of the Budget, Mr PASTY, Rapporteur on the other Sections of the Budget, Mr DESAMA, Chairman of the Committee on Energy and Research, Mr PRICE, Chairman of the Committee on Budgetary Control, and Ms THEATO, Ms NAPOLITANO, Ms ISLER, Mr COLOM I NAVAL, Mr LANGES, Mr CORNELISSEN and Mr TOMLINSON, Members of the Committee on Budgets.

That meeting gave the Members of the European Parliament an opportunity to put forward their initial thoughts on the main issues arising from the budget for the financial year 1993 and to point to the European Parliament's own priorities.

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The Council went on to hold the first reading of the 1993 budget. Following its discussions, the Council established the draft budget for 1993, to be submitted to the European Parliament under the budget procedure.

The main points in the draft are as follows:

AGGREGATE EXPENDITURE AS A RESULT OF THE COUNCIL'S DISCUSSIONS (ECU million - rounded figures)

Appropriations for commitments (C/A)	65.704
Appropriations for payments (P/A)	62.926

including non-compulsory expenditure of:	C/A 29.245
	P/A 26.520

The breakdown of appropriations is as follows (ECU million - rounded figures)

	C/A	P/A
Common agricultural policy	33.285,0	33.285,0
Other measures	757,0	757,0
Structural Funds	19.763,0	18.590,8
Other structural measures	356,4	546,8
Research	2.137,5	2.015,9
Other internal policies	1.237,5	983,6
External measures	3.818,1	2.597,9
including PHARE	1.100,0	507,6
Administrative expenditure:		
- Commission	2.241,5	2.241,5
- Other institutions	1.107,8	1.107,8
Monetary reserve	1.000,0	1.000,0

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The Council also decided to enter a negative reserve of ECU 200 million in p/a in Chapter BO-42 with respect to NCE in Part B of Section III of the general budget, excluding the Structural Funds (B2-1).

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As regards the Cohesion Fund, the Council approved a statement in its minutes.

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OTHER BUDGETARY DECISIONS

- Draft supplementary and amending budget No 3/92

The Council established draft supplementary and amending budget No 3 for 1992 with the aim, inter alia, of incorporating in the budget the payment appropriation factors underlying the decision concerning the financial perspective for 1992 which was approved by the European Parliament and the Council in July 1992. The draft thus provides for the entry of payment appropriations amounting to ECU 560 million for the Structural Funds (German Länder) and ECU 140 million for research (third framework programme).

It also makes provision for an ECU 2.782 million reduction in the appropriations entered in the 1992 budget for the EAGGF (Guarantee Section) to adjust the appropriations in this sector to the current estimate of requirements.

Under DSAB 3/92, the total 1992 budget figure is reduced by ECU 2.781 million in appropriations for commitment and ECU 2.081 million in appropriations for payment.

- Emergency measures to help victims of the conflict in what was formerly Yugoslavia

In implementation of the Lisbon European Council's conclusions of 26 and 27 June 1992 and the resulting agreement reached in the General Affairs Council on 20 July 1992 on a programme of emergency aid totalling ECU 120 million, the Council adopted a Regulation on urgent action for the supply of agricultural products to the victims of the conflict in what was formerly Yugoslavia.

Expenditure on this measure amounts to ECU 35 million, using foodstuffs from intervention stocks.

It should be noted that the Commission has also submitted a wider proposal for a Regulation on urgent action to assist the victims of the conflict in what was formerly Yugoslavia, which would also allow recourse to the market for the supply of agricultural products. The Council will be examining this Regulation once it has received the European Parliament's Opinion. Draft supplementary and amending budget No 3 for 1992, which the Council established today (see previous point), includes the necessary budgetary arrangements to cover the ECU 72,5 million earmarked for the above two measures.



MISCELLANEOUS DECISIONS

Relations with Iceland

The Council adopted a Decision on the autonomous suspension of customs duties applicable to imports of ECSC products originating in Iceland. The Decision was adopted in response to a request made by Iceland which, having developed its own iron and steel industry, has invoked a provision of the 1973 EEC-Iceland Free-Trade Agreement to allow Icelandic iron and steel products to be imported into the Community free of customs duty as is already the case for Community exports to Iceland. This Decision is also motivated by the forthcoming entry into force of the Agreement on the European Economic Area, which resolves the question in the same way.

Relations with Austria and Finland

In view of the extension for an indefinite period of the simplified cumulation rules (with regard to rules of origin) agreed in 1988 for an experimental three-year period within the framework of the EEC-Austria and EEC-Finland Joint Committees, the Council adopted two Regulations extending the validity of Regulations No 4277/88 and No 4278/88 introducing a specific safeguard clause applicable to cases of injury which might result from application of the aforesaid rules.

Similar Regulations will be adopted in due course for the other EFTA countries.

Relations with the ACP and the OCT

The Council adopted a Regulation repealing Regulation No 1638/80 of 24 June 1980. For the purposes of managing STABEX, that Regulation made provision for a notification system whereby, before the end of each month, the Member States forwarded to the Commission a statement of all imports from the ACP States and the OCT. There is no longer any need for this notification system since Article 200(2) of the Fourth Lomé Convention and Article 126(2) of Decision 91/482/EEC on the association of the OCT provide that the statistics to be used to carry out the calculations required under the STABEX system are to be those calculated and published by the Statistical Office of the European Communities.

Relations with the OCT

The Council adopted a Decision on the amount of transfers to be paid to the OCT for the 1990 application year under the STABEX system. Pursuant to Decision 91/482/EEC on the association of the OCT with the Community, an amount of ECU 1.500.000 has been released to cover all commitments under STABEX for the year in question.

Social affairs - protection of pregnant workers

The Council agreed to ask the European Parliament for an extension of the period provided for in Article 149(2)(f) of the EEC Treaty in the case of the proposal for a Directive on the protection of pregnant workers.

Environment

Further to the agreement reached in the Environment Council on 12 December 1991 (see Press Release 9914/91 Presse 229) and following finalization of the texts, the Council:

- adopted a Regulation concerning Community export and import of certain dangerous chemicals;
- adopted its common position on the Regulation on the evaluation and control of environmental risks of existing substances.

The Council also decided that the Community should sign the Convention on the protection of the waters of the Oder which was to be opened for signature in Wroclaw in October 1992.

Transport

Following finalization of the texts, the Council adopted the third air transport liberalization package, on which political agreement had been reached in the Transport Council on 22 and 23 June 1992 (see Press Release 7281/92 Presse 123).

The package consists of three Regulations, which are due to enter into force on 1 January 1993 and which concern the licensing of air carriers, fares and rates for air services and access for air carriers to air routes.

In the context of the third package, the Council also adopted two Regulations on the competition rules applicable to air transport undertakings and on

certain categories of agreements and concerted practices in the air transport sector.

The first Regulation amends Regulation No 3975/87 by extending application of Community rules on competition (Articles 85 and 86 of the Treaty) to air transport operations carried out entirely within a Member State (at the moment the scope of Regulation No 3975/87 is confined to international air transport operations between Community airports).

The second Regulation covers the application of Article 85(3) to certain categories of agreements and concerted practices in the air transport sector (authorizing the Commission to grant block exemptions).

Moreover, further to the agreement reached in the Transport Council on 22 and 23 June 1992 (see Press Release 7281/92 Presse 123), the Council adopted by a qualified majority a Regulation laying down the conditions under which non-resident carriers may operate national road passenger services within a Member State (passenger cabotage).

Narcotic drugs and psychotropic substances

The Council adopted a common position on the Directive on the manufacture and the placing on the market of certain substances used in the illicit manufacture of narcotic drugs and psychotropic substances. The purpose of the Directive is to establish, within the framework of the internal market, intra-Community monitoring of certain substances frequently used for the illicit manufacture of narcotic drugs and psychotropic substances with a view to preventing their diversion.

Agriculture

The Council adopted Regulations on the protection of the Community's forests against:

- atmospheric pollution;
- fire.

At the last Agriculture Council meeting, Ministers recorded unanimous agreement on both these Regulations (see Press Release 7672/92 Presse 139).

The Council then adopted common positions on Regulations:

- amending Regulation No 1601/91 laying down general rules on the definition, description and presentation of aromatized wines, aromatized wine-based drinks and aromatized wine-product cocktails;
- amending Regulation No 1576/89 laying down general rules on the definition, description and presentation of spirit drinks.

The purpose of these Regulations is to prohibit the use of lead-based closing devices as from 1 January 1993, so as to prevent the risk of contamination and environmental pollution. However, a transition period is provided for during which stocks existing before 1 January 1993 may be used up.

The Council also adopted a Decision on the conclusion of an Agreement in the form of an Exchange of Letters between the European Economic Community and the

Republic of India on the guaranteed prices for cane sugar for the 1989/1990, 1990/1991 and 1991/1992 delivery periods. These prices correspond to the relevant prices applied to Community producers.

The Council also adopted:

- a Regulation on the financing of expenditure for the establishment and updating of the register of olive cultivation. For each marketing year between 1992/1993 and 1997/1998, the deduction from olive oil production aid intended to finance the establishment and updating of the register of olive cultivation is set at 2,4%;
- a Regulation determining the Community scale for the classification of carcasses of ovine animals and determining the Community standard quality of fresh or chilled sheep carcasses. These classification systems will be used in particular when Member States fix prices;
- a Regulation amending Regulation No 1411/71 laying down additional rules on the common market organization in milk and milk products for drinking milk. This amendment is essentially designed to remove the last remaining obstacles to the free movement of drinking milk within the Community (abolition of existing derogations as regards the import of drinking milk into the United Kingdom and Ireland).

Appointments

The Council agreed on the replacement of:

- two full members and one alternate member of the Advisory Committee on Vocational Training;
- two full members and one alternate member of the Advisory Committee on Safety, Hygiene and Health Protection at Work.



Bruxelles, le 23 juillet 1992

NOTE BIO (92) 195 AUX BUREAUX NATIONAUX
cc: aux Membres du Service du Porte-Parole

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CONSEIL BUDGET DU 23 JUILLET 1992 (O. NETTE)

1. Après avoir entendu le Parlement Européen (dont la délégation était conduite par M. Klepsch), le Conseil a adopté en première lecture à la majorité qualifiée le projet de budget.

Il a considérablement réduit les crédits proposés par la Commission dans son APB :

66.3 milliards d'écus en crédits d'engagement (Commission: 69.3)

62.9 milliards d'écus en crédits de paiement (Commission: 66.3)

Les coupes les plus sévères ont été faites dans les politiques internes : recherche, réseaux mais aussi par exemple politique sociale et protection des consommateurs (pour le détail des chiffres, voir en annexe).

Le Conseil n'a pas non plus inscrit de montant pour le fonds de cohésion, estimant que les conditions légales n'étaient pas réunies.

M. Schmidhuber, commissaire du budget, a commenté pour la presse les délibérations du Conseil en ces termes :

Trois décisions du Conseil Budget me préoccupent particulièrement :

- le Conseil Budget n'a pas inscrit de montant pour le fonds de cohésion - malgré le fait que le Conseil Européen de Lisbonne ait décidé de prévoir son démarrage dès le début de 1993. J'espère que cette attitude du Conseil Budget ne fera pas planer de doute sur la détermination des Etats-membres à mettre en oeuvre la décision prise à Lisbonne;
- le Conseil procède, de manière peu pondérée, à des coupes dans les crédits de paiement - le paiement d'un nombre significatif d'engagements est donc renvoyé à des années ultérieures. Ceci ne cadre pas avec les principes d'une gestion budgétaire rigoureuse;
- le Conseil modifie de manière significative l'équilibre entre politiques internes et extérieures, au détriment des premières. Celles-ci regresseraient de 13 % par rapport à l'année dernière! Cette décision rappelle la procédure budgétaire de 1992 - qui s'est soldée par l'adoption tardive d'un budget supplémentaire, parce que le Parlement Européen n'acceptait pas de telles réductions pour les politiques internes. J'espère que l'on ne s'achemine pas cette année vers la répétition d'une confrontation dont personne ne tirera profit.

2. Par ailleurs, le Conseil a adopté le règlement de financement de l'aide à la Yougoslavie (120 Mécus).

Amitiés

B. DETHOMAS

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