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I

(Acts whose publication is obligatory)

COUNCIL REGULATION (EC) No 1103/97

of 17 June 1997

on certain provisions relating to the introduction of the euro

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 235 thereof,

Having regard to the proposal of the Commission⁽¹⁾,

Having regard to the opinion of the European Parliament⁽²⁾,

Having regard to the opinion of the European Monetary Institute⁽³⁾,

(1) Whereas, at its meeting held in Madrid on 15 and 16 December 1995, the European Council confirmed that the third stage of Economic and Monetary Union will start on 1 January 1999 as laid down in Article 109j (4) of the Treaty; whereas the Member States which will adopt the euro as the single currency in accordance with the Treaty will be defined for the purposes of this Regulation as the 'participating Member States';

(2) Whereas, at the meeting of the European Council in Madrid, the decision was taken that the term 'ECU' used by the Treaty to refer to the European currency unit is a generic term; whereas the Governments of the fifteen Member States have achieved the common agreement that this decision is the agreed and definitive interpretation of the relevant Treaty provisions; whereas the name given to the European currency shall be the 'euro'; whereas the euro as the currency of the participating Member States will be divided into one hundred sub-units with the name 'cent'; whereas the European Council furthermore considered that the name of the single currency must be the same in all the official languages of the European Union, taking into account the existence of different alphabets;

(3) Whereas a Regulation on the introduction of the euro will be adopted by the Council on the basis of the third sentence of Article 109l (4) of the Treaty as soon as the participating Member States are known in order to define the legal framework of the euro; whereas the Council, when acting at the starting date of the third stage in accordance with the first sentence of Article 109l (4) of the Treaty, shall adopt the irrevocably fixed conversion rates;

(4) Whereas it is necessary, in the course of the operation of the common market and for the changeover to the single currency, to provide legal certainty for citizens and firms in all Member States on certain provisions relating to the introduction of the euro well before the entry into the third stage; whereas this legal certainty at an early stage will allow preparations by citizens and firms to proceed under good conditions;

(5) Whereas the third sentence of Article 109l (4) of the Treaty, which allows the Council, acting with the unanimity of participating Member States, to take other measures necessary for the rapid introduction of the single currency is available as a legal basis only when it has been confirmed, in accordance with Article 109j (4) of the Treaty, which Member States fulfil the necessary conditions for the adoption of a single currency; whereas it is therefore necessary to have recourse to Article 235 of the Treaty as a legal basis for those provisions where there is an urgent need for legal certainty; whereas therefore this Regulation and the aforesaid Regulation on the introduction of the euro will together provide the legal framework for the euro, the principles of which legal framework were agreed by the European Council in Madrid; whereas the introduction of the euro concerns day-to-day operations of the whole population in participating Member States; whereas measures other than those in this Regulation and in the Regulation which will be adopted under the third sentence of Article 109l (4) of the Treaty should be examined to ensure a balanced changeover, in particular for consumers;

⁽¹⁾ OJ No C 369, 7. 12. 1996, p. 8.

⁽²⁾ OJ No C 380, 16. 12. 1996, p. 49.

⁽³⁾ Opinion delivered on 29 November 1996.

- (6) Whereas the ECU as referred to in Article 109g of the Treaty and as defined in Council Regulation (EC) No 3320/94 of 22 December 1994 on the consolidation of the existing Community legislation on the definition of the ECU following the entry into force of the Treaty on European Union⁽¹⁾ will cease to be defined as a basket of component currencies on 1 January 1999 and the euro will become a currency in its own right; whereas the decision of the Council regarding the adoption of the conversion rates shall not in itself modify the external value of the ECU; whereas this means that one ECU in its composition as a basket of component currencies will become one euro; whereas Regulation (EC) No 3320/94 therefore becomes obsolete and should be repealed; whereas for references in legal instruments to the ECU, parties shall be presumed to have agreed to refer to the ECU as referred to in Article 109g of the Treaty and as defined in the aforesaid Regulation; whereas such presumption should be rebuttable taking into account the intentions of the parties;
- (7) Whereas it is a generally accepted principle of law that the continuity of contracts and other legal instruments is not affected by the introduction of a new currency; whereas the principle of freedom of contract has to be respected; whereas the principle of continuity should be compatible with anything which parties might have agreed with reference to the introduction of the euro; whereas, in order to reinforce legal certainty and clarity, it is appropriate explicitly to confirm that the principle of continuity of contracts and other legal instruments shall apply between the former national currencies and the euro and between the ECU as referred to in Article 109g of the Treaty and as defined in Regulation (EC) No 3320/94 and the euro; whereas this implies, in particular, that in the case of fixed interest rate instruments the introduction of the euro does not alter the nominal interest rate payable by the debtor; whereas the provisions on continuity can fulfil their objective to provide legal certainty and transparency to economic agents, in particular for consumers, only if they enter into force as soon as possible;
- (8) Whereas the introduction of the euro constitutes a change in the monetary law of each participating Member State; whereas the recognition of the monetary law of a State is a universally accepted principle; whereas the explicit confirmation of the principle of continuity should lead to the recognition of continuity of contracts and other legal instruments in the jurisdictions of third countries;
- (9) Whereas the term 'contract' used for the definition of legal instruments is meant to include all types of contracts, irrespective of the way in which they are concluded;
- (10) Whereas the Council, when acting in accordance with the first sentence of Article 109l (4) of the Treaty, shall define the conversion rates of the euro in terms of each of the national currencies of the participating Member States; whereas these conversion rates should be used for any conversion between the euro and the national currency units or between the national currency units; whereas for any conversion between national currency units, a fixed algorithm should define the result; whereas the use of inverse rates for conversion would imply rounding of rates and could result in significant inaccuracies, notably if large amounts are involved;
- (11) Whereas the introduction of the euro requires the rounding of monetary amounts; whereas an early indication of rules for rounding is necessary in the course of the operation of the common market and to allow a timely preparation and a smooth transition to Economic and Monetary Union; whereas these rules do not affect any rounding practice, convention or national provisions providing a higher degree of accuracy for intermediate computations;
- (12) Whereas, in order to achieve a high degree of accuracy in conversion operations, the conversion rates should be defined with six significant figures; whereas a rate with six significant figures means a rate which, counted from the left and starting by the first non-zero figure, has six figures,

HAS ADOPTED THIS REGULATION:

Article 1

For the purpose of this Regulation:

- 'legal instruments' shall mean legislative and statutory provisions, acts of administration, judicial decisions, contracts, unilateral legal acts, payment instruments other than banknotes and coins, and other instruments with legal effect,
- 'participating Member States' shall mean those Member States which adopt the single currency in accordance with the Treaty,
- 'conversion rates' shall mean the irrevocably fixed conversion rates which the Council adopts in accordance with the first sentence of Article 109l (4) of the Treaty,
- 'national currency units' shall mean the units of the currencies of participating Member States, as those units are defined on the day before the start of the third stage of Economic and Monetary Union,

⁽¹⁾ OJ No L 350, 31. 12. 1994, p. 27.

— 'euro unit' shall mean the unit of the single currency as defined in the Regulation on the introduction of the euro which will enter into force at the starting date of the third stage of Economic and Monetary Union.

Article 2

1. Every reference in a legal instrument to the ECU, as referred to in Article 109g of the Treaty and as defined in Regulation (EC) No 3320/94, shall be replaced by a reference to the euro at a rate of one euro to one ECU. References in a legal instrument to the ECU without such a definition shall be presumed, such presumption being rebuttable taking into account the intentions of the parties, to be references to the ECU as referred to in Article 109g of the Treaty and as defined in Regulation (EC) No 3320/94.

2. Regulation (EC) No 3320/94 is hereby repealed.

3. This Article shall apply as from 1 January 1999 in accordance with the decision pursuant to Article 109j (4) of the Treaty.

Article 3

The introduction of the euro shall not have the effect of altering any term of a legal instrument or of discharging or excusing performance under any legal instrument, nor give a party the right unilaterally to alter or terminate such an instrument. This provision is subject to anything which parties may have agreed.

Article 4

1. The conversion rates shall be adopted as one euro expressed in terms of each of the national currencies of the participating Member States. They shall be adopted with six significant figures.

2. The conversion rates shall not be rounded or truncated when making conversions.

3. The conversion rates shall be used for conversions either way between the euro unit and the national currency units. Inverse rates derived from the conversion rates shall not be used.

4. Monetary amounts to be converted from one national currency unit into another shall first be converted into a monetary amount expressed in the euro unit, which amount may be rounded to not less than three decimals and shall then be converted into the other national currency unit. No alternative method of calculation may be used unless it produces the same results.

Article 5

Monetary amounts to be paid or accounted for when a rounding takes place after a conversion into the euro unit pursuant to Article 4 shall be rounded up or down to the nearest cent. Monetary amounts to be paid or accounted for which are converted into a national currency unit shall be rounded up or down to the nearest sub-unit or in the absence of a sub-unit to the nearest unit, or according to national law or practice to a multiple or fraction of the sub-unit or unit of the national currency unit. If the application of the conversion rate gives a result which is exactly half-way, the sum shall be rounded up.

Article 6

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Luxembourg, 17 June 1997.

For the Council

The President

A. JORRITSMA-LEBBINK

COMMISSION REGULATION (EC) No 1104/97

of 18 June 1997

fixing the representative prices and the additional import duties for molasses in the sugar sector

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 1785/81 of 30 June 1981 on the common organization of the market in sugar ⁽¹⁾, as last amended by Regulation (EC) No 1599/96 ⁽²⁾,

Having regard to Commission Regulation (EC) No 1422/95 of 23 June 1995 laying down detailed rules of application for imports of molasses in the sugar sector and amending Regulation (EEC) No 785/68 ⁽³⁾, and in particular Articles 1 (2) and 3 (1) thereof,

Whereas Regulation (EC) No 1422/95 stipulates that the cif import price for molasses, hereinafter referred to as the 'representative price', should be set in accordance with Commission Regulation (EEC) No 785/68 ⁽⁴⁾; whereas that price should be fixed for the standard quality defined in Article 1 of the above Regulation;

Whereas the representative price for molasses is calculated at the frontier crossing point into the Community, in this case Amsterdam; whereas that price must be based on the most favourable purchasing opportunities on the world market established on the basis of the quotations or prices on that market adjusted for any deviations from the standard quality; whereas the standard quality for molasses is defined in Regulation (EEC) No 785/68;

Whereas, when the most favourable purchasing opportunities on the world market are being established, account must be taken of all available information on offers on the world market, on the prices recorded on important third-country markets and on sales concluded in international trade of which the Commission is aware, either directly or through the Member States; whereas, under Article 7 of Regulation (EEC) No 785/68, the Commission may for this purpose take an average of several prices as a basis, provided that this average is representative of actual market trends;

Whereas the information must be disregarded if the goods concerned are not of sound and fair marketable quality or if the price quoted in the offer relates only to a small

quantity that is not representative of the market; whereas offer prices which can be regarded as not representative of actual market trends must also be disregarded;

Whereas, if information on molasses of the standard quality is to be comparable, prices must, depending on the quality of the molasses offered, be increased or reduced in the light of the results achieved by applying Article 6 of Regulation (EEC) No 785/68;

Whereas a representative price may be left unchanged by way of exception for a limited period if the offer price which served as a basis for the previous calculation of the representative price is not available to the Commission and if the offer prices which are available and which appear not to be sufficiently representative of actual market trends would entail sudden and considerable changes in the representative price;

Whereas where there is a difference between the trigger price for the product in question and the representative price, additional import duties should be fixed under the conditions set out in Article 3 of Regulation (EC) No 1422/95; whereas should the import duties be suspended pursuant to Article 5 of Regulation (EC) No 1422/95, specific amounts for these duties should be fixed;

Whereas application of these provisions will have the effect of fixing the representative prices and the additional import duties for the products in question as set out in the Annex to this Regulation;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Sugar,

HAS ADOPTED THIS REGULATION:

Article 1

The representative prices and the additional duties applying to imports of the products referred to in Article 1 of Regulation (EC) No 1422/95 are fixed in the Annex hereto.

Article 2

This Regulation shall enter into force on 19 June 1997.

⁽¹⁾ OJ No L 177, 1. 7. 1981, p. 4.

⁽²⁾ OJ No L 206, 16. 8. 1996, p. 43.

⁽³⁾ OJ No L 141, 24. 6. 1995, p. 12.

⁽⁴⁾ OJ No L 145, 27. 6. 1968, p. 12.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 18 June 1997.

For the Commission

Franz FISCHLER

Member of the Commission

ANNEX

fixing the representative prices and additional import duties applying to imports of molasses in the sugar sector

CN code	Amount of the representative price in ECU per 100 kg net of the product in question	Amount of the additional duty in ECU per 100 kg net of the product in question	Amount of the duty to be applied to imports in ECU per 100 kg net of the product in question because of suspension as referred to in Article 5 of Regulation (EC) No 1422/95 ⁽²⁾
1703 10 00 ⁽¹⁾	8,30	—	0,00
1703 90 00 ⁽¹⁾	12,24	—	0,00

⁽¹⁾ For the standard quality as defined in Article 1 of amended Regulation (EEC) No 785/68.

⁽²⁾ This amount replaces, in accordance with Article 5 of Regulation (EC) No 1422/95, the rate of the Common Customs Tariff duty fixed for these products.

COMMISSION REGULATION (EC) No 1105/97

of 18 June 1997

altering the export refunds on white sugar and raw sugar exported in the natural state

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 1785/81 of 30 June 1981 on the common organization of the markets in the sugar sector ⁽¹⁾, as last amended by Regulation (EC) No 1599/96 ⁽²⁾, and in particular the second subparagraph of Article 19 (4) thereof,

Whereas the refunds on white sugar and raw sugar exported in the natural state were fixed by Commission Regulation (EC) No 1051/97 ⁽³⁾;

Whereas it follows from applying the detailed rules contained in Regulation (EC) No 1051/97 to the informa-

tion known to the Commission that the export refunds at present in force should be altered to the amounts set out in the Annex hereto,

HAS ADOPTED THIS REGULATION:

Article 1

The export refunds on the products listed in Article 1 (1) (a) of Regulation (EEC) No 1785/81, undenatured and exported in the natural state, as fixed in the Annex to Regulation (EC) No 1051/97 are hereby altered to the amounts shown in the Annex hereto.

Article 2

This Regulation shall enter into force on 19 June 1997.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 18 June 1997.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ No L 177, 1. 7. 1981, p. 4.

⁽²⁾ OJ No L 206, 16. 8. 1996, p. 43.

⁽³⁾ OJ No L 154, 12. 6. 1997, p. 5.

ANNEX

to the Commission Regulation of 18 June 1997 altering the export refunds on white sugar and raw sugar exported in its unaltered state

Product code	Amount of refund
	— ECU/100 kg —
1701 11 90 9100	36,68 ⁽¹⁾
1701 11 90 9910	35,06 ⁽¹⁾
1701 11 90 9950	⁽²⁾
1701 12 90 9100	36,68 ⁽¹⁾
1701 12 90 9910	35,06 ⁽¹⁾
1701 12 90 9950	⁽²⁾
	— ECU/1 % of sucrose × 100 kg —
1701 91 00 9000	0,3987
	— ECU/100 kg —
1701 99 10 9100	39,87
1701 99 10 9910	39,13
1701 99 10 9950	39,13
	— ECU/1 % of sucrose × 100 kg —
1701 99 90 9100	0,3987

⁽¹⁾ Applicable to raw sugar with a yield of 92 %; if the yield is other than 92 %, the refund applicable is calculated in accordance with the provisions of Article 17a (4) of Regulation (EEC) No 1785/81.

⁽²⁾ Fixing suspended by Commission Regulation (EEC) No 2689/85 (OJ No L 255, 26. 9. 1985, p. 12), as amended by Regulation (EEC) No 3251/85 (OJ No L 309, 21. 11. 1985, p. 14).

COMMISSION REGULATION (EC) No 1106/97
of 18 June 1997

fixing the maximum export refund for white sugar for the 43rd partial invitation to tender issued within the framework of the standing invitation to tender provided for in Regulation (EC) No 1464/96

THE COMMISSION OF THE EUROPEAN COMMUNITIES,
Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 1785/81 of 30 June 1981 on the common organization of the markets in the sugar sector ⁽¹⁾, as last amended by Regulation (EC) No 1599/96 ⁽²⁾, and in particular the second subparagraph of Article 17 (5) (b) thereof,

Whereas Commission Regulation (EC) No 1464/96 of 25 July 1996 on a standing invitation to tender to determine levies and/or refunds on exports of white sugar ⁽³⁾, requires partial invitations to tender to be issued for the export of this sugar;

Whereas, pursuant to Article 9 (1) of Regulation (EC) No 1464/96 a maximum export refund shall be fixed, as the case may be, account being taken in particular of the state and foreseeable development of the Community and world markets in sugar, for the partial invitation to tender in question;

Whereas, following an examination of the tenders submitted in response to the 43rd partial invitation to

tender, the provisions set out in Article 1 should be adopted;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Sugar,

HAS ADOPTED THIS REGULATION:

Article 1

For the 43rd partial invitation to tender for white sugar issued pursuant to Regulation (EC) No 1464/96 the maximum amount of the export refund is fixed at 42,168 ECU per 100 kilograms.

Article 2

This Regulation shall enter into force on 19 June 1997.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 18 June 1997.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ No L 177, 1. 7. 1981, p. 4.

⁽²⁾ OJ No L 206, 16. 8. 1996, p. 43.

⁽³⁾ OJ No L 187, 26. 7. 1996, p. 42.

COMMISSION REGULATION (EC) No 1107/97

of 18 June 1997

laying down to what extent applications for issue of export licences submitted during June 1997 for beef and veal products which may benefit from special import treatment in Canada may be accepted

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Commission Regulation (EC) No 1445/95 of 26 June 1995 on rules of application for import and export licences in the beef and veal sector and repealing Regulation (EEC) No 2377/80⁽¹⁾, as last amended by Regulation (EC) No 266/97⁽²⁾, and in particular Article 12 (a) (8) thereof,

Whereas Regulation (EC) No 1445/95 lays down, in Article 12 (a), detailed rules for export licence applications for the products referred to in Article 1 of Commission Regulation (EC) No 2051/96⁽³⁾, laying down certain detailed rules for granting of assistance for the export of beef and veal which may benefit from a special import treatment in Canada, as amended by Regulation (EC) No 2333/96⁽⁴⁾;

Whereas Regulation (EC) No 2051/96 fixed the quantities of meat which might be exported on special terms for the year 1997, whereas no applications were submitted for export licences for beef and veal,

HAS ADOPTED THIS REGULATION:

Article 1

No applications for export licences were lodged for the beef and veal referred to in Regulation (EC) No 2051/96 for the month of June 1997.

Article 2

Applications for licences in respect of the meat referred to in Article 1 may be entered in accordance with Article 12a of Regulation (EC) No 1445/95 during the first 5 days of the month of July 1997 the total quantity available being 5 000 tonnes.

Article 3

This Regulation shall enter into force on 19 June 1997.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 18 June 1997.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ No L 143, 27. 6. 1995, p. 35.

⁽²⁾ OJ No L 45, 15. 2. 1997, p. 1.

⁽³⁾ OJ No L 274, 26. 10. 1996, p. 18.

⁽⁴⁾ OJ No L 317, 6. 12. 1996, p. 13.

COMMISSION REGULATION (EC) No 1108/97

of 18 June 1997

amending Regulations (EC) No 306/96, (EC) No 85/97 and (EC) No 86/97 as regards compound feedingstuffs for fish and other animals

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Decision 95/582/EC of 20 December 1995 on the conclusion of agreements in the form of exchanges of letters between the European Community, of the one part, and the Republic of Iceland, the Kingdom of Norway and the Swiss Confederation, of the other part, concerning certain agricultural products⁽¹⁾, and in particular Article 2 thereof,

Having regard to Council Regulation (EC) No 3066/95 of 22 December 1995 establishing certain concessions in the form of Community tariff quotas for certain agricultural products and providing for the adjustment, as an autonomous and transitional measure, of certain agricultural concessions provided for in the Europe Agreements to take account of the Agreement on Agriculture concluded during the Uruguay Round Multilateral Trade Negotiations⁽²⁾, as last amended by Regulation (EC) No 2490/96⁽³⁾, and in particular Article 8 thereof,

Whereas the abovementioned instruments open certain annual tariff quotas subject to reduced or zero duty for fish and animal feed originating in certain third countries;

Whereas the detailed rules for the management of those quotas are laid down in Commission Regulations (EC) No 306/96⁽⁴⁾, (EC) No 85/97⁽⁵⁾ and (EC) No 86/97⁽⁶⁾;

Whereas those Regulations all make the issuing of import licences subject to the presentation of an EUR.1 movement certificate issued in the third country of origin; whereas those provisions can generally not be complied with in so far as it is extremely difficult for importers to obtain EUR.1 movement certificates before the goods reach the place of import; whereas the abovementioned Regulations should accordingly be amended and access to

the tariffs provided for therein should be made subject to presentation of an EUR.1 movement certificate at the time the goods in question are released for free circulation;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Cereals,

HAS ADOPTED THIS REGULATION:

Article 1

1. Article 2 of Regulations (EC) No 85/97 and (EC) No 86/97 is hereby replaced by the following:

'Article 2

In order to qualify for the import conditions provided for in this Regulation, the goods must be accompanied, on their release for free circulation, by the original of the proof of origin in the form of an EUR.1 movement certificate issued by the competent authorities of the country in which they originate.'

2. Article 2 of Regulation (EC) No 306/96 is hereby replaced by the following:

'Article 2

In order to qualify for the zero rate of customs duty provided for in this Regulation, the goods must be accompanied, on their release for free circulation, by the proof of origin in the form of an EUR.1 movement certificate or declaration on an invoice for the products in question, issued or compiled in Norway in accordance with Annex IV to the abovementioned bilateral Agreement.'

Article 2

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

⁽¹⁾ OJ No L 327, 30. 12. 1995, p. 17.

⁽²⁾ OJ No L 328, 30. 12. 1995, p. 31.

⁽³⁾ OJ No L 338, 28. 12. 1996, p. 13.

⁽⁴⁾ OJ No L 43, 21. 2. 1996, p. 1.

⁽⁵⁾ OJ No L 17, 21. 1. 1997, p. 9.

⁽⁶⁾ OJ No L 17, 21. 1. 1997, p. 12.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 18 June 1997.

For the Commission

Franz FISCHLER

Member of the Commission

COMMISSION REGULATION (EC) No 1109/97

of 18 June 1997

setting the intervention thresholds in the fruit and vegetables sector for the
1997/98 marketing year

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 2200/96 of 28 October 1996 on the common organization of the market in fruit and vegetables⁽¹⁾, and in particular Articles 27 (1) and (2) and 57 thereof,

Whereas Article 27 of Regulation (EC) No 2200/96 provides for the possibility of setting an intervention threshold if the market in a product listed in Annex II thereto is suffering or at risk of suffering from widespread structural imbalances giving or liable to give rise to too large a volume of withdrawals; whereas such a development would be likely to cause budget problems for the Community;

Whereas the conditions laid down in the abovementioned Article 27 are satisfied for certain products; whereas, therefore, intervention thresholds should be set for tomatoes, cauliflowers, peaches, nectarines, apples, table grapes, lemons, oranges, satsumas, clementines, mandarins, melons and watermelons;

Whereas the intervention threshold for each of those products should be set on the basis of a percentage of the average production intended for consumption in the natural state over the last five marketing years for which data are available; whereas, in addition, the period to be taken into account for the assessment of the overrun in the intervention threshold for each of those products should be determined;

Whereas, pursuant to the abovementioned Article 27, an overrun of the intervention threshold is to give rise to a reduction in the Community withdrawal compensation in the following market year; whereas the results of such an overrun should be determined for each of the products concerned; whereas a reduction in proportion to the size

of the overrun should be fixed but restricted to a certain percentage;

Whereas Article 57 of the abovementioned Regulation provides that if measures are needed to facilitate the transition from the previous arrangements to those established by that Regulation, such measures must be adopted in accordance with the procedure laid down in Article 46; whereas such measures are necessary for certain products whose marketing year has already started; whereas, therefore, the intervention threshold for the 1997/98 marketing year, the first period of application of the new arrangements, should be fixed for those products; whereas the period on the basis of which the overrun of the intervention threshold is to be assessed should be determined, taking account of those circumstances;

Whereas the Management Committee for Fresh Fruit and Vegetables has not delivered an opinion within the time limit set by its chairman,

HAS ADOPTED THIS REGULATION:

Article 1

The following intervention thresholds are set for the 1997/98 marketing year:

— tomatoes	360 000 tonnes
— cauliflowers	111 300 tonnes
— apples	387 300 tonnes
— peaches	272 400 tonnes
— nectarines	89 800 tonnes
— melons	176 600 tonnes
— watermelons	197 400 tonnes
— table grapes	162 200 tonnes
— lemons	93 500 tonnes
— oranges	408 500 tonnes
— satsumas	23 300 tonnes
— mandarins	36 000 tonnes
— clementines	133 400 tonnes.

Article 2

The overrun of the intervention threshold for the above products shall be assessed on the basis of withdrawals effected during the following periods:

— for tomatoes	between 1 November and 31 October
— for cauliflowers	between 1 March and 28 February
— for peaches and nectarines	between 1 March and 28 February
— for melons and water melons	between 1 February and 31 January
— for table grapes	between 1 March and 28 February
— for apples	between 1 June and 31 May
— for lemons	between 1 April and 31 March
— for oranges, satsumas, mandarins and clementines	between 1 August and 31 July.

⁽¹⁾ OJ No L 297, 21. 11. 1996, p. 1.

Article 3

If the quantity subject to withdrawals of one of the products listed in Article 1 during the period set in Article 2 exceeds the threshold set in Article 1, the Community withdrawal compensation set pursuant to Article 26 of Regulation (EC) No 2200/96 shall be reduced in proportion to the size of the overrun based on the production used to calculate the relevant threshold.

However, the reduction in the Community compensation shall not exceed 30 %.

Article 4

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 18 June 1997.

For the Commission

Franz FISCHLER

Member of the Commission

COMMISSION REGULATION (EC) No 1110/97

of 18 June 1997

amending Regulation (EEC) No 3061/84 laying down detailed rules for the application of the system of production aid for olive oil

THE COMMISSION OF THE EUROPEAN COMMUNITIES,
Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation No 136/66/EEC of 22 September 1966 on the establishment of a common organization of the market in oils and fats⁽¹⁾, as last amended by Regulation (EC) No 1581/96⁽²⁾, and in particular Article 5 (5) thereof,

Whereas Commission Regulation (EEC) No 3061/84⁽³⁾, as last amended by Regulation (EC) No 1137/96⁽⁴⁾, lays down 15 June as the last date for the submission of aid applications by olive growers; whereas that Regulation also lays down 15 July as the last date for submission of aid applications by producer organizations or their associations, and 31 July as the last date for submission by producer organizations or their associations of aid applications submitted late by olive growers;

Whereas experience over the past few marketing years has shown that, in certain regions, the harvesting and processing of olives is only completed during June; whereas, therefore, the above time limits should be amended;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Oils and Fats,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 3061/84 is hereby amended as follows:

1. in the first subparagraph of Article 5 (3), '15 June' is replaced by '30 June';
2. in Article 5 (4), '15 July' and '31 July' are replaced by '31 July' and '14 August' respectively.

Article 2

This Regulation shall enter into force on the day following its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 18 June 1997.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ No 172, 30. 9. 1966, p. 3025/66.

⁽²⁾ OJ No L 206, 16. 8. 1996, p. 11.

⁽³⁾ OJ No L 288, 1. 11. 1984, p. 52.

⁽⁴⁾ OJ No L 151, 26. 6. 1996, p. 1.

**COMMISSION REGULATION (EC) No 1111/97
of 18 June 1997**

**amending Regulation (EC) No 1234/96 as regards the forecast balance for the
supply to the Canary Islands of cereal products and glucose**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,
Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 1601/92 of 15 June 1992 concerning specific measures for the Canary Islands with regard to certain agricultural products⁽¹⁾, as last amended by Regulation (EC) No 2348/96⁽²⁾, and in particular Article 3 (4) thereof,

Whereas the forecast supply balance in cereals for the Canary Islands is established by Commission Regulation (EC) No 1234/96 of 28 June 1996 amending Regulations (EEC) No 388/92 and (EEC) No 1727/92 laying down detailed rules for the implementation of the specific arrangements for the supply of cereal products to the French overseas departments (FOD) and to the Azores and Madeira respectively and establishing the relevant forecast supply balances, and establishing a forecast balance for the supply to the Canary Islands of cereal products and glucose⁽³⁾; whereas, to meet the needs of the

latter region, amendments must be made to that forecast supply balance;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Cereals,

HAS ADOPTED THIS REGULATION:

Article 1

Annex III to Regulation (EC) No 1234/96 is hereby replaced by the Annex hereto.

Article 2

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Communities*.

It shall apply with effect from 1 June 1997.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 18 June 1997.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ No L 173, 27. 6. 1992, p. 13.

⁽²⁾ OJ No L 320, 11. 12. 1996, p. 1.

⁽³⁾ OJ No L 161, 29. 6. 1996, p. 101.

ANNEX

ANNEX III

CANARY ISLANDS: SUPPLY BALANCE FOR CEREAL PRODUCTS AND GLUCOSE FOR
THE 1996/97 MARKETING YEAR

(in tonnes)

CN code	Product	Quantity
1001 90 ⁽¹⁾	Common wheat	155 000
1001 10 ⁽¹⁾	Durum wheat	0
1003 ⁽¹⁾	Barley	30 000
1004 ⁽¹⁾	Oats	2 000
1005 ⁽¹⁾	Maize	180 000
1103 11 50	Durum wheat meal	3 800
1103 13	Maize meal	3 000
1103 19	Meal of other cereals	0
1103 21 to 1103 29	Pellets	0
1107	Malt	16 000
ex 1702 ⁽²⁾	Glucose	1 800

⁽¹⁾ The quantities fixed may be exceeded by up to a maximum of 25 % provided that the combined quantity for the products concerned is not exceeded.

⁽²⁾ Except products falling within CN codes 1702 30 10, 1702 40 10, 1702 60 10 and 1702 90 30.

COMMISSION REGULATION (EC) No 1112/97

of 18 June 1997

adopting exceptional support measures for the beef market in Ireland in application of Decision 97/312/EC

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 805/68 of 27 June 1968 on the common organization of the market in beef and veal⁽¹⁾, as last amended by Regulation (EC) No 2222/96⁽²⁾, and in particular Article 23 thereof,

Whereas, by Decision 97/312/EC⁽³⁾, the Commission approved a plan proposed by Ireland for measures to be implemented as regards bovine spongiform encephalopathy (BSE) in that Member State;

Whereas the principal elements of the plan are *inter alia* compulsory slaughter and destruction of suspect cases of BSE and, if confirmed, slaughter and destruction of all animals in herds where cases of BSE have occurred, and identification and slaughter of animals exposed to the same risks as the affected animals;

Whereas these measures involve serious disturbances in the market of Ireland; whereas it is therefore necessary to take exceptional measures to support that market;

Whereas it is appropriate to establish a scheme co-financed by the Community authorizing Ireland to purchase the animals concerned with a view to killing and subsequently destroying them;

Whereas provision should be made for laboratory examination of the brains from a sample of the animals slaughtered and for the use of a limited number of animals for research or educational purposes;

Whereas it is appropriate, to provide for a Community contribution of 70 % of the purchase price paid by Ireland for each animal destroyed pursuant to this Regulation;

Whereas, for the purpose of establishing the animal's market value, Ireland should set up a system securing a fair and objective evaluation of each animal;

Whereas, it is necessary to ensure that the animals concerned are killed and destroyed in a hygienic manner;

whereas the price paid to producers should compensate them for not selling the animals in question; whereas those animals must therefore be prohibited from being marketed; whereas it is therefore necessary to specify the conditions for the destruction of those animals and the controls to be carried out by the Irish authorities;

Whereas, so as to avoid mixing of the animals to be slaughtered pursuant to this Regulation with animals not covered by this Regulation and the occurrence of mistakes as to identity, they should be kept separately in the lairage to a slaughterhouse, as well as in the slaughterhouse itself;

Whereas, provision should be made for Commission experts to check compliance with the conditions as specified;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Beef and Veal,

HAS ADOPTED THIS REGULATION:

Article 1

1. The competent authorities in Ireland shall be authorized to purchase any bovine animal present on a holding located in the territory of Ireland which has not shown any clinical sign of BSE and is to be slaughtered in accordance with Ireland's eradication plan as approved by Decision 97/312/EC.

2. The animals referred to in paragraph 1 shall be killed in a specially designated slaughterhouse. The head, internal organs and carcasses shall be permanently stained. The stained material shall be transported in sealed containers to a specially authorized rendering plant for disposal in such a way that no part of it may be placed on the market. No part of the abovementioned animals may enter into the human food or animal feed chains or be used for cosmetic or pharmaceutical products. A representative of the competent authorities in Ireland shall be present in the slaughterhouse referred to above in order to supervise the operations in question.

Subject to the necessary control, after being killed in the specially designated slaughterhouse, the animals shall immediately be transported to a rendering plant for processing and destruction.

⁽¹⁾ OJ No L 148, 28. 6. 1968, p. 24.

⁽²⁾ OJ No L 296, 21. 11. 1996, p. 50.

⁽³⁾ OJ No L 133, 24. 5. 1997, p. 38.

Notwithstanding the first subparagraph, the competent authorities in Ireland may allow the on-farm slaughter of an animal where existing animal welfare practice would require this.

Notwithstanding the first subparagraph, the hides of the animals referred to in paragraph 1 do not have to be stained or destroyed provided that they have been treated in such a way that they can only be used for leather production.

3. The slaughterhouses referred to in paragraph 2 shall be organized and operated in such a way as to ensure that:

- (a) no bovine animal intended for slaughter for human or animal consumption, is present in the slaughterhouse when animals are being slaughtered pursuant to this Regulation;
- (b) where it is necessary for bovine animals to be slaughtered pursuant to this Regulation to be held in lairage, they shall be kept separate from bovine animals intended for slaughter for human or animal consumption; and
- (c) where it is necessary for products derived from animals slaughtered pursuant to this Regulation to be stored, such storage shall be separate from any storage facility used for meat or other products destined for human or animal consumption.

4. The competent authorities in Ireland shall:

- (a) notwithstanding paragraph 1, before processing and destruction, be authorized to conduct laboratory examination of the brains from a sample of animals slaughtered;
- (b) be authorized, before processing and destruction, to use a limited number of animals for research or educational purposes;
- (c) carry out the necessary administrative checks and effective on-the-spot supervision of the operations referred to in paragraphs 2 and 3; and
- (d) control those operations on the basis of frequent and unannounced inspections, in particular to verify that all material has been effectively destroyed.

The results of these checks and controls shall be made available to the Commission on request.

Article 2

1. The price in respect of the animal to be paid to producers or their agents by the competent authorities in Ireland pursuant to Article 1 (1) shall be equal to the objective market value in Ireland of each animal concerned established on the basis of a system of objective evaluation agreed on by the competent authorities in Ireland.

2. The Community shall co-finance the purchase price paid by the competent authorities concerned for each purchased animal which has been destroyed in accordance with Article 1 at a rate of 70 %.

3. The conversion rate to be applied shall be the agricultural rate in force on the first day of the month of purchase of the animal in question.

Article 3

Ireland shall adopt all measures necessary to ensure full compliance with the provisions of this Regulation. It shall inform the Commission as soon as possible of the measures which it has taken and of any amendments thereto.

Article 4

The competent authorities in Ireland:

- (a) shall inform the Commission immediately, each time the plan approved by Decision 97/312/EC is applied, of:
 - the number of animals selected for slaughter,
 - the number of animals slaughtered,
 - the average market value of the animals slaughtered,pursuant to this Regulation during the previous week;
- (b) shall establish a detailed report of the controls which they carry out pursuant to the measures referred to in Article 3 and shall communicate it to the Commission each quarter.

Article 5

Without prejudice to Article 9 of Council Regulation (EEC) No 729/70⁽¹⁾, Commission experts, accompanied where appropriate by experts from the Member States, shall carry out, in collaboration with the competent authorities in Ireland, on-the-spot checks to verify compliance with all the provisions of this Regulation.

Article 6

The measures taken pursuant to this Regulation shall be considered to be intervention measures within the meaning of Article 3 of Regulation (EEC) No 729/70.

Article 7

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Communities*.

It shall be applicable from 1 April 1996.

⁽¹⁾ OJ No L 94, 28. 4. 1970, p. 13.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 18 June 1997.

For the Commission

Franz FISCHLER

Member of the Commission

COMMISSION REGULATION (EC) No 1113/97

of 18 June 1997

establishing the standard import values for determining the entry price of
certain fruit and vegetables

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Commission Regulation (EC) No 3223/94 of 21 December 1994 on detailed rules for the application of the import arrangements for fruit and vegetables⁽¹⁾, as last amended by Regulation (EC) No 2375/96⁽²⁾, and in particular Article 4 (1) thereof,

Having regard to Council Regulation (EEC) No 3813/92 of 28 December 1992 on the unit of account and the conversion rates to be applied for the purposes of the common agricultural policy⁽³⁾, as last amended by Regulation (EC) No 150/95⁽⁴⁾, and in particular Article 3 (3) thereof,

Whereas Regulation (EC) No 3223/94 lays down, pursuant to the outcome of the Uruguay Round multilateral trade negotiations, the criteria whereby the Commis-

sion fixes the standard values for imports from third countries, in respect of the products and periods stipulated in the Annex thereto;

Whereas, in compliance with the above criteria, the standard import values must be fixed at the levels set out in the Annex to this Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

The standard import values referred to in Article 4 of Regulation (EC) No 3223/94 shall be fixed as indicated in the Annex hereto.

Article 2

This Regulation shall enter into force on 19 June 1997.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 18 June 1997.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ No L 337, 24. 12. 1994, p. 66.

⁽²⁾ OJ No L 325, 14. 12. 1996, p. 5.

⁽³⁾ OJ No L 387, 31. 12. 1992, p. 1.

⁽⁴⁾ OJ No L 22, 31. 1. 1995, p. 1.

ANNEX

to the Commission Regulation of 18 June 1997 establishing the standard import values for determining the entry price of certain fruit and vegetables

(ECU/100 kg)

CN code	Third country code ⁽¹⁾	Standard import value
0709 90 77	052	61,4
	999	61,4
0805 30 30	388	75,8
	528	66,0
	999	70,9
0808 10 61, 0808 10 63, 0808 10 69	388	88,3
	400	79,3
	404	76,7
	508	84,1
	512	72,1
	524	72,4
	528	75,0
	804	97,5
	999	80,7
	052	220,0
0809 20 49	066	104,0
	400	199,4
	999	174,5

⁽¹⁾ Country nomenclature as fixed by Commission Regulation (EC) No 68/96 (OJ No L 14, 19. 1. 1996, p. 6). Code '999' stands for 'of other origin'.

COUNCIL REGULATION (EC) No 1114/97

of 17 June 1997

terminating the anti-dumping proceeding concerning imports of outer rings of tapered roller bearings originating in Japan and repealing the anti-dumping measures imposed on such imports

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 384/96 of 22 December 1995 on protection against dumped imports from countries not members of the European Community⁽¹⁾, and in particular Article 9 and Article 11 (3) thereof,

Having regard to the proposal submitted by the Commission after consultation within the Advisory Committee,

Whereas:

the European Economic Community⁽²⁾ the Commission published on 20 October 1994 a notice of initiation of a review of the anti-dumping measures applicable to imports of Cups originating in Japan⁽⁴⁾.

(4) The Commission officially advised the Community producers, the importers and the Japanese producers/exporters known to be concerned as well as the representatives of Japan of the opening of the investigation and gave the parties concerned the opportunity to make known their views in writing and to request a hearing.

(5) The Commission sought and verified all information it deemed to be necessary for the purpose of its determination.

A. PROCEDURE

(1) In June 1994, the Commission received a request for a review of the definitive anti-dumping measures on imports of outer rings of tapered roller bearings (hereafter referred to as 'Cups') originating in Japan imposed by Council Regulation (EEC) No 55/93⁽²⁾. This request was lodged by the Federation of European Bearing Manufacturers' Associations (FEBMA) on behalf of Community producers whose collective output was stated to constitute a major proportion of total Community production of Cups.

(2) The request asserted that the anti-dumping measures in force were not or no longer sufficient to counteract the dumping which is causing injury, as both dumping and injury resulting therefrom were alleged to have increased.

(3) Considering that there was sufficient evidence to warrant the initiation of a review under Article 14 of Council Regulation (EEC) No 2423/88 of 11 July 1988 on protection against dumped or subsidized imports from countries not members of

(6) The investigation period applied in the present proceeding for establishing whether dumping and undercutting existed was from 1 October 1993 to 30 June 1994. For the analysis of the trends of the factors analysed for the purposes of establishing whether the Community industry suffered injury caused by the imports in question the period from 1 January 1991 to 30 June 1994 was used. In order to ensure comparability of the data relating to the investigation period with that relating to the previous calendar years, this was extrapolated to reflect the situation in a twelve months' period. Since this review was initiated before the accession of Austria, Finland and Sweden meaning that the investigation period ended before that accession, the investigation of injury is based on an analysis of facts pertaining to the Community of Twelve.

(7) The investigation has exceeded the normal time period because of the complexity of the assessment of the injury and causality aspects of the proceeding, which was mainly due to the high number and degree of diversity of the types within the product investigated.

(8) The complainant, FEBMA, lodged the request for a review on behalf of the following producers:

⁽¹⁾ OJ No L 56, 6. 3. 1996, p. 1. Regulation as amended by Council Regulation (EC) No 2331/96, OJ No L 317, 6. 12. 1996, p. 1.

⁽²⁾ OJ No L 9, 15. 1. 1993, p. 7.

⁽³⁾ OJ No L 209, 2. 8. 1988, p. 1. Regulation replaced by Regulation (EC) No 384/96.

⁽⁴⁾ OJ No C 292, 20. 10. 1994, p. 5.

- FAG Kugelfischer Georg Schäfer KGaA (Germany);
 - SKF GmbH (Germany);
 - SKF Industrie SpA (Italy);
 - SKF Española S.A. (Spain);
 - Timken France (France)
 - British Timken (United Kingdom); and
 - Société Nouvelle de Roulements (France).
- (9) During the investigation period, the following companies exported Cups originating in Japan to the Community:
- Koyo Seiko Co. Ltd. (Osaka); and
 - NTN Corporation (Osaka).
- (10) Both of these companies cooperated in the investigation by submitting a response to the Commission's questionnaire and on-the-spot verification visits were carried out on their premises by the Commission's services.
- (11) No unrelated importers cooperated with the Commission in this investigation.
- (12) In addition, numerous end-users submitted their comments which were taken into account when they were substantiated by supporting evidence.
- (16) In connection with this investigation, FEBMA and certain Japanese producers submitted arguments in favour of the Commission regarding complete tapered roller bearings and Cups as one like product and thus merging this review investigation with the investigation concerning imports of complete tapered roller bearings originating in Japan⁽¹⁾.
- (17) The above interested parties have stated that Cups, just as cones, the latter being covered by the proceeding concerning complete tapered roller bearings, are merely a component of the finished product and are only sold separately when delivered in conjunction with the other constituent components of tapered roller bearings in order to be assembled into a complete tapered roller bearing at the premises of the final customer.
- (18) However, in line with the reasoning set forth by the Court of First Instance of the European Communities⁽²⁾, it is considered that tapered roller bearings and Cups constitute separate products, each of which can legally be the subject of a separate anti-dumping proceeding.
- (19) It was found that Cups produced in Japan, sold domestically and exported to the Community, and Cups produced by Community producers and sold on the Community market are alike in their physical characteristics and uses. They were therefore considered as a like product in accordance with Article 1 (4) of Regulation (EC) No 384/96.

B. PRODUCT UNDER CONSIDERATION AND LIKE PRODUCT

- (13) The product under consideration is outer rings of tapered roller bearings which are a component of tapered roller bearings.
- (14) In Japan and in the Community, Cups are mainly sold to two categories of customers, namely industrial users and distributors.
- (15) It should be noted that complete tapered roller bearings include the following components: (1) an inner ring, being a cone-shaped ring, made of the same material as the outer ring (the inner and outer ring are often stamped from the same piece of material); (2) tapered anti-friction rollers, fitted on the inner ring and which allow it to move in relation to the outer ring; (3) a cage, which holds the rollers in place on the inner ring; and (4) an outer ring or cup which is the female part into which the male part, the cone (consisting of the inner ring, rollers and cage), is assembled in order to produce a complete tapered roller bearing.

C. DEFINITION OF THE COMMUNITY INDUSTRY

- (20) One Japanese-owned company produced tapered roller bearings and components thereof, including Cups, in the Community during the period under consideration. This company, however, was not considered part of the Community industry within the meaning of Article 4 (1) (a) of Regulation (EC) No 384/96. This approach was considered justified as the company is related to an exporter from

⁽¹⁾ Commission Decision 92/27/EC of 3 December 1996 terminating the anti-dumping proceeding concerning imports of tapered roller bearings originating in Japan. OJ No L 10, 14. 1. 1997, p. 34.

⁽²⁾ Case T-166/94 Koyo Seiko Co. Ltd. v. Council of the European Union. Judgment of 14 July 1995. E.C.R. 1995, p. II — 2129.

Japan of the product under investigation. The company sells all its production to the sales subsidiaries located in the Community and equally related to the exporter from Japan and which are also involved in selling imported Cups originating in Japan. It is considered that in those circumstances the producing company located in the Community might therefore benefit from any unfair business practices. In such circumstances, the producer was not considered to be behaving as a normal Community producer, but rather as a complementary source of supply for an exporter accused of practising dumping.

- (21) One of the Community producers mentioned in recital 8 did not submit a response to the Commission's questionnaire within the deadline set by the Commission. In view of this non-cooperation on the part of the company in question, it was excluded from the definition of Community industry for the purpose of the injury determination in connection with this investigation. Consequently, for the remainder of this analysis, the term Community industry refers to the cooperating Community producers which supported the complaint, whose collective output of Cups constitutes a major proportion of total Community production within the meaning of Article 4 (1) of Regulation (EC) No 384/96.

D. INJURY

- (22) In view of the fact that the product under investigation in this review is a component of tapered roller bearings, the majority of the Community producers could, in certain instances, not distinguish in their internal accounts between relating to complete tapered roller bearings and Cups respectively. Thus, where necessary, it was considered appropriate to resort to an application of Article 3 (8) of Regulation (EC) No 384/96 which provides that, 'if [...] separate identification of [the production, sales and profits of the product under investigation] is not possible, the effects of the dumped imports shall be assessed by examination of the production of the narrowest group or range of products, which includes the like product, for which necessary information can be provided'.
- (23) In this review, the narrowest group of products for which the Community producers could provide the necessary information on the above factors is complete tapered roller bearings. Whenever the abovementioned principle of estimation has been

applied in the analysis below, this has been clearly indicated.

- (24) Also, as in the initial investigation, accurate officially-compiled statistics are not available since the Combined Nomenclature heading under which Cups are classified covers more than just that product. The injury analysis is therefore based on data provided by the Community producers and the Japanese exporters and on estimated data based on information submitted by the parties concerned.

Community consumption

- (25) Between 1991 and the investigation period, the estimated consumption of Cups in the Community of Twelve decreased by 4,2 %. The above decrease of the market is the result of the general evolution of the business cycle on the Cup market whose size varies according to the general level of activity on the part of the users of Cups.

Volume, sales and market share of imports

- (26) It is considered that, in this specific case, only sales of Japanese Cups on the open market to independent purchasers, i.e. sales of Cups released as such for free circulation in the Community, are relevant for the injury determination since only such sales are in direct competition with the sales of the Community industry.
- (27) Between 1991 and the investigation period, sales of imported Cups originating in Japan to independent purchasers in the Community (expressed in pieces) decreased by 35 %. In line with this decrease in sales and contrary to the allegations by the Community industry, the resulting market share of the imports under consideration decreased steadily from a market share of 6,6 % in 1991 to a market share of 4,5 % in the investigation period.

Prices of imports

- (28) The prices charged by the Japanese producers were compared with the prices charged for identical types by the Community producers which could provide transaction by transaction data for Cups sold separately by channel in the four most important Member States (Germany, the UK, France and Italy which, in view of the volumes of sales made in those Member States, were considered as being representative of the situation in the entire Community). Based on this analysis, it was found that undercutting on the part of the Japanese producers did occur during the investigation period.

- (29) However, no pertinent conclusions can be drawn from this analysis due to the fact that the Japanese companies involved sell only a limited number of types which are identical or directly comparable to those manufactured by the Community producers in sufficient quantities to render meaningful a comparison with European producers. Under these conditions, no individual margins for price undercutting have been established for each company involved.

Situation of the Community industry

Sales and market shares

- (30) The quantity of Cups manufactured and sold in the Community by the Community industry (expressed in pieces) decreased by 16,5 % during the period under consideration. The resulting market share of the Community industry decreased in the same period from around 84 % in 1991 to around 74 % at the end of the investigation period.
- (31) The market share of imported Cups, sold separately, manufactured by the Community producers outside the Community of Twelve (in Austria and the United States) at long-established manufacturing facilities increased from 3,6 % to 7,3 %. In addition, the market share of imports from other third countries increased from 5,5 % in 1991 to 11,8 % in the investigation period.

Production, capacity and capacity utilization

- (32) For the reasons given above in recitals 21 and 22, the analysis of the evolution of production, capacity and capacity utilization is based on data regarding complete tapered roller bearings.
- (33) As to production, between 1991 and the investigation period, production of the Community industry decreased by 10,8 %.
- (34) In the same period the production capacity of the Community industry decreased by 9,3 % whilst its capacity utilization decreased from 88,8 % to 86,6 %.

Prices and profitability

- (35) The evolution of prices between 1991 and the end of the investigation period in the Community of

the Cups sold separately by the Community producers was investigated. In view of the argument by the Community producers that the Japanese pricing policy affected the prices applied by the Community producers, this irrespective of whether the types sold by the Japanese producers were identical to those sold by the Community producers or not, the analysis of the evolution of the prices applied by the Community producers comprised all types sold by these producers during the investigation period and not only those which were considered as identical to those sold by the Japanese producers.

- (36) This analysis was made for the prices charged by the Community producers (all sales channels) in Germany, the UK, France and Italy. On this basis, it was found that the prices in the Community of Cups remained stable over the period investigated. Indeed, the prices of the types sold by the Community industry during the investigation period, on a weighted average basis (comprised of the prices of all the Community producers for their sales to all categories of customers) increased by 1,88 %.

- (37) In this respect, it should be noted that, indeed, the return on sales of the Community producers specifically relating to complete tapered roller bearings during the period under consideration developed from a loss of around 11 % in 1991 to a loss of around 17 % in 1993. Between 1993 and the end of the investigation period, the situation of the Community industry improved, however, to a loss of around 7 %, thus showing a certain recovery.

Employment

- (38) Between 1991 and the investigation period, in the Community industry employment, relating to the manufacture of complete tapered roller bearings, decreased by 27,4 %.

Conclusion on injury

- (39) Based on the above analysis, it is concluded that, during the period under investigation, the Community industry suffered certain difficulties but improved its financial situation.

E. CAUSALITY

- (40) In accordance with Regulation (EC) No 384/96, the Commission therefore investigated whether the volumes and prices of the imports concerned were responsible for the situation of the Community industry and had an impact thereon to a degree which enables it to be classified as material within the meaning of Article 3 (6) of that Regulation. In this investigation, care was taken to ensure that any impact on the Community industry caused by other factors was not attributed to the imports concerned.
- (41) Imports from Japan and their market shares in the Community have been falling over the period examined for the analysis of injury. The market share of own-imports on the part of the Community producers from countries in which they have long-established manufacturing facilities and imports from other third countries have increased by a rate which more than compensates for the decrease recorded in the Community industry's market share.
- (42) As to prices, the Community industry has claimed that undercutting or lower price offers on the part of the Japanese exporters has had the effect of imposing pressure on prices which forced the Community Cup producers to follow the prices downwards in order to defend their market shares at great financial expense. It is considered that analysis of the evolution of the prices applied by the Community producers refutes the conclusion submitted by the Community producers that the imports had the effect of depressing or suppressing prices applied by the Community producers during the period under consideration to an extent which may be characterized as material within the meaning of Article 3 (3) of Regulation (EC) No 384/96. With regard to the submission of the Community industry that it was prevented from increasing its prices due to Japanese price undercutting, in particular for major high volume customers, it is considered that if such price suppression took place in order to maintain volumes and market shares which in fact to a large extent was accomplished, the result would have been increased financial losses. However, the abovementioned findings of the investigation demonstrate the opposite. The statements on the part of the Community industry, that prices are highly depressed or suppressed to a material degree, are not substantiated especially in view of the fact that the period in question was characterized by a recession. No price depression was found and the price increase found covers a substantial part of the general cost increases recorded in the industry.
- (43) As regards the Community industry's reduction in capacity, the Community industry has argued that it had to reduce its capacity and investment during the reference period in order to lower the break-even point of the industry and thus to reduce its losses. This leads to a situation where Community producers were not able to meet customer demands during the year 1995, which was after the investigation period, but during which the consumption of Cups improved. In order to invest in new capacity, the Community producers claimed that they would have had to have reached a substantially higher return on sales than that which was recorded during the investigation period.
- (44) While information relating to a period subsequent to the investigation period normally cannot be taken into account, it is acknowledged that in 1995 demand for complete tapered roller bearings and components thereof boomed. For this reason also, the Community industry published excellent results (also financial) for 1995. It is acknowledged that there have been shortages in supply from the Community producers' manufacturing facilities in the Community during this year. However, it is considered that it is normal business behaviour to reduce costs and this all the more so when the industry is in an economic recession. On the other hand, during a booming market, it may also be normal to increase capacity and to finance this by normal financial resources. This capacity restriction should therefore not be attributed to the imports in question and this all the more so as the volume of these imports decreased more than the capacity restriction of the Community industry. In addition, this capacity restriction must be seen in conjunction with the apparent shift of production on the part of the Community industry to long-established manufacturing facilities in countries outside the Community of Twelve.
- (45) As to the decrease in employment, during the period in question, the Community industry shifted capacity within their global manufacturing structure and undertook important restructuring efforts to improve productivity in general which have been reflected in a decrease in employment which cannot be attributed to the imports in question.

Conclusion

- (46) Given the above findings, it is concluded that the imports in question did not, in isolation, have a materially injurious impact on the situation of the Community industry and the allegations set forth in the request for a review submitted by the Community industry that the measures in force

were insufficient to offset increased injury are therefore refuted. The precarious situation of the Community industry may rather stem from other factors such as other third country imports and the recession which prevailed during the investigation period. Thus, the measure under review did have the desired effects, i.e. to reduce the impact of the imports in question below the degree enabling it to be classified as material within the meaning of Article 3 (6) of Regulation (EC) No 384/96.

- (47) The question is then whether the removal of this measure would reverse this situation.

F. LIKELY EFFECTS OF THE REPEAL OF THE MEASURES IN FORCE

- (48) As was demonstrated above, the facts established show that the measures under review have reduced the injurious impact of the imports in question below the degree enabling it to be classified as material within the meaning of Article 3 (6) of Regulation (EC) No 384/96.
- (49) The Community industry has submitted that if the measure currently in force were to be repealed it is likely that material injury caused by the imports in question would recur.
- (50) It is considered that it is not likely that the removal of the anti-dumping measure under review would create a situation in which a materially injurious impact of these imports would recur. This position is based on an analysis of the trend of the Japanese market shares, the lack of any material effect thereof on the Community producers' pricing and the significant increase in imports from sources other than Japan including from facilities related to the Community producers.
- (51) Other elements should also be highlighted in this regard, such as the high market share held by the Community industry, the fact that its sales are, to a significant extent, regulated by long-term contracts with large industrial users and the fact that the Community industry, both currently and historically, has constituted a secure source of supply for the Community user industry due to its proximity and high level of quality and service levels.
- (52) In addition, official statistics demonstrate that production capacity for bearings in Japan remained stable from 1990 until 1994 and increased subsequently in line with the recovery of demand worldwide. However, further to an analysis of

exports from Japan to countries other than the Community, it would appear that there is no sufficiently disposable capacity in Japan to produce substantially increased quantities for export to the Community.

- (53) Finally, it should be stressed that the situation described above for the Community industry during the investigation period has shown a certain recovery in the market for tapered roller bearings and components thereof. This development was sustained and further improved after the investigation period as illustrated by general results of the major Community producers published for 1995. It is not considered as likely that this situation would change as a result of the lapse of the current measures due to the lack of materially injurious impact of the imports in question on the situation of the Community producers as demonstrated above.

G. DUMPING

- (54) In view of the above conclusion, it was not considered necessary to analyse whether the imports in question were dumped, and if so, if the dumping margin thereof had increased or not since this would not have any relevance to the above analysis and would consequently not alter the conclusions reached.

H. CONCLUSION

- (55) Given the above findings, it is considered that the result of the review of the anti-dumping measures in force with respect to imports of Cups originating in Japan is that the anti-dumping proceeding concerning these imports should be terminated and that the anti-dumping measures in force should be repealed.
- (56) The Commission informed the interested parties, including the Community industry, of its findings. After having been informed by the Commission of the above facts, findings and conclusions, representatives of the Community industry made further representations, both in writing and orally, concerning the impact of the Japanese imports in question on the Community industry. However, it is considered that these representations could not, after examination, reverse the above conclusions. Certain Member States raised objections to this course of action,

HAS ADOPTED THE FOLLOWING REGULATION:

Article 1

The anti-dumping proceeding concerning imports of outer rings of tapered roller bearings falling within CN Code No ex 8482 99 00 originating in Japan is terminated and the anti-dumping measures imposed by Regulation (EEC) No 55/93 on such imports are hereby repealed.

Article 2

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Luxembourg, 17 June 1997.

For the Council

The President

A. JORRITSMA-LEBBINK

II

(Acts whose publication is not obligatory)

EUROPEAN PARLIAMENT

EUROPEAN PARLIAMENT DECISION

of 10 April 1997

giving discharge to the Commission in respect of the implementation of the general budget of the European Union for the 1995 financial year as regards Sections I — Parliament, II — Council, III — Commission, IV — Court of Justice, V — Court of Auditors and VI — Economic and Social Committee/Committee of the Regions

(97/382/ECSC, EC, Euratom)

THE EUROPEAN PARLIAMENT,

- Having regard to the ECSC Treaty and in particular Article 78g thereof,
- Having regard to the EC Treaty, and in particular Article 206 thereof,
- Having regard to the EAEC Treaty, and in particular Article 180b thereof,
- Having regard to the budget for the 1995 financial year,
- Having regard to the revenue and expenditure accounts and the financial statement of the European Union for the 1995 financial year (SEC(96) 0421 — C4-0280/96, SEC(96) 0422 — C4-0281/96, SEC(96) 0423 — C4-0282/96, SEC(96) 0424 — C4-0283/96),
- Having regard to the report of the Court of Auditors for the 1995 financial year and the replies of the institutions (C4-0585/96)⁽¹⁾, and the Court of Auditors' special reports,
- Having regard to the Statement of Assurance presented by the Court of Auditors concerning activities financed from the general budget for the 1995 financial year and the special report on this matter (C4-0110/97)⁽²⁾, and the Council Statement thereto (C4-0137/97),
- Having regard to the Council recommendation of 17 March 1997 (C4-0133/97),
- Having regard to the report of the Committee on Budgetary Control and the opinions of the Committees on Economic and Monetary Affairs and Industrial Policy, on External Economic Relations, on Research, Technological Development and Energy, on Employment and Social Affairs, on Regional Policy, on Transport and Tourism, on the Environment, Public Health and Consumer Protection, on Development and Cooperation, on Civil Liberties and Internal Affairs, on Fisheries, on Women's Rights and on Culture, Youth, Education and the Media (A4-0120/97),

⁽¹⁾ OJ No C 340, 12. 11. 1996.

⁽²⁾ OJ No C 395, 31. 12. 1996.

1. Notes that the authorized revenue and expenditure for the 1995 financial year amounted to:

	ECU	ECU
— Revenue: estimates entered in the general budget		75 479 468 459,48
— including EFTA-EEA	p.m.	
— Appropriations for commitments:		
— appropriations authorized in the general budget	80 237 708 598,62	
— appropriations carried over from 1994	532 459 749,04	
— appropriations made available as a result of cancellations in 1995 of commitments from before 1995	0,00	
— appropriations made available as a result of repayment of deposits	15 547 396,00	
— appropriations corresponding to revenue from services rendered to third parties	68 385 231,80	
		<u>80 854 100 975,46</u>
— Appropriations for payments		<u>76 897 430 484,04</u>

2. Gives the Commission discharge in respect of the implementation of the following amounts:

	ECU	ECU
(a) Revenue: general budget		75 077 120 775,19
— including EFTA-EEA	31 139 595,00	
(b) Expenditure		
— payments made for the financial year	66 054 290 775,98	
including EFTA-EEA	25 840 134,97	
— appropriations carried over to 1996	<u>703 376 998,96</u>	
		<u>66 757 667 774,94</u>
(c) Balance for the financial year 1995		<u>75 077 120 775,19</u>
— revenue for the financial year		
— payments from the appropriations for the financial year	66 054 290 775,98	
including EFTA-EEA	25 840 134,97	
— appropriations carried over to 1996	<u>703 376 998,96</u>	
		<u>— 66 757 667 774,94</u>
— appropriations carried over from 1994 which have lapsed		+ 498 331 415,47
— exchange difference in the financial year 1995		+ 402 753 417,31
— overrun on non-differentiated appropriations carried over:		
— Commission		— 513,78
— Other institutions		— 45 476,36
Balance for the financial year 1995		9 220 491 842,89
This balance reflects the accounting situation only and does not include expenditure actually incurred during this financial year		
(d) Utilization of appropriations for commitment		<u>75 056 193 920,46</u>
(e) Balance sheet as at 31 December 1995		
	ASSETS (ECU)	LIABILITIES (ECU)
Fixed assets	13 328 376 712,43	
Inventories	100 056 069,68	
Current assets	2 235 845 335,31	
Cash accounts	13 528 084 910,70	
Prepaid expenses	700 836 745,28	
TOTAL	<u>29 893 199 773,40</u>	
Fixed capital		22 944 409 238,73
Current liabilities		4 841 428 242,73
Cash accounts		1 595 207 121,77
Accrued expenses		512 155 170,17
TOTAL		<u>29 893 199 773,40</u>

3. Accepts that final checks still have to be made of EAGGF expenditure reported by the Member States and that corrections to the figures may yet have to be made;
4. Reserves, therefore, the right to re-examine the amounts above in so far as they relate to expenditure in the EAGGF Guarantee Section in the light of the clearance of accounts decision for the 1995 financial year, which shall be forwarded to the European Parliament for a decision complementary to this discharge decision;
5. Records its comments in the resolution which forms an integral part of this decision;
6. Instructs its President to forward this decision and the resolution containing its comments to the Commission, the Council, the Court of Justice, the Court of Auditors, the Economic and Social Committee, the Committee of the Regions and the European Investment Bank and to have them published in the *Official Journal of the European Communities* (L series).

The Secretary-General

Julian PRIESTLEY

The President

José María GIL-ROBLES

RESOLUTION

containing the comments which form part of the Decision giving discharge to the Commission in respect of the implementation of the general budget of the European Union for the financial year 1995

THE EUROPEAN PARLIAMENT,

- Having regard to Article 206 of the Treaty establishing the European Community,
 - Having regard to Article 89 of the Financial Regulation applicable to the general budget of the European Communities, under which the Commission and the other Institutions are required to take all appropriate steps to take account of the European Parliament's comments on the implementation of expenditure,
 - Whereas, under the same Article, the institutions are also required to report, at Parliament's request, on the measures taken in the light of these comments and, in particular, on the instructions given to those of their departments which are responsible for the implementation of the budget,
 - Having regard to the Council recommendation of 17 March 1997 (C4-0133/97),
 - Having regard to the report of the Committee on Budgetary Control and the other documents referred to in the discharge decision (A4-0120/97),
- 5. Points out, however, that this does not release the Commission from its obligation to take every possible step to make certain that the Member States spend funding properly and to ensure that errors are corrected;
 - 6. Calls on the Member States to inform the Commission of the measures they have taken in the light of the observations by the Court of Auditors so that the Commission can incorporate them in its report on the action taken following the discharge;
 - 7. Calls on the Commission in future to forward its report on the action taken following the discharge to Parliament at the latest six months following the latter's discharge decision;
 - 8. Stresses that the Council's recommendation on the discharge to be given to the Commission in respect of the implementation of the general budget of the European Union for the financial year 1995 does not form part of the discharge decision until such time as it has been approved by Parliament;

General comments

1. Welcomes the spirit of constructive cooperation between the Commission and the Court of Auditors which has again been visible in the discharge procedure for 1995 and which can only have a beneficial effect on the implementation of the Union budget;
 2. Deplores the fact that the Council adopted its recommendation only on 17 March 1997, thus rendering impossible any constructive dialogue with Parliament and its competent committees on discharge-related matters;
 3. Reaffirms its support for the Commission's efforts under the SEM 2000 initiative to carry through a new finance and management culture; realizes that this process did not get underway until the financial year 1995 and the results can be evaluated only in the light of experience in subsequent financial years;
 4. Recalls that 80 % of Community funding (basically agricultural expenditure and Structural Funds) is managed on a decentralized basis in the Member States and that the latter therefore bear particular responsibility, in the light of Article 209 (a) of the Treaty, for ensuring that the funding is utilized as effectively and as prudently as possible;
- ### Statement of Assurance (DAS)
9. Welcomes the fact that the Court could obtain a reasonable assurance that the operations underlying the commitments and the revenue entered in the accounts were legal and regular;
 10. Welcomes the fact that the Court's audit revealed that improvements had been made since the financial year 1994 to the consolidated revenue and expenditure account;
 11. Notes that the handling of payment appropriations again gave rise to too high a number of formal and substantial errors;
 12. Welcomes the fact that the Court has started to comment in greater detail on specific fields of expenditure thus providing important help to tackle the problems detected by the DAS audit;
 13. Points out that it would prefer the Court to make even more in-depth analyses of specific sectors and to give serious consideration to the possibility of drawing up statements of assurance on expenditure in individual Member States and of cooperating closely with the national audit institutions in connection with those analyses; recognizing the limitations of current resources, invites the Court to discuss with Parliament how best to achieve this;

14. Expects the Court to continue, in consultation with the Commission, its efforts to develop the methodology and presentation of the DAS with a view to increasing its usefulness in the context of actions aimed at improving the management and control of Community expenditure;
15. Calls on the Court of Auditors, with a view to achieving greater consistency and greater transparency, to present the results of its work in connection with the DAS in the form of an additional chapter in its annual report;

Own resources

16. Calls on the Commission to propose regulatory and administrative measures aimed at strengthening accounting controls and checks on the national control and management systems with regard to traditional own resources;
17. Requests the Commission to publish, in an annex to the annual balance sheet (revenue and expenditure account) the position, for each Member State, with regard to debts to the Community not recovered or written off, with explanations for each situation;
18. Notes the complexity of customs arrangements described in the Court of Auditors' report and the report of the Temporary Committee of Inquiry into the Community Transit System; asks its relevant committees, in the light of the conclusions and recommendations drawn up by the Temporary Committee of Inquiry, to investigate how these arrangements can be simplified in order to be better monitored and controlled;
19. Asks its relevant committees to consider the effects on own resources of future Customs Union agreements in the light of the Court of Auditors' findings with regard to the application of the EEC-Turkey agreement;
20. Calls on the Court of Auditors to apply itself, as a matter of priority, to checking the reliability and exhaustiveness of the VAT own resource assessment base;
21. Calls on the Commission to develop an appropriate statistical and mathematical tool with a view to contributing to measuring the reliability of the GNP aggregates of the Member States, whose data are the basis for the Community's finances; calls on Eurostat to clarify its role in that development process;
22. Calls on the Commission to submit to Parliament and the Council a proposal for a Regulation with a view to establishing an action programme designed to improve, in a manner consistent with the powers of the Member States, the effectiveness of the adminis-

trations of the Member States in collecting or recovering sums of all kinds due to the Community budget; hopes that this programme will foster the reorganization measures which the Member States regard as essential to make their efforts more cohesive and will encourage the Member States to increase the number of staff responsible for recovery and to improve their professional training;

Agricultural spending

23. Notes that the ECU 34,5 billion of the European Agricultural Guidance and Guarantee Fund (EAGGF) Guarantee Section spending in 1995 was appreciably below the financial perspective ceiling, but at 52 % still accounted for more than half of all payments;
24. Notes that as part of the reform of the common agricultural policy in the cereals and arable crops sectors direct income support payments were progressively introduced during a transitional period from 1992 to 1996 in order to compensate for the fall in institutional prices in these sectors and that a temporary increase in expenditure was inevitable as a result of the adjustment of the system; notes further that in spite of the increase in expenditure in the 1995 financial year spending was well below the agricultural guideline and actual agricultural expenditure in the EAGGF Guarantee Section was 11 % below the amount budgeted; reaffirms that the commitments arising from the decisions of the Edinburgh European Council in 1992 must be discharged in full and that the agricultural guideline must also be complied with in future;
25. Establishes that the Commission and the Member States have made scant progress in improving application of the rules governing the common organization of the market (COM) in olive oil; urges the Commission, therefore, to apply immediately all the controls made available by the legislation in force instead of deferring resolution of the problem to a future reform of the COM, the initial outline of which, moreover, does not afford sufficient guarantee that expenditure will be controlled;
26. Recalls its resolution of 21 April 1993 containing the comments which form part of the decision giving discharge to the Commission in respect of the implementation of the general budget of the European Communities for the 1991 financial year⁽¹⁾, in which it called upon the Commission to suspend payments in respect of olive oil if satisfactory controls were not guaranteed by the Member States within a reasonable timescale;

⁽¹⁾ OJ No C 150, 31. 5. 1993, p. 104.

Integrated control system

27. Notes that, even after the EP granted a one-year extension to the time limit, the integrated control system for the payment of premiums for livestock and land areas, which originally was to have been introduced in all Member States by the end of 1995, is still not fully operational in some Member States; calls therefore on the Commission to establish, in connection with the clearance of accounts process, the resulting loss risk for the Community budget and to make financial corrections at an appropriate level *vis-à-vis* the Member States concerned;
28. Asks the Court of Auditors to investigate as soon as possible the effectiveness of the integrated control system; calls on the Commission, where appropriate, to make proposals for improvements;
29. Points out that the Court of Auditors has found that there is currently no satisfactory system for the identification of sheep and goats, and, in the light of the volume of premiums disbursed (approximately ECU 2 billion), calls on the Commission to submit a proposal by the end of the year, modelled on the proposal for a Council Regulation for the identification of bovine animals, for a Council Regulation for the marking of sheep and goats too;

Clearance of accounts

30. Notes that the correction amounts to be set by the Commission in connection with the clearance of accounts should be geared exclusively to the level of actual losses to the Community budget or, as the case may be, to the level of the loss risk and must not be negotiable on the basis of other criteria;
31. Believes that the fact that the EAGGF Guarantee Section still accounts for 36 % of the substantial errors detected by the Statement of Assurance, involving an amount in excess of ECU 1,5 billion, cannot be ignored and draws attention to the fact that, unlike in other sectors, this involves undue payments already made, and thus, recovery of these amounts for the EU budget is problematic;
32. Asks the Commission to forward as soon as possible the results of the enquiry about the legality and regularity of refund claims on the export of feta cheese from Denmark in order to establish the amount which will be disallowed from Community financing;
33. Calls on the Commission to check, in connection with the clearance of accounts procedure, that EAGGF appropriations directly or indirectly

earmarked for the prevention and treatment of BSE over the last five years have been utilized correctly;

Miscellaneous

34. Asks the Commission to inform Parliament on action taken against those responsible for the widespread abuse of the aid system for cotton, on the amounts of unduly paid aid recovered and on the effectiveness of the new measures for monitoring and control of the common market organization for cotton;
35. Believes that intensive pig producers should contribute in greater degree towards the measures to combat classical swine fever; therefore asks the Commission to bring forward a review of the Regulations in force;
36. Notes that it must check whether it is still justifiable to maintain some ECU 40 million of EU grants for whisky makers each year; points out that there must be clarification in this connection as to whether abolition of the aids really would conflict with Protocol No 19 to the Treaty concerning the Accession of the United Kingdom to the European Communities;

Common fisheries policy

37. Asks its relevant committees to examine whether the considerable funding which the Community has made available for stepping up the monitoring of fishing activities actually has led to enhanced effectiveness of controls;
38. Disapproves of the fact that Community aids have been used to assist the construction or modernization of processing plants which subsequently have not been usable because provision had not been made for the requisite disposal infrastructure or because there was no guarantee of regular fish supplies; calls on the Commission not simply, in future, to accept all formally correct projects, but, rather, to try to obtain reasonable assurance that there will be a return on the assisted investment;

Structural Funds

39. Is concerned at the degree of utilization of the available funding, which, in some respects, is most unsatisfactory; instructs its relevant committees to examine the extent and implications of the problem more closely and to draw up recommendations;
40. Is concerned at the Court of Auditors' finding that the rate of substantial errors in respect of the Structural Funds is significantly higher than the average for budget payments as a whole;

41. Asks the Commission to propose a solution for the programming problems, including the need for *ex-ante* and *ex-post* evaluation;
42. Asks the Commission to present its accounting records in such a way that it will be possible for Parliament to:
 - identify the statutory framework to which commitments and payments relate,
 - determine whether payments have actually been effected,
 - be kept/stay informed on the backlog in commitments and payments and the amount of outstanding commitments;
43. Asks the Commission, once again, to make a proposal for Article 24 of Council Regulation (EEC) No 4253/88 ⁽¹⁾ to be changed in such a way that effective corrective action, leading to recovery where this is due, will be possible and compulsory:
 - when there is suspicion that any irregularity (ineligibility, breach of any Community provision, non-compliance with the reporting obligations, non-implementation of compensatory measures, etc.) occurred, money for that project/programme should be frozen for a certain period, during which the Commission should carry out an investigation,
 - after the investigation corrections by the final beneficiary and/or the Member State will take place within a fixed period, failing which the sums already paid out will be considered to have been unduly paid;
44. Awaits the draft Regulation promised by the Commission on Article 23 of Regulation (EEC) No 4253/88; expects this proposal to contain amongst others obligations of the Member States with regard to communication of information at all stages and down to the level of individual projects;
45. Calls on the Commission to introduce a system for the clearance of accounts which would enable flat-rate corrections to be made, where these appeared justified in the light of shortcomings in Member States' systems for selection, management, monitoring and control;

Internal policy areas

46. Reiterates its request that the Court of Auditors incorporate in its annual report a chapter covering the Union's internal policies as a whole and also dealing with issues that are common to the various activities financed by heading 3 of the financial perspective;

Research and technological development (RTD)

47. Calls on the Commission to establish a coordinated audit system and to provide sufficient staff for checking the RTD contracts;
48. Calls on the Commission to exclude participants in the RTD programmes who do not fulfil their financial obligations or who offend considerably against rules of an RTD contract from any further contract with Commission services;
49. Asks the Court of Auditors to carry out for 1996 and subsequent years a precise evaluation of the administrative costs of specific research programmes under the fourth framework programme incurred not only by the Commission and its external consultants but also by those in receipt of appropriations;

Pacte and Recite

50. Notes that the decentralized structure in the management of the regional programmes Pacte and Recite has led to lack of control, mismanagement and substantial delays in payment from the Commission to the regional partners; calls on the Commission to introduce technical and legal instruments to ensure a better management structure;

Advanced television services

51. Notes the Court of Auditors' suggestion that permanent financing of advanced television services from the Community budget should be avoided; therefore instructs its relevant committees to discuss thoroughly the future of the action plan for advanced television services before the first reading of the 1998 budget;

European Vocational Training Policy

52. Supports the Court of Auditors, with regard to the Community Action Programme for a European Vocational Training Policy, in advocating the establishment of a single selection procedure under the direct responsibility of the Commission; calls on the latter to make proposals for a change in its forthcoming interim report on the implementation of the programme with the aim of simplifying the application procedures;

Justice and home affairs

53. Regrets the improvised and disparate nature of the projects accepted by the Council in the area of justice and home affairs;
54. Regrets the manner in which the Council, by Council Decision 95/402/JAI ⁽²⁾, has reduced the role of the Commission to that of a mere budgetary agent in the management of appropriations intended for cooperation in the area of justice and home affairs;

⁽¹⁾ OJ No L 374, 31. 12. 1988, p. 1.

⁽²⁾ OJ No L 238, 6. 10. 1995, p. 2.

55. Regrets that of a total of 23 projects chargeable to budget Article B5-8 0 0, only five were submitted by the Commission; therefore calls on the Commission to make more use of its power of initiative in the areas covered by Article K.1 (1) to (6) of the Treaty;

Lending and borrowing

56. Calls on the Commission, in its capacity as representative of the European Community shareholding in the European Investment Fund (EIF), to ensure the introduction of transparent public audit and control arrangements providing the taxpayer-investor with the necessary assurances as to the accountability of the EIF for its use of public funds;

57. Asks the Court of Auditors and the Commission to report to Parliament at the soonest opportunity on the management and effectiveness of the Copenhagen facility, with particular reference to the functioning of the job creation criteria applied to interest rate subsidies;

58. Calls on the Commission to submit proposals to the Intergovernmental Conference specifying that the audit rights of the Court of Auditors shall extend to include the financial management systems of all organizations managing Community funds;

External policy areas

59. Is alarmed by the growing imbalance between the size and diversity of the programmes and the capacity to implement them with, as a result, a very rapid increase in outstanding commitments and considerable problems with the spending of the appropriations available;
60. Instructs its relevant committees to consider against this background whether it might be worthwhile to separate political decision-making from the task of programme management and project implementation;
61. Instructs its relevant committees to investigate how the independence and credibility of the evaluation of projects and programmes funded from the Community budget can be enhanced and how the results from the evaluation can be effectively fed back into the Community's decision-making process;
62. Calls on the Commission to harmonize procedures for procurement within the different Directorates-General in charge of external policies;
63. Asks the Court of Auditors to include in its work programme an enquiry on the adequacy and the effectiveness of the Commission's structure, proced-

ures and allocation of human resources relating to development cooperation;

Phare

64. Deplores the lack of any clear political vision within the Commission either as to the achievements and effectiveness of Phare expenditure or as to its future role in contributing to the accession of applicant countries in central and eastern Europe to the EU; calls once again for an analysis of Phare's global impact on these countries over the last six years and a clear strategy for the next five years;

Tacis

65. Supports the Commission's intention to concentrate its activities under Tacis indicative programmes into no more than two sectors of intervention per beneficiary country: believes that, if effectively applied, this restriction should enable Tacis assistance to be used in a more focused and efficient manner; asks the Commission to report in detail on the outcome of this initiative in its follow-up report to this resolution;
66. Continues to note with concern the chronic instability of staffing within the Commission's Directorate-General with responsibility for the management of Tacis and the difficulties this causes for the efficient management of the programme; calls on the Commission, in the absence of any serious prospect of new staff becoming available, to review the deployment of staff within DG 1A and, within the context of its efforts to concentrate Tacis interventions in fewer sectors, sharply to reduce the number of projects handled;
67. Expresses its deep concern at the inordinate slowness of the commitment, contracting and disbursement process under the Tacis programme; believes that no more than a year should ever normally elapse between the commitment of Tacis funds and the signing of the relevant contract; to this end, asks the Commission to introduce automatic procedures whereby commitments lapse if not contracted within 18 months;
68. Asks the Commission to maximize, within the scope of the Tacis Regulation, its contributions to public investment projects, especially those co-financed with other donors;
69. Re-emphasizes the extreme importance it attaches to the nuclear safety programmes; feels therefore great disquiet at the inability of the Commission to implement this policy meaningfully in the context of the Phare and Tacis programmes; calls on the Commission to set up a task force with responsibility, on an

inter-departmental basis, for pooling and employing more effectively Commission resources in this sphere and to give the removal of the administrative, procedural and legal obstacles to the implementation of the programme absolute political priority and to bring all appropriate pressure to bear on beneficiary countries to this end;

Development cooperation

70. Stresses the need for more expertise staff in the policy fields related to poverty eradication, including social development, gender, the environment and macro-economic policy;
71. Calls on the Commission to clarify whether it has financed any part of the EDF from the EU budget;
72. Calls on the Commission to clarify the objectives of budgetary aid to ensure both that it is used in social areas in ways that benefit people living in poverty, and that budgetary aid results in larger quantities of the budget of the recipient country being spent in basic social areas;
73. Believes that the budgetary authority, with the assistance of the Commission, should simplify the procedures for releasing appropriations from the humanitarian aid reserve in order to speed up the mobilization thereof and thus avoid carrying over unused appropriations by ECHO to the following year;
74. In the light of known information, directs its committees responsible to clearly investigate whether women are benefiting from the development programmes implemented by the Commission, in accordance with the Council's resolution of 20 December 1995 on gender and development;
75. Calls on the Commission to ensure that ECU 2 million is spent on sports development projects in the townships in South Africa and requests a detailed report on how this is carried out;

Common foreign and security policy

76. Considers the special reports by the Court of Auditors on the European Union administration in Mostar and election observation in Palestine as confirming its view that the common foreign and security policy (CFSP) has brought about a dangerous blurring of responsibilities between the Council and the Commission which hinders Parliament in carrying out its task of calling the Commission to account in the context of the discharge procedure;

77. Calls for the organization and supervision of all future joint actions to be placed, from the date of the initial decision onwards, under the untrammelled responsibility of the Commission so as to guarantee transparency, continuity and effectiveness;

78. Calls on the Commission to join with the Member States in setting up a preparatory group to develop, on the basis of experience of joint actions hitherto, procedures under which the organizational and financial technicalities of joint actions can be made to operate as rapidly and smoothly as possible;

Administrative expenditure

79. Calls on the Commission to report to it on the circumstances which led it, following the evacuation of the Berlaymont building, to enter into a commitment, contrary to the promises made by the Belgian Government throughout the negotiations, to pay various property taxes in respect of the rental of buildings which it does not own;

Subsidy to CERI

80. Following a delegation visit to CERI in Florence, recommends that the Committee on Budgets retain in the reserve its funding for the 1997 financial year, pending receipt of a further report from the Committee on Employment and Social Affairs;

Decentralized community agencies

81. Thanks the Court of Auditors for the service of annual reports covering part of 1994 and the 1995 year;
82. Supports the Committee on Budgets in its intention to bring the various statutes into a structure whereby the Commission exercises financial control, the European Parliament gives discharge, and income to agencies is classified as own resources;
83. Insists, despite the low staff numbers, on separation of powers between authorizing officer and accounting officer because financial control is an essential prerequisite to receive Community funds;
84. Recognizes to this end that the separation of powers is honoured as far as personnel are concerned, and looks forward to a new common accounting system which will exercise separation in the accounting function; welcomes the proposal of such an accounting system which could enable financial control to grant authorizations on an on-line basis from the Commission in Brussels;

85. Calls upon the Commission, in the meanwhile, to implement Parliament's suggestion of part-time financial controllers to assist the agencies;

SEM 2000

86. Invites the Commission to revise internal procedures for the selection, management and monitoring of measures funded directly by the Commission and for the payment of balances or recovery of incorrect payments;

87. Is of the opinion that the question of interest earned on Community monies, already touched on in connection with SEM 2000, requires in-depth consideration across the board; calls upon the Commission to draw up Regulations concerning the use or, as the case may be, recovery of interest earned on Com-

munity monies; meanwhile, instructs its Committee on Budgetary Control to draw up a report in this connection;

88. Urges the Commission to carry into effect its announcement to apply the rules on eligibility, as established in the framework of SEM 2000; asks for a review of these eligibility criteria before starting the next programming period;

89. Requests the Court of Auditors to publish a special report covering mainstreaming and measures to promote equal opportunities;

90. Reiterates its call to the Court of Auditors to publish, as part of its annual report, a list setting out all refusals of approval by the institutions' financial controllers and, where appropriate, the overrule decisions.

EUROPEAN PARLIAMENT DECISION**of 10 April 1997****giving discharge to the Commission in respect of the management of the ECSC for
the financial year 1995**

(97/383/ECSC)

THE EUROPEAN PARLIAMENT,

- Having regard to the following amounts contained in the accounts of the ECSC as at 31 December 1995 ⁽¹⁾, and the report of the Court of Auditors of 28 June 1996, confirming that the accounts present a true picture of the financial situation of the European Coal and Steel Community at 31 December 1995, and the results of ECSC operations for the financial year ending on the same date,
1. Gives the Commission discharge in respect of the management of the ECSC for the 1995 financial year on the basis of the following figures relating to the implementation of the administrative budget for the 1995 financial year;
 2. Instructs its President to forward this Decision and the resolution containing its comments to the Commission, the Council, the Court of Auditors and the ECSC Consultative Committee and to have them published in the *Official Journal of the European Communities* (L series).

⁽¹⁾ OJ No C 251, 29. 8. 1996, pp. 3 and 29.

ECSC balance sheet at 31 December 1995

(All figures in ecus)

ASSETS

	31 December 1995	31 December 1994
Balance with central banks	1 421 415	1 568 013
Loans/advances to credit institutions	3 453 954 768	3 824 637 480
Loans/advances to customers	3 268 881 232	3 719 792 996
Bonds/other fixed income securities	1 691 340 919	1 623 567 580
Tangible and intangible assets	5 297 626	11 491 861
Other assets	30 376 971	13 518 424
Prepayments	261 821 124	290 270 762
TOTAL ASSETS	8 713 094 055	9 484 847 117
Off balance sheet commitments	3 307 530 417	4 082 907 357

LIABILITIES

	31 December 1995	31 December 1994
Amounts owed to credit institutions	2 599 459 636	2 580 249 457
Debts evidenced by certificates	3 366 056 778	3 990 856 078
Other liabilities	349 844 179	469 666 079
Accruals and deferred income	207 600 082	236 035 314
Provisions for liabilities and charges	41 190 278	42 266 409
Commitments for ECSC operating budget	1 255 300 224	1 360 466 550
Total liabilities vis-à-vis third parties	7 819 451 177	8 679 539 887
Provisions for financing operating budget	144 793 939	143 425 758
Provisions for large exposures	55 000 000	0
Reserves	692 023 776	655 302 519
Value adjustment reserve	0	4 911 688
Surplus brought forward	46 008	100 023
Surplus for the financial year	1 779 155	1 567 242
Net total	893 642 878	805 307 230
TOTAL LIABILITIES	8 713 094 055	9 484 847 117
Off balance sheet commitments	5 186 159 225	6 323 533 611

Profit and loss accounts for year ending 31 December 1995

(All figures in ecus)

CHARGES

	31 December 1995	31 December 1994
Interest payable and similar charges	768 492 969	841 807 108
Commissions payable	1 895 731	1 744 846
Net losses on financial operations	13 749 673	77 326 076
Administrative expenditure	5 000 000	5 000 000
Value adjustments (tangible assets)	894 235	1 394 234
Other operating charges	426 702	409 499
Value adjustments (loans/advances/provisions)	<u>164 008 951</u>	<u>37 030 378</u>
Total operating charges	954 468 261	964 712 141
Losses on loans	0	1 284 910
Extraordinary charges	80 090	41 420 097
Conversion difference	5 379 102	5 772 717
Legal commitments for the financial year	277 908 755	386 435 194
Allocation to provision for operating budget	<u>42 623 043</u>	<u>42 913 745</u>
Total charges	1 280 459 251	1 442 538 804
Surplus for the financial year	<u>1 779 155</u>	<u>1 567 242</u>
TOTAL	1 282 238 406	1 444 106 046

INCOME

	31 December 1995	31 December 1994
Interest received and similar income	918 747 800	991 726 279
Net profit on financial operations	79 995 971	23 271 322
Value adjustment (loans/advances/provisions)	38 551 789	30 581 596
Other operating losses	<u>3 468 409</u>	<u>3 702 522</u>
Total operating income	1 040 763 969	1 049 281 719
Transfer from reserve for exchange differences	4 911 688	5 772 717
Income relating to operating budget	184 649 004	208 901 704
Transfer from provision for operating budget	42 913 745	178 149 906
Transfer from Guarantee Funds/Special reserve	<u>9 000 000</u>	<u>2 000 000</u>
TOTAL INCOME	1 282 238 406	1 444 106 046

Implementation of the ECSC operating budget

(All figures in ecus)

OUTTURN

	31 December 1995	31 December 1994
<i>Expenditure</i>		
Administrative expenditure	5 000 000	5 000 000
Legal commitments	277 908 755	386 435 194
Miscellaneous	0	32 598 462
Total	282 908 755	424 033 656
<i>Revenue</i>		
Levy	102 343 728	107 666 996
Fines	3 338 003	1 350
Interest subsidies	8 017 721	4 676 172
Miscellaneous	240 903	200 500
Cancellations of legal commitments	70 677 698	63 252 475
Surplus from previous budget	40 913 745	60 195 571
Extraordinary revenue for operating budget	2 000 000	22 000 000
Withdrawal from the 1993 contingency reserve	0	91 954 337
Net balance for the year	70 000 000	115 000 000
Total	297 531 798	464 947 401
BUDGET OUTTURN	14 623 043	40 913 745

RESULT FOR FINANCIAL YEAR

	31 December 1995	31 December 1994
Result from non-budgetary operations after deducting the net balance allocated to the operating budget	20 779 155	— 1 360 948
Outturn of the budget	14 623 043	40 913 745
Withdrawal from special reserve	9 000 000	2 000 000
Total	44 402 198	41 552 797
Allocation to provision for liabilities/charges	0	— 1 071 810
Allocation to provision for operating budget	— 42 623 043	— 40 913 745
Withdrawal from provision for operating budget	0	4 000 000
Allocation extraordinary revenue 1994/1995 budget	0	— 2 000 000
RESULT BEFORE ALLOCATION	1 779 155	1 567 242

The Secretary-General
Julian PRIESTLEY

The President
José María GIL-ROBLES

RESOLUTION

on the report of the Court of Auditors on the accounts of the European Coal and Steel Community at 31 December 1995 and on the report of the Court of Auditors on the management of the accounts and the financial management of the ECSC

THE EUROPEAN PARLIAMENT,

- Having regard to the ECSC financial report for the 1995 financial year, submitted by the Commission, and in particular the balance sheet and profit and loss accounts of the ECSC at 31 December 1995⁽¹⁾,
- Having regard to the report of the Court of Auditors on the accounts of the ECSC at 31 December 1995⁽²⁾ and the report on the management of the accounts and the financial management of the European Coal and Steel Community (C4-0094/97)⁽³⁾,
- Having regard to the report of the Committee on Budgetary Control (A4-0071/97),
- A. Whereas the Court of Auditors has found that the financial statements of the ECSC at 31 December 1995 give a true and fair view of the results of its operations for the year then ended,
- B. Whereas the Court of Auditors has provided a positive statement of assurance as to the reliability of the ECSC accounts and the legality and regularity of the underlying transactions,
- C. Whereas the ECSC Treaty is due to expire in the year 2002, and arrangements have already begun for the transfer of some of its activities to the EC,

Financial statements

1. Notes that the Commission continues to follow a prudent risk management strategy with regard to the ECSC's debtor portfolio; stresses that this conservative approach will become increasingly important as the expiry of the ECSC Treaty draws near;

Lending activities

2. Endorses the actions of the Commission in managing the outstanding ECSC lending to Eurotunnel and in provisioning against possible losses; asks the Commission to report to Parliament on the outcome of the forthcoming meeting of Eurotunnel shareholders on the proposed debt restructuring plan, in particular on the effects the decisions taken have on ECSC finances and any possible future role in the management of Eurotunnel;
3. Notes with concern the serious error made by the Commission in providing twice as much ECSC finance to the Danish 'Great Belt' project as was permitted by the regulations; observing however that this error has not caused any direct loss to the taxpayer, accepts the Commission's proposal that the excess lending should be recovered at the loan renewal deadlines already set for 1997;
4. Warns the Commission against any possible repeat of the error in financing the Great Belt project in the context of the Øresund connection between Denmark and Sweden;
5. Expresses its concern at the Court of Auditors' preliminary findings suggesting a high non-compliance rate in respect of the conditions attached to interest-rate subsidies aimed at job creation; asks the Commission to recover all irregularly paid subsidies and the Court of Auditors to establish with greater clarity the scale of this problem;
6. Calls on the Commission to review the rules covering the disbursement of interest-rate subsidies and, more generally, the effectiveness of reporting and monitoring arrangements connected with global loans.

⁽¹⁾ OJ No C 251, 29. 8. 1996, p. 3.

⁽²⁾ OJ No C 251, 29. 8. 1996, p. 29.

⁽³⁾ OJ No C 377, 13. 12. 1996.

EUROPEAN PARLIAMENT DECISION

of 10 April 1997

giving discharge to the Commission in respect of the financial management of the sixth European Development Fund for the financial year 1995

(97/384/EC)

THE EUROPEAN PARLIAMENT,

- Having regard to the Treaty establishing the European Community,
 - Having regard to the third ACP-EEC Convention ⁽¹⁾,
 - Having regard to the balance sheets and revenue and expenditure accounts of the fifth, sixth and seventh European Development Funds (EDF) for the 1995 financial year (SEC(96) 0989),
 - Having regard to the Statement of Assurance and special report of the Court of Auditors concerning the activities of the sixth and seventh European Development Funds for the financial year 1995 together with the Commission's reply (C4-0109/97) ⁽²⁾,
 - Having regard to the recommendation of the Council of 17 March 1997 (C4-0147/97),
 - Having regard to the report of the Committee on Budgetary Control (A4-0121/97),
1. Gives discharge to the Commission in respect of the financial management of the sixth European Development Fund for the financial year 1995 on the basis of the following amounts:

BALANCE SHEET OF THE SIXTH EDF AT 31 DECEMBER 1995

(ECU 1 000)

ASSETS	SITUATION AS AT 31 DECEMBER 1995
Grants	3 969 214
Loans	890 663
Stabex	1 451 123
Sysmin	91 951
Administrative costs	1 717
SUBTOTAL	6 404 668
Cash at bank	728 203
Other current assets	708 978
Items under verification	41 098
TOTAL	7 882 947
LIABILITIES	
Contributions called up	7 558 866
Other income	504 239
Transfers to the seventh EDF	- 180 158
Amount due to the sixth EDF	—
Other debtors (interest under verification)	—
TOTAL	7 882 947

⁽¹⁾ OJ No L 86, 31. 3. 1986.

⁽²⁾ OJ No C 395, 31. 12. 1996, pp. 87 and 93.

USE OF RESOURCES — SIXTH EDF AT 31 DECEMBER 1995

Breakdown of funds

	Initial appropriation	Resources or reductions at 31 December 1994	Resources or reductions during 1995	New situation
Total ACP	7 400 000 000,00	380 543 664,73	10 706,85	7 780 554 371,58
Total OCT	100 000 000,00	3 526 646,39	0,00	103 526 646,39
Sundry receipts	50 137 221,02	— 50 137 221,02		0,00
Total	7 550 137 221,02	333 933 090,10	10 706,85	7 884 081 017,97

2. Records its observations in the resolution which forms part of this Decision;
3. Instructs its President to forward this Decision and the resolution containing its observations to the Commission, the Council, the Court of Auditors, the European Investment Bank and the ACP-EU Assembly and to have them published in the *Official Journal of the European Communities* (L series).

The Secretary-General
Julian PRIESTLEY

The President
José María GIL-ROBLES

EUROPEAN PARLIAMENT DECISION

of 10 April 1997

giving discharge to the Commission in respect of the financial management of the seventh European Development Fund for the financial year 1995

(97/385/EC)

THE EUROPEAN PARLIAMENT,

- Having regard to the Treaty establishing the European Community,
 - Having regard to the fourth ACP-EEC Convention ⁽¹⁾,
 - Having regard to the balance sheets and revenue and expenditure accounts of the fifth, sixth and seventh European Development Funds (EDF) for the 1995 financial year (SEC(96) 0989),
 - Having regard to the Statement of Assurance and special report of the Court of Auditors concerning the activities of the sixth and seventh European Development Funds for the financial year 1995 together with the Commission's reply (C4-0109/97) ⁽²⁾,
 - Having regard to the recommendation of the Council of 17 March 1997 (C4-0148/97),
 - Having regard to the report of the Committee on Budgetary Control (A4-0121/97),
1. Gives discharge to the Commission in respect of the financial management of the seventh European Development Fund for the financial year 1995 on the basis of the following amounts:

BALANCE SHEET OF THE SEVENTH EDF AT 31 DECEMBER 1995

(ECU 1 000)

ASSETS	SITUATION AS AT 31 DECEMBER 1995
Grants	2 682 846
Loans	212 638
Stabex	1 445 570
Sysmin	76 833
Administrative costs	—
SUBTOTAL	4 417 887
Cash at bank	—
Other current assets	—
Items under verification	—
TOTAL	4 417 887
LIABILITIES	
Contributions called up	2 849 888
Other income	884 154
Transfers to the seventh EDF	—
Amount due to the sixth EDF	679 975
Other debtors (interest under verification)	3 871
TOTAL	4 417 887

⁽¹⁾ OJ No L 229, 17. 8. 1991.

⁽²⁾ OJ No C 395, 31. 12. 1996, pp. 87 and 93.

USE OF RESOURCES — SEVENTH EDF AT 31 DECEMBER 1995

Breakdown of funds

	Initial appropriation	Resources or reductions at 31 December 1994	Resources or reductions during 1995	New situation
Total ACP	10 800 000 000,00	815 439 576,80	12 571 700,53	11 628 011 277,33
Total OCT	140 000 000,00	14 800 730,06	0,00	154 800 730,06
Sundry receipts	0,00	45 910 590,30	-4 568 992,22	41 341 598,08
Total	10 940 000 000,00	876 150 897,16	8 002 708,31	11 824 153 605,47

2. Records its observations in the resolution which forms part of this Decision;
3. Instructs its President to forward this Decision and the resolution containing its observations to the Commission, the Council, the Court of Auditors, the European Investment Bank and the ACP-EU Assembly and to have them published in the *Official Journal of the European Communities* (L series).

The Secretary-General
Julian PRIESTLEY

The President
José María GIL-ROBLES

RESOLUTION

containing the observations which form part of the Decisions granting discharge to the Commission in respect of the financial management of the sixth and seventh European Development Funds for the 1995 financial year

THE EUROPEAN PARLIAMENT,

proposal until after clarification of the legal context in which it will apply;

— Having regard to Articles 137 and 206 of the Treaty establishing the European Community,

— Having regard to Articles 73 and 77 of the financial Regulations applicable respectively to the sixth and seventh European Development Funds (EDF), under which the Commission is required to take all appropriate steps to act on the observations appearing in discharge decisions,

— Having regard to the report of the Committee on Budgetary Control (A4-0121/97),

Budgetary implementation

5. Calls again on the Commission to introduce provisions allowing appropriations under national or regional indicative programmes, which remain unused for defined lengths of time following their transfer to subsequent EDFs, to be re-allocated to non-programmable aid programmes;

Structural Adjustment

Budgetization of the EDFs

1. Continues to endorse the basic concept of the EDFs multilateral development aid, this being the most effective and equitable method for the provision of long-term structural development aid; notes in this context that the current provisions for the financing of the EDFs still do not correspond to this concept, and will not do so until the funds are incorporated within the Community budget;
2. Welcomes the proposal of the Commission to the Intergovernmental Conference that Declaration 12 annexed to the EC Treaty be deleted as a clear step in the direction of budgetizing the EDFs; calls on the Commission to present firm proposals in this regard by the end of 1997 in the context of the forthcoming negotiations on the revision of the financial perspectives;
3. Notes that the democratic accountability of the Commission *vis-à-vis* the European Parliament in managing the EDFs continues to be subverted by the legal framework under which the EDFs operate; believes nonetheless that, in the interests of ensuring the maximum possible ongoing control over the implementations of the EDFs, this should not alone be an impediment to discharge for the 1995 financial year;
4. Notes that the European Parliament has been consulted for an opinion on the Financial Regulation covering the eighth EDF; considers that it would be inappropriate for Parliament to give its view on this

6. Stresses its continued support for the principle that respect for democratic practice be a precondition for the provision of assistance under the structural adjustment facility, and that Community action should aim to alleviate the serious adverse social consequences caused by structural reforms;
7. Calls on the Commission, in consultation with the Bretton Woods institutions and other donors, to formulate fewer, clearer and more realistic conditions to be attached to structural adjustment packages; takes the view that such conditions and criteria must be applied universally and objectively to all beneficiary countries on the same basis; accepts nonetheless the fact that the Commission has to be able to respond flexibly to varying circumstances in ACP countries within the scope of these conditions;
8. Calls on the Commission at the same time increasingly to focus EDF structural adjustment appropriations in countries whose domestic policies allow them to benefit from such assistance, therefore also to stop assistance to countries which are unable or unwilling to apply such policies;
9. Calls on the Commission to focus more on deploying authorized aid for the benefit of the most underprivileged population categories and the sectors in need of assistance in the fairest possible way in accordance with the provisions in order to secure a more efficient distribution of funding (basic education, health service);
10. Calls on the Commission not only to provide finance for aid projects but also, in parallel, to monitor such projects until completion;

Statement of Assurance

11. Welcomes the clearly positive nature of the Statement of Assurance provided by the Court of Auditors, which represents significant progress with respect to the situation in 1994; notes however that the Court repeats its assertion that the legal framework in which the EDFs operate compromises sound financial management in a number of areas;

Delegations

12. Accepts the need to distribute local representation resources between different Community external programmes; does not yet discern, however, any clear, global and coherent policy according to which decisions are taken as to which delegations are required for functional purposes.
-

EUROPEAN PARLIAMENT DECISION

of 24 April 1997

giving discharge to the Management Board of the European Centre for the Development of Vocational Training in respect of the implementation of its budget for the 1994 financial year

(97/386/EC)

THE EUROPEAN PARLIAMENT,

- Having regard to the Treaty establishing the European Community, and in particular Article 206 thereof,
 - Having regard to the statement of accounts of the European Centre for the Development of Vocational Training and the report of the Court of Auditors on this subject (C4-0564/95),
 - Having regard to the Council recommendation of 11 March 1996 (C4-0196/96),
 - Having regard to its resolution of 17 April 1996 informing the Management Board of the European Centre for the Development of Vocational Training of the reasons why the discharge cannot be given in respect of the implementation of its budget for the 1994 financial year⁽¹⁾,
 - Having regard to the report of the Committee on Budgetary Control (A4-0138/97),
1. Notes the following figures for the accounts of the European Centre for the Development for Vocational Training:

1994 Financial Year*ECU**Revenue*

	10 534 080,62
1. Subsidy from the Commission	10 348 545,16
2. Bank interest	152 020,84
3. Exchange rate gains	0,00
4. Other	33 514,62

Expenditure

1. Final budget appropriations	11 100 000,00
2. Commitments	10 534 080,62
3. Unused appropriations	565 919,38
4. Payments	8 082 315,49
5. Carry-overs from 1993	3 020 500,76
6. Payments against appropriations carried over	2 645 904,05
7. Appropriations carried over and cancelled (5-6)	374 596,71
8. Carry-overs to 1995	2 451 765,13
9. Cancellations (1-4-8)	565 919,38

2. Gives discharge to the Management Board of the European Centre for the Development for Vocational Training in respect of the implementation of its budget for the 1994 financial year.

The Secretary-General

Julian PRIESTLEY

The President

José María GIL-ROBLES

⁽¹⁾ OJ No C 141, 13. 5. 1996, p. 125.

EUROPEAN PARLIAMENT DECISION

of 24 April 1997

giving discharge to the Management Board of the European Centre for the Development of Vocational Training in respect of the implementation of its budget for the 1995 financial year

(97/387/EC)

THE EUROPEAN PARLIAMENT,

- Having regard to the Treaty establishing the European Community, and in particular Article 206 thereof,
 - Having regard to the statement of accounts of the European Centre for the Development of Vocational Training and the report of the Court of Auditors on this subject (C4-0052/95),
 - Having regard to the Council recommendation of 17 April 1997 (C4-0177/97),
 - Having regard to its resolution of 17 April 1996 informing the Management Board of the European Centre for the Development of Vocational Training of the reasons why the discharge cannot be given in respect of the implementation of its budget for the 1994 financial year⁽¹⁾,
 - Having regard to the report of the Committee on Budgetary Control (A4-0138/97),
1. Notes the following figures for the accounts of the European Centre for the Development for Vocational Training:

1995 Financial Year	ECU
<i>Revenue</i>	14 775 018,56
1. Subsidy from the Commission	14 590 226,01
2. Bank interest	124 445,98
3. Exchange rate gains	0,00
4. Other	60 346,57
<i>Expenditure</i>	
1. Final budget appropriations	16 500 000,00
2. Commitments	14 775 018,56
3. Unused appropriations	1 724 981,44
4. Payments	10 106 730,80
5. Carry-overs from 1994	2 451 765,13
6. Payments against appropriations carried over	2 155 461,44
7. Appropriations carried over and cancelled (5-6)	296 303,69
8. Carry-overs to 1996	4 668 287,76
9. Cancellations (1-4-8)	1 724 981,44

2. Gives discharge to the Management Board of the European Centre for the Development for Vocational Training in respect of the implementation of its budget for the 1995 financial year.

The Secretary-General
Julian PRIESTLEY

The President
José María GIL-ROBLES

⁽¹⁾ OJ No C 141, 13. 5. 1996, p. 125.

RESOLUTION

containing the comments which form part of the decisions giving discharge to the Management Board of the European Centre for the Development of Vocational Training in respect of the implementation of its budget for the 1994 and 1995 financial years

THE EUROPEAN PARLIAMENT,

- Having regard to the Treaty establishing the European Community, and in particular Article 206 thereof,
- Having regard to the statement of accounts of the European Centre for the Development of Vocational Training and the report of the Court of Auditors on this subject for 1994 (C4-0564/95) and 1995 (C4-0052/97),
- Having regard to the Council recommendations of 11 March 1996 (C4-0196/96) and 17 April 1997 (C4-0177/97),
- Having regard to its resolution of 17 April 1996 informing the Management Board of the European Centre for the Development of Vocational Training (Cedefop) of the reasons why the discharge cannot be given in respect of the implementation of its budget for the 1994 financial year⁽¹⁾,
- Having regard to the report of the Committee on Budgetary Control (A4-0138/97),
- A. Whereas, on the basis of a Decision by the European Council, in 1995 the European Centre for the Development of Vocational Training moved its headquarters from Berlin to Thessaloniki,
- B. Whereas the European Parliament, the Council, and the Commission each expressed the wish that Cedefop should take all necessary steps to ensure a socially acceptable treatment of its staff in the context of this move,
- C. Whereas the Greek State undertook in 1995 to provide suitable temporary and then permanent accommodation for Cedefop in the Greater Thessaloniki area,
- D. Whereas the Committee on Budgetary Control and the Committee on Employment and Social Affairs, within the scope of their separate competences, have examined the degree to which Cedefop has met the conditions set out in the interim report postponing discharge for the 1994 financial year,

Staff management issues

1. Notes and accepts the validity of the Court of Auditors' comments on the manifold irregularities

connected with the recruitment procedures applied in the attempt to implement the provisions of the framework agreement between staff and management of the Centre; considers however that the majority of the irregularities discovered stemmed from the inappropriateness of such procedures to the exceptional circumstances in which Cedefop found itself and the non-availability of alternative, more suitable provisions;

2. Takes the view that the outstanding staff difficulties must be resolved in 1997 at the latest; calls on the Centre and the Commission to make whatever reasonable *ad hoc* arrangements for individuals that are necessary to achieve full staffing in Thessaloniki by the end of 1997 and, if necessary, strictly to apply the terms of the framework agreement in specific cases;
3. In this context considers the approach to the outstanding staffing problems of Cedefop outlined in the Commission's recent letter on the subject to be excessively formalistic and inflexible and to offer no practical solution to those problems; therefore calls on the Commission to respect its undertaking to deal with the casualties of the enforced Cedefop move on a case-by-case basis;
4. Believes that the difficulties in achieving a full staff complement in the Centre's new headquarters and the problems of staff motivation following from the move to Thessaloniki in 1994/95 severely impaired Cedefop's ability to carry out its work programme and its capacity to meet sound financial management criteria;
5. Reminds the Centre that it must adjust its future employment practices to those of other decentralized Community agencies, while accepting that a transitional period, in which staff are employed on the basis of different contracts, is in the circumstances inevitable;

Buildings

6. Expresses its disquiet at the unusual nature of the buildings construction and purchase agreement entered into between Cedefop and the Greek State, not because it necessarily represents a poor deal financially, but because the lack of transparency implicit in the terms of the agreement is not appropriate to a contract involving the use of European Community budgetary funds;

⁽¹⁾ OJ No C 141, 13. 5. 1996, p. 125.

7. Is similarly concerned that Cedefop has advanced half the forecast purchase price of its new headquarters before construction began, and will advance a further quarter at a very early stage in the work, without there being any explicit provision for the use of interest earned on advance payments in the Agreement;
8. Asks Cedefop, using its contractual right of access to documentation pursuant to Article 4 of the Agreement with the Greek State, to report to the European Parliament at six-monthly intervals, starting on 30 June 1997, on the progress of the construction work of its new building, specifying in particular the value of the work carried out;
9. Also asks Cedefop to provide details of the mechanism by which the final construction cost of its new headquarters will be established upon termination of the building contract; if no clear provision exists yet in this respect, calls on Cedefop to reach an appropriate agreement as soon as possible;
10. Emphasizes that the comments in this resolution are questions of principle and concern the nature of the building agreement *per se*: they do not in any way undermine Parliament's full confidence that the Member State concerned will meet all its obligations to Cedefop;

Policy issues

11. Considers that the Centre has reacted positively to Parliament's call for Cedefop:

- to provide products of quality which respond to the needs of its clients, and
- to play a clear and coherent role within the policies of the European Community on vocational training;

12. Calls on the Centre to disseminate information on its activities to other EU institutions on a regular basis;

General observation

13. Considers that Cedefop has gone through a period of immense disruption which has compromised its ability to carry out its tasks in an effective manner; notes however that the ultimate responsibility for this disruption and the harm it has caused cannot be attributed to Cedefop, but belongs to the European Council; believes that, in exceptionally difficult circumstances and without any significant practical help from outside, the Management Board of the Centre reacted imperfectly, but as well as could reasonably be expected; takes the view however that the time has come for Cedefop to put its troubles behind it and expects that from now on the Centre will apply the same level of rigour in financial management expected from other agencies;
14. Instructs its President to forward this resolution and the two discharge decisions to the European Centre for the Development of Vocational Training, the Court of Auditors, the Commission and the Council, and to have it published in the *Official Journal of the European Communities* (L series).

EUROPEAN PARLIAMENT DECISION

of 24 April 1997

giving discharge to the Administrative Board of the European Foundation for the Improvement of Living and Working Conditions in respect of the implementation of its budget for the 1995 financial year

(97/388/EC)

THE EUROPEAN PARLIAMENT,

- Having regard to the Treaty establishing the European Community, and in particular Article 206 thereof,
- Having regard to the statement of accounts of the European Foundation for the Improvement of Living and Working Conditions and the report of the Court of Auditors on this subject (C4-0051/97),
- Having regard to the Council recommendation of 17 April 1997 (C4-0178/97),
- Having regard to the report of the Committee on Budgetary Control (A4-0139/97),
- A. Whereas the Court of Auditors finds that the financial statements for the financial year ended 31 December 1995 are reliable and the underlying transactions are, as a whole, legal and regular,
- 1. Notes the following figures for the accounts of the European Foundation for the Improvement of Living and Working Conditions:

1995 Financial Year

	(ECU)	
	1995	1994
<i>Revenue</i>	10 347 133,77	11 459 602,98
1. Subsidy from the Commission	10 143 647,54	11 240 000,00
2. Bank interest	148 464,45	134 337,39
3. Other	55 021,78	85 265,59
<i>Expenditure</i>		
1. Final budget appropriations	12 540 000,00	11 610 000,00
2. Commitments	12 350 066,17	10 362 419,42
3. Unused appropriations	189 933,83	1 247 580,58
4. Payments	9 338 128,08	8 301 557,70
5. Carry-overs from 1994	2 060 861,72	2 855 441,01
6. Payments against appropriations carried over	1 913 588,47	2 550 137,42
7. Appropriations carried over and cancelled (5-6)	147 273,25	305 303,59
8. Carry-overs to 1996	3 011 938,09	2 060 861,72
9. Cancellations (1-4-8)	189 933,83	1 247 580,58
2. Recommends yet again the appointment of a part-time financial controller for the Centre, possibly on a shared basis with other appropriate agencies, working under the Commission's financial controller, as a means of reducing the excessive recourse to imprest accounts;		
3. In the absence of a local financial controller in the Foundation and in order to accelerate cumbersome procedures, asks the Commission to introduce a system whereby financial proposals can be submitted by the Foundation to the Commission's financial control service for examination and approval by electronic means;		
4. Accepts that the Foundation's practice of making transfers between titles of its own budget is not in contravention of its own financial regulation, but emphasizes that such transfers are in principle undesirable; proposes therefore the following guidelines:		

- (a) on no account in any one budgetary year must more than 10 % of appropriations in Titles 1 and 2 or 5 % of appropriations in Title 3 be transferred out of the title concerned;
 - (b) all proposals for transfers between chapters in different titles must receive the explicit approval of the Commission and be sent at the same time for information to both arms of the budgetary authority;
5. In order to achieve more rigorous budgeting in agencies, calls on the Commission to look into the possibility of creating a central 'contingency fund' to be drawn upon and/or paid into by decentralized Community agencies following unforeseen budgetary costs or savings on salaries arising from exchange rate movements; requests a feasibility study on this possibility by 30 September 1997;
 6. Looks forward to the introduction of a new common account system for all agencies in 1998 in the expectation that some of the isolated anomalies and errors in the financial management of the Foundation detected by the Court of Auditors will thereby be prevented;
 7. Continues to look forward to the definitive resolution of the long-standing difficulties relating to the ownership of the land occupied by the Foundation; asks the Foundation to inform the European Parliament as soon as the legal formalities for the acquisition of the leasehold of the land have been completed;
 8. Expresses its general satisfaction as to the reliability of the 1995 accounts and the legality and regularity of the financial management of the Foundation;
 9. Gives discharge to the Administrative Board of the European Foundation for the Improvement of Living and Working Conditions in respect of the implementation of its budget for the 1995 financial year, on the basis of the report of the Court of Auditors;
 10. Instructs its President to forward this Decision to the Administrative Board of the European Foundation for the Improvement of Living and Working Conditions, the Council, the Commission and the Court of Auditors and to have it published in the *Official Journal of the European Communities* (L series).

The Secretary-General

Julian PRIESTLEY

The President

José María GIL-ROBLES

CORRIGENDA

Corrigendum to Commission Regulation (EC) No 935/97 of 27 May 1997 opening and providing for the administration of tariff quotas for the import of bulls, cows and heifers, other than those intended for slaughter, of certain Alpine and mountain breeds, for the period 1 July 1997 to 30 June 1998

(Official Journal of the European Communities No L 137 of 28 May 1997)

Page 4, Article 2 (1) (a), first indent:

for: '— importers from the Community as constituted on 31 December 1994 who are able to furnish proof of having imported animals covered by the quotas between 1 July 1994 and 30 June 1997, and',

read: '— importers from the Community as constituted on 31 December 1994 who are able to furnish proof of having imported between 1 July 1994 and 30 June 1997 animals covered by the quotas governed by this Regulation, and'.

Corrigendum to Commission Directive 97/26/EC of 6 June 1997 amending Council Directive 93/75/EEC concerning minimum requirements for vessels bound for or leaving Community ports and carrying dangerous or polluting goods

(Official Journal of the European Communities No L 158 of 17 June 1997)

In the title and in the contents page:

for: 'Commission Directive 97/26/EC of 6 June 1997 amending Council Directive 93/75/EEC concerning minimum requirements for vessels bound for or leaving Community ports and carrying dangerous or polluting goods',

read: 'Commission Directive 97/34/EC of 6 June 1997 amending Council Directive 93/75/EEC concerning minimum requirements for vessels bound for or leaving Community ports and carrying dangerous or polluting goods'.
