

PRESS RELEASE

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1643rd Council meeting

- INDUSTRY -

Brussels, 25 February 1993

President: Mr Jan TRØJBORG,

Minister for Industry
of the Kingdom of Denmark



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

Belgium:

Mr Melchior WATHELET

Deputy Prime Minister, Minister for Economic Affairs

Denmark:

Mr Jan TRØJBORG

Mr Christopher Bo BRAMSEN

Minister for Industry
State Secretary for Industry

Germany:

Mr M. Günther REXRODT

Mr Johann EEKHOFF

Federal Minister for Economic Affairs
State Secretary, Federal Ministry of Economic Affairs

Greece:

Mr Vassilios KONTOYANNOPOULOS

Minister for Industry

Spain:

Mr Claudio ARANZADI

Minister for Industry

France:

Mr Dominique STRAUSS-KAHN

Minister with responsibility for Industry and Foreign Trade

Ireland:

Mr Seamus BRENNAN

Minister of State with special responsibility for Commerce and Technology

Italy:

Mr Giuseppe GUARINO

Minister for Industry

Luxembourg:

Mr Robert GOEBBELS

Minister for Economic Affairs

Netherlands:

Mr J.E. ANDRIESSEN

Minister for Economic Affairs

Portugal:

Mr Luis MIRA AMARAL

Minister for Industry and Energy

United Kingdom:

Mr Timothy SAINSBURY

Minister of State for Trade and Industry

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Commission:

Mr Martin BANGEMANN

Mr Karel VAN MIERT

Sir Leon BRITTAN

Member

Member

Member

RESTRUCTURING OF THE STEEL INDUSTRY IN THE COMMUNITY**Council conclusions**

Conscious of the gravity of the problems currently facing the steel industry in the Community the Council, meeting on 25 February 1993, welcomed the intention of the trade to embark upon an urgent process of restructuring and rationalization, in the interests of increased competitiveness and a lasting re-organization of this sector.

Such corrective action obviously needs to be accompanied by Community supporting measures designed to restore the competitiveness of the steel sector on a lasting basis, essentially through a substantial reduction of capacity coupled with action to cope with the social implications involved.

Although the restructuring of the industry is the key feature of such a plan, the measures to be taken must nonetheless provide a solution to the various problems which exist both internally and externally.

1. The Council heard an oral presentation by the Commission on the results and the evaluation of the appraisal mission given to an independent personality (Mr Fernand BRAUN) as well as the broad outlines of the Commission's recommended approach for facilitating the definition of a programme of voluntary capacity reductions and implementing the necessary supporting measures.
2. Recalling its earlier conclusions, dated 24 November 1992, on the future of the ECSC Treaty, the Council endorses the Commission's overall approach, which consists essentially of:
 - on the one hand, in order to permit a lasting re-organization of the steel sector, the formulation by the industry, before 30 September 1993, of a precise and

sufficiently extensive programme of definitive capacity reductions phased through, in principle, to the end of 1994 or, if warranted, to the end of 1995;

- on the other hand, in order to facilitate completion of this programme and cope with its social implications, the implementation by the Commission, the Council and -where necessary and desirable - the Member States, according to their respective responsibilities, of a package of supporting measures of limited duration which strictly comply with the rules on control of State Aids and include:
 - = measures of financial support, particularly in the social field;
 - = improvement of structures;
 - = market stabilization;
 - = external measures.

The implementation of the supporting measures is subject to the previous definition of a credible programme of capacity reductions but will allow the anticipatory launch of certain measures, in particular the external measures and those related to the stabilization of the market, which would be terminated if this programme has not been defined by 30 September 1993. In this context, the Council and the Commission underline the essential role of the Community steel industry and appeal to its sense of responsibility and solidarity, without which a lasting re-organization of the sector cannot be possible.

3. In respect of the programme of capacity reductions, the Council and the Commission share the opinion of the Community steel industry that the closures identified are not yet sufficient and that an additional effort should be made, particularly in the case of less competitive plant; it is necessary not only to confirm potential closures but also to add commitments for significant closures in areas where capacity needs to be adjusted to market trends.

The programme of capacity reductions thus completed should be coherent overall and assure as broad a participation as possible by the companies in the sector, taking into account the specific situation of companies, including those which are the subject of State Aids procedures under Article 95 ECSC.

In this context, the Council takes note of the Commission's intention to renew the mission given to Mr BRAUN in order to assist the companies concerned in finalizing their programmes of capacity reductions and working out the details of the various conditions and methods of finance planned.

4. The Council welcomes the Commission's initiative to implement, with due consideration for the respective responsibilities of the parties involved, a package of measures, of which the broad outline would be as follows:

A. Support measures

- With the objective of offering an additional incentive for capacity reductions the Commission will supplement the traditional social aids laid down in Article 56(2)(b) of the ECSC Treaty by additional contributions, designed to reduce the costs resulting from the need to ensure adequate social rehabilitation for workers who lose their jobs under definitive closure programmes from 1 January 1993 onwards. This supplementary contribution will be paid as part of a Steel Social Programme in partnership with the Member States concerned, using efficient and rapid management procedures and taking into account existing national schemes.
- Member States' contributions to the social measures may be supplemented, using the possibilities authorized by the Aids Code (social aid and aids towards the closure of companies).
- The structural funds have a major role to play in the redevelopment of steel regions. The conditions and arrangements for such action will be addressed as part of the

reform of these funds, which will be discussed in the near future.

- On the basis of Article 53(a) the Commission will give favourable consideration to mechanisms which groups of companies may submit to it for the joint financing of capacity reduction programmes and which may cover a sector of production or a particular region.

B. Improvement of structures

The Commission will examine, rapidly and in accordance with the competition rules of the Treaties, any agreements on specialization, concentrations or creation of joint ventures making for the rationalization of production which are submitted by companies to facilitate a lasting re-organization of the industrial structures of the sector.

C. Control of State Aids

The Commission confirms its commitment to rigorous and objective application of the Aids Code and will ensure that any derogations proposed to the Council under Article 95 contribute fully to the required overall effort to reduce capacity. The Council will act promptly on these proposals, on the basis of objective criteria.

D. Stabilization of the market

As part of its mission to provide guidance as laid down in Article 46 and in addition to its six-monthly forward programmes, the Commission will formulate overall quarterly indications regarding production and deliveries in the Community, broken down by category of product.

The Commission will keep market developments and price trends under constant review. These indications will be transmitted to all companies, together with a request to inform the Commission about how they intend to comply with them on a voluntary basis.

E. External measures

A comprehensive approach to the problems of restructuring must be rounded off by an external package. Subject to the Community's international commitments and in keeping with its intention of negotiating a multilateral steel agreement in order to reorganize international trade in this sector, the Commission will:

- extend the ex-ante and ex-post surveillance measures on imports;
- update the basic import prices, if necessary, at regular intervals;
- in accordance with existing directives or directives adopted in future by the Member States meeting within the Council, negotiate with the countries of Central and Eastern Europe (CCEE) whose exports of sensitive products over the period in question so warrant the conditions whereby gradual access may be gained to the Community market by fixing appropriate tariff quotas throughout the period 1993 to 1995, subject to a periodic review clause in the light of developments; each agreement's review clause will provide that the situation must be reviewed at least once a year on the dates specified in the agreement, in order to examine whether the conditions for maintaining the tariff quota still obtain, due account being taken also of the progress of restructuring in the Community;
- propose to the Council that it extend for 1994 and 1995 the Community quotas set on 1 January 1993 in respect of certain imports from the Republics of the Commonwealth of Independent States (CIS);

- use its best endeavours in the appropriate bodies, including on a bilateral basis, to avoid definitive adoption of the excessive and unjustified trade measures recently taken by the United States;

- ensure that the instruments for protecting trade available to the EEC are deployed rapidly to deal with unfair imports from other third countries.

5. The Council requests the Commission to report back to it - and also to Parliament - by its next meeting on the implementation of this package to measures, in particular those requiring immediate action, on the progress made in its contacts with the industry and on the follow-up to the conclusions of the Council meeting on 24 November 1992 on the future of the ECSC Treaty.

OTHER BUSINESS

The Council heard an introductory statement by the French delegation on the future of the ECSC Treaty, which it agreed to discuss at its next meeting.

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The Commission made the following statement on the conclusions adopted by the Council on the restructuring of the steel industry in the Community:

"The Commission states that in implementing the Council decision concerning external measures it will take full account of the document entitled "Towards a closer association with the countries of Central and Eastern Europe", which it had submitted to the Edinburgh European Council, and of the Council's conclusions thereon, as well as of its obligations under the Europe agreements and other agreements concluded with both the countries of Central and Eastern Europe and those of the former Soviet Union."

MISCELLANEOUS DECISIONS

Establishment of the European Investment Fund

Further to the European Parliament's Opinion delivered on 12 February 1993, the Council in turn agreed to call a Conference of Representatives of the Governments of the Member States for the purpose of adopting by common accord the amendments to be made to the Protocol on the Statute of the European Investment Bank with a view to the establishment of a European Investment Fund in accordance with the conclusions of the Edinburgh European Council.

Relations with ex-Yugoslavia

The Council adopted two Regulations (EEC) and a Decision (ECSC) on the opening of Community tariff quotas for agricultural products and establishing ceilings for certain industrial products and ECSC products originating in the Republics of Croatia, Bosnia-Herzegovina, Slovenia and the territory of the former Yugoslavian Republic of Macedonia (1993).

On 3 February 1992 the Council adopted a series of measures so that the Republics of Croatia, Slovenia, Bosnia-Herzegovina and the territory of the former Yugoslavian Republic of Macedonia might benefit from trade provisions equivalent to those contained in the EEC-Yugoslavia Co-operation Agreement, suspended and later denounced by the Community.

Given that there are no conventional relations with most of these countries and that the preferential arrangements from which they benefit must be retained, the Council extended the 1992 provisions into 1993.

Relations with Norway

The Council adopted the Decision concerning the conclusion of the Agreement in the form of an Exchange of Letters between the European Economic Community and the Kingdom of Norway concerning the adaptation of the Agreement on reciprocal trade in cheese, which

maintains the quantities of cheese and the import duties laid down by the Agreement unchanged for 1993.

Trade measures

The Council adopted the Regulation temporarily suspending the autonomous Common Customs Tariff duty and the agricultural levy on, and opening and providing for the administration of a Community tariff quota for, certain mixtures of malt sprouts and barley screenings originating mainly in the United States.

The Regulation provides in particular for the non-collection of import duties on the products in question (or the reimbursement of duties already collected) for the period from 1 January 1992 to 31 December 1992 and for a Community tariff quota of 35 000 tonnes for the period from 1 January 1993 to 31 March 1993.

Internal market

- Fruit juices and similar products

The Council adopted a common position concerning the Directive on fruit juices and similar products. The Directive constitutes a consolidated version of Directive 75/726/EEC and the subsequent amendments to it.

The consolidation is designed to simplify all Community law already in force in this sector so as to make it more accessible to consumers and to economic operators.

More specifically, the Directive establishes that Member States must take all necessary steps to ensure that these products can be marketed only if they comply with the rules laid down in the Directive. These rules concern, inter alia, the substances, treatments, processes, additives and descriptions authorized in the manufacture of each type of fruit juice.

- Scientific examination of questions relating to food - definitive adoption

After the adoption of the common position at the Internal Market Council on 22 September 1992 and the completion of the co-operation procedure with the European Parliament, the Council definitively adopted the Directive on assistance to the Commission and co-operation by the Member States in the scientific examination of questions relating to food.

The aim of the Directive is to make available to the Scientific Committee for Food the necessary resources for carrying out its various tasks of prelegislative scientific evaluation required by the internal market programme and the implementation of existing legislation on food.

More specifically, the Directive provides that the Member States' competent authorities and bodies will co-operate with the Commission and lend it the assistance it needs in the scientific examination of questions of public interest in the field of public health through disciplines such as those associated with medicine, nutrition, toxicology, biology, hygiene, food technology, biotechnology, novel foods and processes, risk assessment techniques, physics and chemistry.

- Two or three-wheel motor vehicles

The Council adopted common positions on Directives on

- identification of controls, telltales and indicators for two or three-wheel motor vehicles,
- audible warning devices for such vehicles,
- stands, and

- passenger hand-holds for two-wheel motor vehicles.

These Directives form part of the approval procedure for two or three-wheel motor vehicles covered by framework Directive 92/61/EEC. They lay down the technical requirements which, together with those for other components and characteristics set out in Annex I to the framework Directive, must be met so that these vehicles can be approved and placed on the Community market.

Transport

The Council adopted the Decision concerning participation by the Community in negotiations for a Convention on an international customs transit procedure for goods carried by rail.

Social affairs

- HELIOS II

The Council adopted a Decision establishing a third Community action programme to assist disabled people (HELIOS II).

The programme is designed to promote equal opportunities and the integration of disabled people for the period from 1 January 1993 to 31 December 1996 with a budget of ECU 37 million.

The programme's objectives may be summarized as follows:

- (a) to continue to develop and improve exchange and information activities with the Member States and the non-governmental organizations (NGOs) concerned;
- (b) to promote the development of a policy at Community level of co-operation with the Member States and the organizations and associations concerned with integration based

on the best innovative and effective experience and practice in the Member States;

- (c) to continue co-operation with European NGOs and NGOs which are regarded as representative in the respective Member States, through national disability councils where they exist, and which have expressed a desire to co-operate at Community level.

These objectives will be pursued through general measures:

- co-ordinating, undertaking and encouraging activities based on specific annual themes, with the involvement of disabled people, their families and representative organizations;
- meeting the information needs of disabled people;
- encouraging disabled people to take part in Community programmes, inter alia in the areas of training and preparation for working life, new technologies, vocational training and employment;
- ensuring close co-ordination with activities undertaken by organizations at international level.
