



COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT



PRESS RELEASE

10218/88 (Presse 207)

1287th Council meeting

- Industry -

Brussels, 13 December 1988

President: Mr Kostas PAPANAYOTOU

Deputy Minister for Industry,  
Energy and Technology  
of the Hellenic Republic

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

Mr Jakob Esper LARSEN    Ambassador, Permanent Representative

Germany

Mr Dieter von WUERZEN    Secretary of State to the Federal  
Minister for Economic Affairs

Greece

Mr Kostas PAPANAYOTOU    Deputy Minister 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 Sean McCARTHY    Minister of State,  
Department of Industry and Commerce

Italy

Mr Adolfo BATTAGLIA

Minister for Industry,  
Trade and Craft Trades

Mr Carlo FRACANZANI

Minister for State Holdings

Luxembourg

Mr Johny LAHURE

State Secretary for Economic Affairs

Netherlands

Mr R.W. DE KORTE

Minister for Economic Affairs

Portugal

Mr Luis Fernando de MIRA AMARAL

Minister for Industry and Energy

United Kingdom

Mr Tony NEWTON

Minister for Trade and Industry

°

°

°

Commission

Mr Abel MATUTES

Member

Mr Peter SUTHERLAND

Member

RESTRUCTURING OF THE ITALIAN PUBLIC STEEL INDUSTRY

On the basis of the Commission communication on the restructuring of the Italian public steel industry, the Council held a far-reaching discussion in order to determine whether, and under what conditions, it could give its assent, pursuant to Article 95 ECSC, to the Commission decision authorizing the restructuring plan submitted by the Italian authorities.

Following the discussion, a large majority favoured a compromise solution prepared by the Commission in the light of discussions.

This solution provides in particular that two-thirds of the financing would be authorized now in exchange for the industrial restructuring indicated in the Commission communication. The discussion of the anticipated requirement for the balance of the aid and for the release of that aid would be postponed until September 1990 or earlier in the event of a rapid decline in the steel market. At such time a decision would be taken by the Commission, following Council assent pursuant to Article 95 ECSC, on the release of the aid and, in the light of the prevailing Community market situation, on the proportional additional reduction in production capacity in sectors where there is over-capacity.

One delegation reserved its position on this compromise at this stage and said that it would make known its position within the next few days. Accordingly the Council agreed to resume consideration of this item, if necessary, at its Internal Market meeting on 21 December next.

AIDS CODE FOR THE STEEL INDUSTRY

The Council gave its assent to the draft Commission decision extending, until 31 December 1991 and without amending its content, the aids code for the Community steel industry, due to expire on 31 December 1988.

STEEL INDUSTRY - SOCIAL ASPECT

The Council again discussed the problems arising as regards the financing of the social measures linked to the restructuring of the Community steel industry.

In order to be able to continue this social aid for the period from 1988 to 1990 at an estimated cost of 165 MECU, account has to be taken of three aspects, either together or separately: a contribution to the ECSC from the general budget, an appropriation levied on ECSC reserves and an increase in ECSC levies.

Following the discussion, the Council agreed to request the Commission to submit updated figures both as regards ECSC revenue and reserves and the expenditure necessary to finance the social measures.

CONCLUSIONS OF THE COUNCIL CONCERNING THE TEXTILE INDUSTRY

Further to the conclusions of the Council on General Affairs, which focussed principally on the forthcoming external negotiations and on the link between the situation of the industry in the Community and the Community's commercial policy, the Council discussed the industrial aspects of policy in the textile sector.

On this basis and following the suggestions of the Presidency, the Council:

- recalls the conclusions of the 1276th session of the Council of 21/22 November on trade policy;
- invites the Commission to make profound study of the presented analysis in order to reveal the particularities of the sub-sectors and of the regional situations which will enable it to adjust the different Community policies applied to textile and clothing industry;
- invites the Commission to elaborate further the present report with a view to evaluate the future developments of the industry in the perspective of the achievement of the internal market;
- requests the Commission to make the best use of the possibilities opened by the new co-ordinated approach to the structural funds in order to facilitate the important structural adjustments, including the effects on employment, resulting from the accentuation of the external and internal competition in the textile and clothing industry, and allow activities already in course under the present programme to be finalized;

- requests the Commission to study formulas in order to promote, between the different acting factors in the textile-clothing chain of activity, including the equipment industry, the necessary co-operation for the research, the technological development and the industrial innovation, for the establishment of their competitiveness and in particular in those production activities where the incidence of the labour-cost is still very high;
  
- wherever structural adjustments in the textile and clothing industry may be required, it requests the Commission to ensure the transparency of any interventions in a way that guarantees the correct application of the competition rules in this sector, and to report annually to the Council.

SMALL AND MEDIUM-SIZED ENTERPRISES

The Council took note of an interim report from the Commission on the extending of the Euro-Info-Centres project to SMEs and the arrangements therefor.

In this connection the Council had an exchange of views on the impact on SMEs of the large common market of 1992.

Following these discussions which high-lighted the importance of a common policy for SMEs in order to help them to derive full benefit from the completion of the Community's internal market, the Council instructed the Permanent Representatives Committee to examine a draft statement on the development of the policy for SMEs with a view to enabling the Council to resume discussions on this question at its next Industry Council meeting scheduled for 6 March 1989.

MINING INDUSTRY

The Council noted that the Commission, further to a request from the Greek delegation, intended to put in hand a study of the situation of the mining industry in the Community with a view to submitting a report to the Council in the first half of 1989 on the possibility of developing a common mining policy.



MISCELLANEOUS DECISIONSEEC-Cyprus relations

The Council adopted the implementing Regulation concerning Decision No 1/88 of the EEC-Cyprus Association Council amending, as a consequence of the introduction of the Harmonized System, the Protocol concerning the definition of the concept of "originating products" and methods of administrative co-operation.

Appointments

The Council appointed replacements of Alternate Members for each of the following Advisory Committees on:

- medical training
- pharmaceutical training
- education and training in the field of architecture

Bruxelles, le 12 décembre 1988

NOTE BIO(88) 398 AUX BUREAUX NATIONAUX  
CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE

433

Préparation Conseil Industrie (E. Reuter, C. Liebana et H. Lohan)

A l'ordre du jour du Conseil des ministres de l'Industrie, qui se tient demain le 13 décembre à Bruxelles, il y a le dossier des aides que le gouvernement italien projette d'accorder à son industrie sidérurgique, le volet social CECA, un rapport de la Commission sur l'industrie textile et deux points concernant les petites et moyennes entreprises.

En ce qui concerne le Volet social CECA, il s'agit de trouver un financement pour les 165 millions d'ECU de dépenses que l'on estime seront nécessaires de 1988 à 1990 pour couvrir les aides sociales communautaires à la réadaptation, complémentaires aux aides traditionnelles, dans le secteur sidérurgique et charbonnier, ce qu'on appelle le "volet social" CECA.

En mars dernier, la Commission avait prévu un transfert du budget général au budget CECA des droits de douane perçus sur l'importation des produits CECA à concurrence de 85 millions d'ECU, une augmentation du prélèvement payé par les entreprises de 0,31 % à 0,39% pendant les exercices 1989 et 1990 et une contribution de 50 millions d'ECU en provenance des réserves de la CECA, qui devrait être mise à disposition en 1988 sous forme d'avance remboursable dans son entièreté en 1989.

Lors de leur réunion informelle à Athènes, en octobre dernier, les ministres de l'Industrie ne se sont pas montrés favorables à l'opération du transfert bien qu'ils continuent d'appuyer le principe du maintien du "volet social". Leurs collègues des Finances n'appuient pas non plus le transfert, malgré un pas en avant donné par la Commission de transformer l'avance remboursable de 50 millions d'ECU des réserves CECA en "revolving credit" dont le remboursement ne serait exigé qu'après l'expiration du "volet social" et en aucun cas en utilisant des fonds en provenance du budget général.

L'actuelle bonne conjoncture dans le secteur sidérurgique a permis, entretemps, de légères augmentations dans les recettes du prélèvement sur les entreprises prévu pour 1988 et la Commission pourrait aller quelques millions au delà des 50 millions, mais si les ministres refusent le transfert de budget à budget, ce qui est plus que probable, la Commission pourrait se voir forcée à augmenter le prélèvement sur les entreprises, ce qu'elle peut faire de manière autonome, même si le Conseil et, bien sûr, les entreprises elles-mêmes sont contraires à l'augmentation de ce prélèvement.

Le Conseil sera aussi saisi d'un rapport sur la situation de l'industrie des textiles et de l'habillement, qui a été aussi présenté à la dernière session du Conseil Affaires Générales. (Sur le contenu de ce rapport voir notre note IP(88) 723 du 22 novembre 1988).

En ce qui concerne les petites et moyennes entreprises, la Commission présentera son rapport intermédiaire concernant l'extension du projet Euro-Info-Centres et les ministres auront un échange de vues sur l'impact du grand marché de 1992 sur les PME.

Amitiés

  
C.-D. EHLERMANN

Bruxelles, le 14 décembre 1988

Note BIO(88) 398 (suite 1) aux bureaux nationaux  
cc. aux membres du Service du Porte-Parole

-----  
Conseil Industrie du 13.12.1988 (E. REUTER)  
-----

The Council began by adopting the aids code for the steel industry which it had already considered at its informal session in Athens on 21 October 1988. It then considered the Commission's communication on the restructuring of the Italian public steel industry (Finsider). The Commission had examined the Finsider restructuring plan which involves a reduction of 1.2 million tonnes in hot rolled capacity and aid package of 5 million ECU. The approval of the aid, at a time when all operational aids are banned, needs unanimous assent of the Council. At the informal meeting in Athens, a number of delegations had expressed doubts as to whether the restructuring plan could achieve its objective, namely to restore the industry's viability. Mr Sutherland said that the Commission playing its part as honest broker had registered that there was good - but not sufficient good - will among delegations to help the Italians with their problem. The main obstacle to a solution was the issue of proportionality between the projected aids and capacity cuts. He proposed that the Council look at a solution on the basis of two stages for the implementation of the restructuring plan. There was a "tour de table" during which Italy pleaded for a rapid decision because of the necessity to commit the trade unions to the execution of the plan. Other delegations expressed reservations about the adequacy of the restructuring measures, insisting that despite the current cyclical buoyancy of the market for steel products there remained a substantial structural overcapacity. Germany strongly complained about the maintenance of considerable excess flat hot rolling capacity and the disproportionately low ratio between closures requested and aid projected.

Mr Sutherland, pulling together strands from bilateral contacts and negotiations over lunch, proposed in the early afternoon a text based on the concept of a two-tier implementation of Finsider's restructuring plan. The reason for this are the current market trends which make it difficult to get agreement on further capacity reductions which will however be necessary in the medium term. In a first phase two-thirds of the financing for Finsider would be authorized in exchange for the restructuring offered in the plan. The discussion of the anticipated requirement for the rest of the aid would be postponed until September 1990 at which time the aid might be released in exchange for a proportional additional reduction of production capacity in sensitive sectors. The new company Iiva will have to bear the blocked one-third of the aid by increasing its debts. Financial charges will therefore represent 5.5% of its turnover and can only return to 4.5% at the release of the balance of the aid.

Eleven delegations could accept this formula. The German delegation said that they had to consult their government. At the end of the Council, one felt that this matter could be resolved on these lines before next week's Internal Market Council.

Améliés,  
C. STAHOPOULOS - comeur

Bruxelles, le 13 décembre 1988

NOTE BIO(88) 398 SUITE 2 ET FIN AUX BUREAUX NATIONAUX  
CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE

---

Conseil Industrie (C. Liebana).

Outre les aides à la sidérurgie italienne (voir suite 1 de cette note BIO), le Conseil des ministres de l'Industrie a abordé trois sujets : le volet social CECA, la situation dans l'industrie du textile et de l'habillement et la politique communautaire des petites et moyennes entreprises.

Une fois de plus, le Conseil n'a pas adopté de décision quant au financement du volet social CECA, bien que tous soient d'accord sur le maintien de ce volet. La Commission, qui avait annoncé qu'elle pourrait dégager 50 millions d'ECU des réserves CECA des 165 millions qui sont nécessaires pour le financement du volet social sur trois ans, a annoncé au cours du Conseil que la bonne gestion des ressources pendant cette année conjuguée à une bonne conjoncture sidérurgique lui permettrait d'apporter autour du 50 % du financement nécessaire (80-82 millions d'ECU) des réserves CECA, mais qu'il s'agissait de l'extrême effort qui pouvait être fait si l'on ne veut pas compromettre les bonnes conditions de crédit dont la Communauté jouit dans le marché international des capitaux.

Il restait donc à apporter le 50 % restant au moyen d'un transfert du budget général vers le budget CECA et la plupart des délégations s'orientaient favorablement vers cette solution, car personne ne veut augmenter le prélèvement sur les entreprises. Mais les délégations britannique, danoise et allemande se sont opposées fermement.

Le débat sur la situation dans l'industrie textile et de l'habillement a été introduit par une exposition de M. Matutes, qui représentait la Commission en absence du Vice-Président Narjes, retenu à Strasbourg pour la session du Parlement européen, du rapport fait par les services de la Commission et déjà présenté aux ministres des Affaires Générales fin novembre. Les délégations se sont déclarées satisfaites du rapport de la Commission mais quelques unes, comme la portugaise, ont demandé qu'il soit approfondi, notamment pour tenir plus compte de la politique commerciale et de l'égalité des conditions de concurrence à l'intérieur du marché communautaire entre producteurs communautaires et des pays tiers. Le Conseil a invité donc la Commission à approfondir son analyse en vue de faire ressortir les particularités des sous-secteurs et des situations régionales et de préciser les implications que l'achèvement du marché intérieur pourrait avoir sur cette industrie.

Finalement, M. Matutes a fait rapport des derniers développements dans la politique communautaire des petites et moyennes entreprises. Il a notamment annoncé le prochain élargissement du réseau des Euro-guichets, qui passeront des 39 actuels à un maximum de 200 dans toute la Communauté et la prochaine proposition de la Commission d'un Nouveau Instrument Communautaire (NIC V) en vue des excellents résultats du NIC IV, qui, en un an et demi, a prêté 1.500 millions d'ECU à 5.000 PME communautaires et qui est épuisé, avec une demande des crédits non satisfaits de 150 millions d'ECU, c'est-à-dire 10 % du volume total du financement disponible. M. Matutes a annoncé aussi la mise en marche d'un programme de formation pour dirigeants des PME afin de mieux les préparer à l'échéance de 1992 et aux répercussions que le grand marché aura pour les PME.

Amitiés

  
C. D. EHLERMANN