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(OR. en)

PRESSE 55
PR CO 47

OUTCOME OF THE COUNCIL MEETING

3410th Council meeting

Competitiveness (Internal Market, Industry, Research and Space)

Luxembourg, 1 October 2015

President **Etienne Schneider**
Deputy Prime Minister, Minister for Economic Affairs,
Internal Security and Defence, of Luxembourg

P R E S S

CONTENTS¹**ITEMS DEBATED**

ITEMS DEBATED	5
INTERNAL MARKET AND INDUSTRY	5
Competitiveness "check-up": mainstreaming of competitiveness across all EU policies	5
ANY OTHER BUSINESS	7
– Unitary patent protection system	7
– Accounting directive	7
– EU-ESA (European Space Agency) ministerial meeting	8
– Emissions Trading System	8
– Automotive sector	8

OTHER ITEMS APPROVED*FOREIGN POLICY*

– Restrictive measures in view of Russia's actions destabilising the situation in Ukraine	10
– Restrictive measures in view of the situation in Burundi	10

ENLARGEMENT

– EU-former Yugoslav Republic of Macedonia - Stabilisation and Association agreement	10
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- Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
- Documents for which references are given in the text are available on the Council's Internet site (<http://www.consilium.europa.eu>).
- Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the Council's Internet site or may be obtained from the Press Office.

EUROPEAN ECONOMIC AREA

- Amendments to the EEA agreement 11

TRADE

- EU-South Korea free trade agreement..... 11
- WTO trade facilitation agreement 12
- WTO - Kyrgyz Republic 12

CUSTOMS UNION

- Serbia - Conventions on transit and trade..... 12

STATISTICS

- Structural business statistics - Classification of products by activity 13

COHESION POLICY

- Rules on the reporting of irregularities 13

TELECOMMUNICATIONS

- Roaming and open internet..... 13

ENVIRONMENT

- Ban on seal products trade..... 14
- Ecological criteria for the EU Ecolabel..... 14
- Persistent organic pollutants 15
- Shipments of waste..... 15
- Kyoto Protocol: technical implementation 15

RESEARCH

- EU-Switzerland - Scientific and technological cooperation agreement 15
- EU- India - Renewal of scientific and technological cooperation agreement..... 16
- EU-Faroe Islands - Scientific and technological cooperation agreement 16

ENERGY

- Ministerial Council of the Energy Community 16

SOCIAL POLICY

- Delegated regulation on the Fund for the most deprived..... 17

AGRICULTURE

- International Organisation of Vine and Wine (OIV) - Council conclusions 17

APPOINTMENTS

- European Economic and Social Committee: new members from Lithuania and the Netherlands 18

TRANSPARENCY

- Public access to documents 18

ITEMS DEBATED

INTERNAL MARKET AND INDUSTRY

Competitiveness "check-up": mainstreaming of competitiveness across all EU policies

The Luxembourg Presidency has put in practice a new working method called the "Competitiveness Check-up" aimed at improving the role of the Competitiveness Council as regards the analysis of horizontal and sectoral real economy issues as well as the monitoring of competitiveness mainstreaming.

The outcome of the debates carried out under the new check-up process will allow the Presidency to table a report that will be forwarded to the Competitiveness Council on 30 November.

In line with the new method the ministers held two discussions:

- a debate on the latest economic trends and figures. The debate was based on a presentation by the Commission focusing on micro-economic issues – the core business of the Competitiveness Council, and
- a debate on competitiveness mainstreaming, on the basis of a list of major EU initiatives that have a potential impact on competitiveness.

Ministers addressed the most urgent issues and recent developments in areas of the real economy at national and European level.

Many participants took the view that it was necessary to help EU companies to increase their level of competitiveness and to expand by making regulatory conditions simple and predictable. This would also contribute to stimulating the level of investments in Europe.

There was a broad consensus that EU rules should be more efficient and contain a real added-value for consumers and companies.

A large number of delegations drew attention to aspects of trade policy in relation to the competitiveness capacity of European industries and businesses.

Among the main challenges ahead to boost competitiveness, the following were mentioned:

- the digitalisation of the single market, of the industry and the SMEs,
- application of smart regulation principles without undermining the level of protection of consumers and workers,
- support to clusters for innovation.

In order to facilitate the debate, the Presidency drew up an indicative non-exhaustive list of current and upcoming initiatives that are likely to have a significant impact on competitiveness, including initiatives dealt with by other Council configurations. This provided ministers with an informal overview of key files for competitiveness mainstreaming.

The objective of mainstreaming competitiveness in other relevant policies is to ensure that the impact on the competitiveness of the European economy is better taken into account when implementing EU rules and developing new policy initiatives, with a view to creating sustainable economic growth and jobs.

The new working method was announced by the Presidency at the [informal ministerial meeting on competitiveness](#) held on 20 July in Luxembourg.

In September 2014, the Competitiveness Council undertook to carry out in a more structured and more systematic manner its mandate to examine all relevant proposals that have a substantial impact on competitiveness.

ANY OTHER BUSINESS

– *Unitary patent protection system*

The Council took note of [updated information](#) on how the implementation of the unitary patent protection system is progressing. It also took note of Italy's participation in the enhanced cooperation in the area of unitary patent protection.

In the margins of the Council, the signing ceremony of a protocol to the agreement of the Unified Patent Court (UPC) took place.

The protocol to the UPC agreement will allow for the provisional application of institutional, organisational and financial provisions of the agreement six months before it enters into force.

The unitary patent protection package will enter into force when 13 participating countries (including France, Germany and the United Kingdom) have ratified the UPC agreement. Eight countries have up to now ratified the agreement to establish the new court.

The Commission urged the remaining countries to speed up their internal ratification procedures.

The UPC agreement was [signed on 19 February 2013](#).

To [watch the ceremony](#)

See also [European Patent Office press release](#)

– *Accounting directive*

At the request of the [Dutch delegation](#), the Council took note of information from the Commission on international developments in the field of transparency reporting requirements for the extractive industries under the [EU's Accounting Directive](#), and particularly against the background of the level of transparency requirements for these industries in the United States of America.

Some delegations supported the Dutch request and stressed the need to work in close cooperation with the USA with a view to promoting global standards and a level playing field on transparency requirements.

The Commission will continue to keep the Council informed on further international developments in relation to these issues.

– *EU-ESA (European Space Agency) ministerial meeting*

The Presidency briefed the Council on preparations for the upcoming informal joint ministerial meeting between the EU and the [ESA](#) (informal 'Space Council') to take place in Brussels, Belgium, on 30 November 2015.

– *Emissions Trading System*

At the informal working lunch, ministers exchanged views on the reform of the European Emissions Trading System (“EU ETS”), focusing in particular on the competitiveness aspects of the proposal.

Given the potential implications of the system for EU competitiveness, ministers considered that the Competitiveness Council could provide added value to the ongoing analysis of the proposal.

The [proposal for the revision of the EU ETS](#) reflects the EU's commitment to decarbonisation while protecting industry. In particular, the carbon leakage provisions would continue after 2020. The free allocation of allowances would be provided for, even if the number was limited and continued to decrease. Low-carbon innovation would be supported through an Innovation Fund. A Modernisation Fund would be established to modernise energy systems in lower-income member states.

– *Automotive sector*

The second part of the working lunch was devoted to taking stock of recent developments concerning the automotive sector, following revelations of non-compliance with air pollutant car emissions.

Ministers explained that national authorities were closely monitoring the situation, in close cooperation with the Commission.

They recalled that EU law must be respected and that breaches against environmental, health and consumer protection laws may have particularly damaging effects.

Non-respect of EU laws also undermines common efforts to create a fair playing field benefiting the competitiveness of all EU industries and economic operators.

Ministers called for plans to redress the situation without delay with a view to regaining consumers' trust.

They welcomed the Commission's efforts to speed up the ongoing process to put in place reliable emission tests in accordance with real driving conditions, to be implemented swiftly by national type-approval authorities.

OTHER ITEMS APPROVED

FOREIGN POLICY

Restrictive measures in view of Russia's actions destabilising the situation in Ukraine

The Council amended the restrictive measures in view of Russia's actions destabilising the situation in Ukraine so that restrictive measures do not negatively affect the European space industry. The amendment introduces a limited derogation to the sanctions to permit member states to license trade in specific circumstances in three products which are needed for the use of space launchers or fuelling of satellites.

Restrictive measures in view of the situation in Burundi

The Council adopted travel restrictions and an asset freeze in respect of four persons whose activities are undermining democracy or obstructing efforts to achieve a political solution to the current crisis in Burundi, in particular through acts of violence, repression or incitement to violence, including acts which constitute serious human rights violations.

See [press release](#)

ENLARGEMENT

EU-former Yugoslav Republic of Macedonia - Stabilisation and Association agreement

The Council authorised the conclusion of a protocol to the EU- former Yugoslav Republic of Macedonia Stabilisation and Association agreement to take account of the accession of Croatia to the EU on 1 July 2013.

The European Parliament gave its consent on 8 July 2015.

EUROPEAN ECONOMIC AREA

Amendments to the EEA agreement

The Council adopted a decision ([10783/15](#)) on the position to be adopted, on behalf of the EU, in the EEA joint committee, concerning an amendment to annex XXI to the EEA agreement. The amendment is necessary in order to incorporate the implementation of annual statistics on energy consumption in households into the EEA agreement.

It also adopted its position ([10841/15](#)) concerning amendments to annexes II (Technical regulations, standards, testing and certification) and XX (Environment) to the EEA agreement, which are necessary in order to incorporate the fuel quality directive into the agreement.

TRADE

EU-South Korea free trade agreement

The Council adopted a decision concluding the EU's free trade agreement with South Korea.

The agreement, signed in October 2010, provides for the progressive liberalisation of trade in goods and services. It includes trade-related issues such as competition and state aid, intellectual property and public procurement.

It is the first of a generation of free trade agreements, and is the EU's first trade deal with an Asian country.

Conclusion of the agreement follows its ratification by all of the EU member states. Most of the agreement has been provisionally applied since 1 July 2011.

For details, see [press release](#)

WTO trade facilitation agreement

The Council adopted a decision approving, on behalf of the EU, the conclusion of a WTO protocol establishing a trade facilitation agreement.

The purpose of the agreement is to simplify and modernise procedures for the movement of goods, including import and export procedures. The aim is to help smaller businesses exploit export opportunities and to facilitate developing countries' participation in international trade.

For details, see [press release](#)

WTO - Kyrgyz Republic

The Council authorised the Commission to open negotiations with the Kyrgyz Republic and other WTO members on a WTO submission made by the Kyrgyz Republic.

CUSTOMS UNION

Serbia - Conventions on transit and trade

The Council approved its position on [decisions](#) to be taken by EU-EFTA joint committees with a view to the accession of Serbia to the Convention on a common transit procedure and to the Convention on simplification of formalities in trade in goods.

The customs transit procedure enables goods to move more freely and simplifies customs formalities. It takes the form of a temporary suspension of the duties and taxes normally due on goods imported into the customs territory. This procedure is based on a convention between the EU and the countries of the European Free Trade Area ([EFTA](#)).

The Convention on simplification of formalities in trade in goods sets out measures to simplify formalities in trade in goods between the EU and the EFTA countries, in particular by introducing a single administrative document to be used for any procedure at export and import.

STATISTICS

Structural business statistics - Classification of products by activity

The Council decided not to oppose a [Commission regulation](#) amending regulation 251/2009 which implements [regulation 295/2008 on structural business statistics](#), as regards the adaptation of the series of data following the revision of the classification of products by activity.

The new measures are submitted for scrutiny by the European Parliament and the Council. They may oppose the adoption of the draft measures by the Commission if those measures exceed the implementing powers provided for in the basic regulation, are not compatible with the aim or content of the basic regulation or do not comply with the principles of subsidiarity and proportionality.

COHESION POLICY

Rules on the reporting of irregularities

The Council decided not to object to a Commission regulation laying down specific rules on the reporting of irregularities concerning the European regional development fund, the European social fund, the cohesion fund, and the European maritime and fisheries fund ([10735/15](#)).

The regulation is a delegated act pursuant to article 290 of the Treaty on the Functioning of the EU. This means that now that the Council has decided not to object to it, the act can enter into force, unless the European Parliament objects to it.

TELECOMMUNICATIONS

Roaming and open internet

The Council adopted its first-reading position on new rules to end mobile roaming charges and safeguard open internet access. The Netherlands and Slovenian delegations voted against. The Croatian and Greek delegations abstained.

The European Parliament is expected to adopt the text at its plenary session in late October. This will mark the end of the procedure at second reading.

[Roaming and open internet regulation: Council position at first reading](#) (full text)

[Roaming and open internet regulation: Council's reasons](#)

[Adoption of the roaming and open internet regulation: statements](#)

[Roaming and open internet rules adopted by the Council](#)

[End of roaming charges: Council confirms agreement with EP](#)

ENVIRONMENT

Ban on seal products trade

The Council adopted a regulation ([PE-CONS 44/15 + 11505/15 ADD1](#)) that brings the EU ban on trade in seal products into compliance with World Trade Organisation (WTO) rules.

Press release - [Seal products trade: the EU ban adapted to WTO rules](#)

The qualified majority needed was achieved, with the vote against of Sweden and the abstention of Denmark, France, Estonia and Finland.

Ecological criteria for the EU Ecolabel

The Council decided not to oppose the adoption of two Commission decisions ([10889/15 +ADD1](#) and [11765/15](#)) on the ecological criteria for the award of the EU Ecolabel.

The first decision concerns the ecological criteria for the product group "growing media, soil improvers and mulch". The second decision prolongs the validity of the criteria for several types of product, namely televisions, footwear, wooden furniture, notebook computers and personal computers.

The two Commission decisions are subject to the so-called regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt the decisions, unless the European Parliament objects.

Persistent organic pollutants

The Council decided not to oppose the adoption of a Commission regulation ([10888/15 + ADD 1](#)) concerning persistent organic pollutants. The regulation introduces changes in rules regarding one type of persistent organic pollutants: short-chain chlorinated paraffins (SCCPs).

The Commission regulation is subject to the so-called regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt the regulation, unless the European Parliament objects.

Shipments of waste

The Council decided not to oppose the adoption of a Commission regulation ([10884/15 + ADD 1+ ADD 1 REV 1](#)) which updates the rules on shipments of waste, aligning them with recent changes in related legislation.

The Commission regulation is subject to the so-called regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt the regulation, unless the European Parliament objects.

Kyoto Protocol: technical implementation

The Council decided not to object to a Commission delegated regulation ([11023/15 + ADD 1](#)) concerning the technical implementation of the Kyoto Protocol after 2012, specifically accounting requirements. This new piece of legislation aims at enabling the effective operation of the joint fulfilment agreement and at ensuring its alignment with the relevant EU legislation.

The regulation is a delegated act pursuant to article 290 of the Treaty on the Functioning of the EU. This means that now that the Council has decided not to object to it, the act can enter into force, unless the European Parliament objects.

RESEARCH

EU-Switzerland - Scientific and technological cooperation agreement

The Council approved the conclusion of an [agreement](#) for scientific and technological cooperation with Switzerland associating Switzerland to "[Horizon 2020](#)", the EU's framework programme for research and innovation for the years 2014 to 2020 ([5662/15](#)).

The agreement includes the terms and conditions of Switzerland's participation in the Euratom programme 2014-2018 and in the activities carried out by the European joint undertaking for the [ITER](#) project on nuclear fusion energy.

The agreement was signed on 5 December 2014 in Brussels and started to be applied retroactively as from 15 September 2014, pending the completion of procedures for its conclusion.

EU- India - Renewal of scientific and technological cooperation agreement

The Council approved the renewal of the EU-India scientific and technological cooperation agreement for an additional period of five years ([5872/15](#)).

The agreement, which entered into force in 2002, may be renewed by mutual agreement every five years.

[EU-India science scientific and technological cooperation](#)

EU-Faroe Islands - Scientific and technological cooperation agreement

The Council approved the conclusion of an agreement for scientific and technological cooperation with the Faroe Islands associating the Faroe Islands to "Horizon 2020", the EU's framework programme for research and innovation for the years 2014 to 2020 ([5660/15](#)).

The agreement started to be applied retroactively as from 1 January 2014, pending the completion of the procedures for its conclusion.

ENERGY

Ministerial Council of the Energy Community

The Council adopted a decision establishing the European Union position within the Ministerial Council of the Energy Community which will take place in Tirana on 16 October 2015. The legislative act covers the agenda items relating to the adoption of decisions having legal effect, as well as the EU position on political items which do not have legal effects.

The Council also decided to inform the European Parliament of the adoption of the decision which will also be transmitted to the European Parliament.

The Energy Community is an international organisation dealing with energy policy and security of supply, bringing together the European Union and countries from the South East Europe and Black Sea region. It was established by an international treaty in October 2005.

[Energy Community - Facts in Brief](#)

SOCIAL POLICY

Delegated regulation on the Fund for the most deprived

The Council decided not to oppose the adoption of Commission's delegated regulation supplementing regulation No 223/2014 with specific provisions on the reporting of irregularities concerning the Fund for European aid to the most deprived (FEAD) ([10785/15](#)).

The purpose of this regulation is to determine which irregularities member states should report to the Commission, thus allowing the Commission to perform its tasks concerning the protection of the financial interests of the Union.

The Commission regulation is subject to the so-called regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt the regulation, unless the European Parliament objects.

AGRICULTURE

International Organisation of Vine and Wine - Council conclusions

The Council adopted conclusions on the Commission initiative relating to a particular status for the EU within the International Organisation of Vine and Wine (OIV).

The Council examined the Commission services non-papers on the status envisaged for the EU in the OIV.

The Council considers that there is a clear interest in obtaining a particular status for the Union, thus enhancing its participation in the OIV's activities. The Council therefore authorises the Commission to launch exploratory talks with the OIV with a view to obtaining such a status, in accordance with Article 4 of the OIV's rules of procedure. The Council asks the Commission to report on the outcome of those talks and submit any appropriate initiatives for the Council's approval, including a new draft exchange of letters as amended on the basis of the outcome of those talks, to bring them to a fruitful conclusion in conformity with the treaties.

APPOINTMENTS

European Economic and Social Committee: new members from Lithuania and the Netherlands

The Council appointed 12 members of the European Economic and Social Committee (EESC) for the period from 21 September 2015 to 20 September 2020.

They are three members from the Netherlands and nine members from Lithuania whose nominations had not been communicated to the Council by the deadline and could not be included in the decision of 18 September 2015, which appointed 338 out of the total of 350 members of the EESC .

The EESC is the European Union body which represents employers, workers and other groups and associations of civil society, notably in socio-economic, civic, professional and cultural areas.

See also [press release](#)

TRANSPARENCY

Public access to documents

The Council approved the reply to confirmatory application No 18/c/01/15 ([11528/15](#)).
