



COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT



PRESS RELEASE

8953/88 (Presse 162)

1271st Council meeting
- Economic and Financial Affairs -
Brussels, 7 November 1988

President: Mr Panayotis ROUMELIOTIS,

Minister for Economic Affairs
of the Hellenic Republic

Netherlands:

Mr O.C.R. RUDING

Minister for Finance

Portugal:

Mr Miguel CADILHE

Minister for Finance

United Kingdom:

Mr Peter LILLEY

Economic Secretary to the Treasury

Commission:

Lord COCKFIELD

Vice-President

Mr Henning CHRISTOPHERSEN

Vice-President

Mr Peter M. SCHMIDHUBER

Member

Mr Abel MATUTES

Member

ECONOMIC SITUATION IN THE COMMUNITY

On the basis of an introductory statement by Mr SCHMIDHUBER, Member of the Commission, setting out the main aspects of the draft 1988-1989 annual economic report, the Council held an exchange of views on the economic situation in the Community in preparation for the discussions of the Heads of State and Government on this subject at the meeting of the European Council in Rhodes on 2 and 3 December 1988.

At its meeting on 12 December 1988, the Council will examine the annual economic report with a view to fixing the economic policy guidelines to be pursued by each Member State in 1989.

OWN FUNDS OF CREDIT INSTITUTIONS

The Council examined a report from the Permanent Representatives Committee submitting a series of still unresolved problems in the preparation of a common position on the proposal for a Directive on own funds of credit institutions.

The main problems were those concerning the treatment, in the revaluation reserves Directive, of funds for general banking risks, of the deduction of holdings in other credit and financial institutions, of the commitments of members of credit institutions set up as co-operative societies and of the joint and several liabilities of borrowers of funds.

Having found solutions to most of the questions put to it, the Council instructed the Permanent Representatives Committee to finalize discussions on the aspects still outstanding so that the Council might adopt a common position on this issue at its meeting scheduled for 12 December 1988.

SECOND DIRECTIVE ON THE TAKING-UP AND PURSUIT OF BANKING ACTIVITIES

After noting the progress made in discussions on this proposal for a Directive, the Council instructed the Permanent Representatives Committee to continue its examination of the subject and submit a further report to the Council so that it may discuss this issue at its meeting on 12 December 1988.

PROSPECTUS TO BE PUBLISHED WHEN TRANSFERABLE SECURITIES ARE OFFERED TO THE PUBLIC

The Council examined a series of key questions still unresolved in connection with the proposal for a Directive on the prospectus to be published when transferable securities are offered for subscription or sale to the public. In particular, these questions concerned the treatment of Euro-issues, the mutual recognition of prospectuses, certain aspects of their contents and the recognition of prospectuses drawn up by issuers from third countries.

After discussions that led to a certain harmonization of positions, the Council instructed the Permanent Representatives Committee to expedite discussions in this field so that the Council may return to the matter at its next meeting, on 12 December 1988.

FINANCING OF MAJOR INFRASTRUCTURES OF EUROPEAN INTEREST

The Council held a policy debate on the proposal for a Decision on the financing of major infrastructures of European interest. At the end of the discussion, the President noted that a majority of the delegations was in favour of the proposal as contained in the compromise worked out by the Presidency and the Commission after the informal discussions of the Ministers at the meeting in Elounda, Crete, in September.

The President invited the delegations which had entered reservations to re-examine their positions at this stage and to inform the Permanent Representatives Committee whether or not they could agree to the Presidency's compromise solution.

DEFINITIVE UNIFORM ARRANGEMENTS FOR THE COLLECTION OF OWN RESOURCES ACCRUING FROM VAT

On the basis of a proposal for an overall compromise from the Presidency, the Council examined the points still outstanding in connection with the proposal for a Regulation on the definitive uniform arrangements for the collection of own resources accruing from VAT.

After a discussion, the Council instructed the Permanent Representatives Committee to resolve the final remaining difficulties so that the Council could formulate a common position on this issue as soon as possible.

AID FOR THE RECONSTRUCTION OF THE REGION OF KALAMATA

The Council adopted a Decision on exceptional Community aid for the reconstruction of the areas stricken by the earthquakes of September 1986 in the region of Kalamata, Greece.

In accordance with the Decision, applicable as from 1 January 1989, the final recipients of the loans granted by the European Investment Bank from its own resources for investments carried out in the devastated areas may qualify for an interest subsidy to be charged to the general budget of the Communities up to a maximum of 100 MECU in principal.

The Commission would grant these subsidies, at a fixed rate of 3% per annum for a maximum period of 12 years, on the basis of the projects submitted by the Greek authorities.

MISCELLANEOUS DECISIONS

Approximation of laws

Further to the agreement in principle reached at its "Internal Market" meeting on 14 October 1988, the Council formally adopted the common position to be forwarded to the European Parliament, in accordance with the co-operation procedure provided for in the Single Act, with a view to the adoption of a Directive on the approximation of the laws of the Member States relating to electromagnetic compatibility. (See Press Release No 8674/88 Presse 151 of 14.X.88.)

Fisheries decisions

The Council formally adopted the following Regulations, on which agreement in principle had already been reached at the meeting on 19 and 20 October 1988 (see Press Release No 8558/88 Presse 148):

- partially suspending customs duties on prepared or preserved sardines applicable by the Community of Ten to imports from Spain and Portugal;
- amending Regulation (EEC) No 2241/87 establishing certain control measures for fishing activities.

The Council also formally adopted the following Regulations, on which agreement had already been reached at the Council meeting on 23 and 24 June 1988 (see Press Release No 7007/88 Presse 96), and the first of which had been the subject of the conciliation procedure with the European Parliament on 19 and 20 October 1988:

- amending Regulation (EEC) No 3796/81 on the common organization of the market in fishery products and amending Regulation (EEC) No 2658/87 on the Tariff and Statistical Nomenclature and on the Common Customs Tariff;
- amending Regulation (EEC) No 2203/82 laying down general rules for the granting of a carry-over premium for certain fishery products.

The Council also adopted Regulations

- amending for the second time Regulation (EEC) No 3978/87 allocating for 1988 certain catch quotas between Member States for vessels fishing in the Norwegian exclusive economic zone and the fishing zone around Jan Mayen;
- amending Regulation (EEC) No 3979/87 laying down, for 1988, certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Norway;
- amending Regulation (EEC) No 3977/87 fixing, for certain fish stocks and groups of fish stocks, the total allowable catches for 1988 and certain conditions under which they may be fished (cod in the Channel).

Social affairs

The Council adopted the Regulation on the organization of a labour force sample survey in the spring of 1989.

Bruxelles, le 7 novembre 1988.

NOTE BIO(88) 345 (suite 1) AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE

Conseil Eco-Fin (H. LOHAN)

- Situation économique dans la Communauté

En préparation du Conseil européen de Rhodes, plusieurs délégations ont souligné l'incertitude pour l'évolution des taux d'intérêts liée à la nouvelle présidence américaine. La délégation allemande a rappelé que l'excédent de sa balance courante est actuellement surcompensé par des sorties nettes de capitaux à long terme. Il ne faut donc pas élargir les différentiels des taux d'intérêts à l'intérieur de la Communauté. Dans ce contexte, le Ministre français a souligné que dans les pays excédentaires, la croissance devait être davantage soutenue par la demande interne et moins par les exportations. A l'occasion du bicentenaire du ministère des finances portugais au printemps prochain, la délégation portugaise a invité la Commission à préparer un rapport plus détaillé concernant les problèmes budgétaires du Portugal.


- Financement des grandes infrastructures européennes

Trois Etats membres (NL - UK - D) n'ont pas encore renoncé à leurs réserves. La présidence grecque les a invités à réexaminer leur position. La discussion sera poursuivie au COREPER.

- Aux points a) de l'ordre du jour, le Conseil a adopté une aide exceptionnelle de la Communauté en faveur de la reconstruction des zones sinistrées en septembre 1986 par les séismes aux alentours de la ville de Kalamata en Grèce. L'aide comportera des prêts jusqu'à un montant équivalent à 100 millions d'ECU à accorder par la BEI ainsi que des bonifications d'intérêts octroyées par la Commission et dont le taux est fixé à 3 % pour une période maximale de 12 ans.

Amitiés,

C. D. ENLERMANN



Bruxelles, le 8 novembre 1988

Note BIO(88) 345 (suite 2 et fin) aux bureaux nationaux
cc. aux membres du Service du Porte-Parole

Conseil ECO/FIN du 7.11.1988 (E. Reuter)

Over lunch the Ministers had a political exchange of views on the proposal for a reciprocity clause in the 2nd Banking Directive. The UK and Luxembourg in particular questioned the wisdom of the Commission's proposal. Several ministers expressed concern that such a clause would lead to serious difficulties with the Americans. Lord Cockfield pointed out that it mirrored a similar clause in the UK Financial Services Act. The Ministers concluded their discussion by referring to current developments in the international dimension of the service industry, in particular in the GATT negotiations. The concept of mutual benefits retained all its relevance in a context where the Community was more open than her partners. Coreper was asked to pursue work on this issue, in particular with a view to defining the reciprocity concept in a language which would reflect existing GATT provisions and define the contents of the clause and the procedures for its operation.

The Council had an extensive and rather technical discussion on the outstanding issues concerning the own funds directive. The positions recorded in Coreper on how to consider reserves and general banking risks. Lord Cockfield said that the Commission could accept the Presidency compromise. He made the point that the Community was not bound by the Cooke committee's guidelines - the so-called Basle agreement. The Commission had also to look after the interests of those Member States which did not participate in the Basle framework and was not only meeting these guidelines but seeking to improve on them wherever feasible. The advantage of the Presidency compromise was that it allowed us to wait and see how the Basle agreement developed.

The matter was referred to Coreper with a view to making it possible for the Council to take decisions on the 12th of December. The same procedural decision was taken with regard to the Commission's proposal concerning the prospectuses to be issued when offering stock market shares. After a lengthy debate on the definition of euro-securities, the Council appeared to move towards the overall acceptance that the euro-securities would be excluded from the scope of the directive.

The Danish delegation raised its difficulties in relation to certain tax allowances. It hoped that the Council would agree to a further prolongation of the Danish derogations. This was after all only a very small problem for the Community but a big problem for Denmark. Lord Cockfield said that the Commission would present a report at the next ECO/FIN Council. He noted that one could wonder why the derogation granted to Denmark appeared to have failed to meet its purpose, namely to enable Denmark to adjust in order to meet its Community obligations. It was now not possible to treat this matter separately from the fiscal package which the Commission had tabled in order to secure the abolition of frontier controls and the completion of the internal market.

Lord Cockfield also made a statement on the 3 directives concerning the elimination of double taxation and tax obstacles to cooperation between undertakings from different Member States. He asked the Council to take steps so as that these directives could be adopted in the very near future.

E. Reuter
Amities,

C.D. EHLERMANN - comeur

Bruxelles, le 4 novembre 1988.

NOTE BIO(88) 345 AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE

RENDEZ-VOUS DE MIDI DU 4.11.1988 (E. REUTER)

433

Préparation du Conseil ECO/FIN

Le Conseil ECO/FIN se réunira lundi à 12h30. Pendant le déjeuner les ministres vont évoquer la question de la réciprocité dans le contexte de la deuxième directive de coordination bancaire et le financement des grandes infrastructures d'intérêt européen.

Parmi les points à l'ordre du jour concernant le portefeuille de Lord Cockfield II faut signaler les fonds propres des établissements de crédit. La Commission avait transmis au Conseil en septembre 1986 une proposition de directive visant à harmoniser les exigences concernant les fonds que les banques doivent avoir pour garantir leurs engagements. Ceci est une condition essentielle pour la création de l'espace financier européen dans laquelle banques et établissements de crédits pourront offrir leurs services à 320 mio de clients. L'objectif est d'adopter une position commune au Conseil du 7 novembre. Les questions ouvertes concernent la prise en compte des réserves de réévaluation et des fonds pour risques bancaires généraux ainsi que la prise en compte des engagements de membres de coopératives de crédit.

(Suite : Lohan)

Financement des grandes infrastructures d'intérêt européen.
Lors du déjeuner, les ministres commenceront un nouvel échange de vues sur la proposition de la Commission qui vise à mobiliser et à orienter les capitaux privés vers le financement de projets de grandes infrastructures.

A cette fin, la Commission a proposé deux instruments : une déclaration d'utilité européenne et un concours financier communautaire. Pour cela, elle prévoit trois sources de financement : des ressources disponibles dans le cadre des politiques et actions communautaires, des prêts de la BEI et des ressources budgétaires spécifiques.

C'est surtout sur cette dernière source de financement que portent des divergences de vues au Conseil. La Commission considère que cette source est importante parce qu'elle permet de financer des études de faisabilité et de catalyser le montage financier des projets. Des ressources budgétaires spécifiques, dont le montant total resterait de toute façon très faible (en dessous de 10 millions d'écus), éviteront donc que des projets tombent à travers un filet incomplet de possibilités de financement par les crédits disponibles dans le cadre des politiques existantes.

La situation économique dans la Communauté.

M. Schmidhuber présentera très brièvement les grandes lignes du rapport économique annuel en soulignant les excellents résultats de l'économie européenne. Il indiquera de plus qu'à moyen terme le chômage dans la Communauté pourra être réduit d'un point par an si le taux de croissance de 3 1/2 % peut être maintenu sur une période plus prolongée. En fait, cet objectif pourra être réalisé en appliquant la stratégie économique telle que détaillée par la Commission dans les rapports économiques de ces dernières années.

Matériel diffusé :

Calendrier

- IP 671 - Commission examine aide française dans le secteur bovin
- IP 673 - Premiers contacts exploratoires en vue d'un accord bilatéral entre la CE et l'Union soviétique
- IP 674 - Président Déloris à Berlin
- IP 676 - Vignette pour les poids lourds en RFA
- IP 677 - La Commission adopte une décision imposant une amende à la SABENA
- P - 127 - Fixation des prix pour la campagne de pêche 1989
- MEMO 139 - Réunion informelle des ministres des télécommunications

Le Porte-Parole a également fait part de la réaction de M. Clinton Davis à l'annonce faite par le Gouvernement allemand d'introduire une vignette auto-routière pour les véhicules lourds de transport routier à partir du 1er janvier 1990. Ces mesures unilatérales ne pouvaient que contrarier les efforts de la Commission visant à rapprocher le traitement fiscal des transporteurs routiers et à créer à partir de 1992 une fiscalité uniforme pour la prise en charge du coût des infrastructures. D'autre part, elles étaient susceptibles de soulever des problèmes en droit communautaire dans la mesure où elles comportaient un élément de discrimination entre entreprises de la Communauté.

Le Porte-Parole a également informé les journalistes de la décision de la Commission de sanctionner par une amende l'abus par Sabena de sa position dominante dans l'accès au système de réservation informatisé à l'aéroport de Bruxelles.

Amitiés,

B. DETHOMAS

