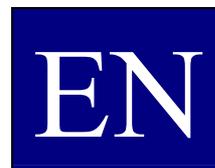




**COUNCIL OF  
THE EUROPEAN UNION**



12254/06 (Presse 240)

**PRESS RELEASE**

2751st Council Meeting

**Competitiveness (Internal Market, Industry and Research)**

Brussels, 25 September 2006

President

**Mr Mauri PEKKARINEN**  
Minister of Trade and Industry of Finland

**P R E S S**

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## **Main Results of the Council**

*The Council reached political agreement on a draft Directive laying down **nominal quantities for pre-packed products** at EU level and on a Community programme **in the field of consumer protection (2007-2013)**.*

*In the field of research, the Council adopted a common position on a draft Decision establishing the **7th research framework programme** of the European Community (2007-2013). It also adopted a Decision approving the conclusion of an international agreement for implementing the **ITER** fusion energy project.*

*The Council also adopted a common position on the programme **"Europe for citizens"** (2007-2013) and on a draft Regulation on the law applicable to non-contractual obligations (**"ROME II"**).*

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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.
- The documents whose 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 abovementioned Council Internet site or may be obtained from the Press Office.

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Vice President

Member

Member

The Governments of the Acceding States were represented as follows:

**Bulgaria:**

Ms Nina RADEVA

Deputy Minister for Economy and Energy

**Romania:**

Mr Marius HIRTE

Minister Counsellor, Deputy Head of Mission

**ITEMS DEBATED****INNOVATION POLICY AND COMPETITIVENESS**

On the basis of a Presidency questionnaire (12585/06), the Council held a public exchange of views on innovation and competitiveness following a presentation by Commission Vice-president Günther Verheugen of a recently adopted a communication entitled "Putting knowledge into practice: a broad-based innovation strategy for the EU" (12940/06).

The Council welcomed the Presidency's intention to conduct further preparatory work on a broad-based innovation policy strategy, focussing on the ten key actions described in the Commission's communication. Taking into account guidance emanating from the informal meeting of Heads of State and Government on 20 October 2006 at Lahti, the Council's preparatory bodies will submit for adoption to the 4 December Competitiveness Council a draft text of conclusions on innovation policy, which will be submitted to the December European Council and will serve as input to the Key Issues Paper for the 2007 Spring European Council.

In its Communication the Commission seeks to develop the concept of "lead markets", where public authorities facilitate industry-led innovation by creating conditions for a successful market uptake of innovative products and services in a focussed way. Primary targets are areas that respond to societal demands (e.g. areas such as transport or health, internal security, eco-innovation). The Commission proposes the following 10 priorities for action:

Action 1: Establish innovation-friendly education systems

Action 2: Establish a European Institute of Technology

Action 3: Work towards a, single and attractive labour market for researchers

Action 4: Strengthen research-industry links

Action 5: Foster regional innovation through the new cohesion policy programmes

Action 6: Reform R&D and innovation state aid rules and provide better guidance for R&D tax incentives

Action 7: Enhance intellectual property rights protection (IPR)

Action 8: Digital products and services – initiative on copyright levies

Action 9: Develop a strategy for innovation friendly "lead Markets"

Action 10: Stimulate innovation through procurement

**NOMINAL QUANTITIES FOR PRE-PACKED PRODUCTS\***

In public deliberation, the Council reached, by unanimity, a political agreement on a draft Directive laying down rules on nominal quantities for pre-packed products<sup>1</sup>. It will adopt its common position at one of its forthcoming meetings once the legal text has been finalised and will send it to the European Parliament for a second reading under the coDecision procedure.

This proposal is aimed at replacing existing legislation (Directives 75/106/EEC and 80/232/EEC) in order to abolish nominal quantities of package sizes for most sectors and to maintain obligatory nominal quantities for a very limited number of goods.

The Council's agreement is based on a compromise text, put forward by the Finnish Presidency, which introduced few changes in the amended proposal tabled by the Commission<sup>2</sup>.

The draft Directive, as amended by the Council, would allow for a phase-out of national nominal quantities for milk, butter, dried pasta and coffee for a period of maximum three and a half years and for sugar it would be of a maximum of four and a half years. The phasing-out period would be applied with effect from 18 months after the entry into force of the Directive. These derogations would not impose any obligation on other Member States to regulate nominal quantities.

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<sup>1</sup> This proposal repeals Directives 75/106/EEC and 80/232/EEC and amends Directive 76/211/EEC.  
<sup>2</sup> 8680/06

## **DEVELOPMENT OF THE SINGLE MARKET POLICY**

The Council held an orientation debate on the development of the Single Market policy on the basis of a set of questions prepared by the Presidency (12601/06). The Council also took note of the information provided by Charles McCreevy, Internal Market Commissioner on the preparation of the Commission's review of its policy for the Internal Market and on the Internal Market Scoreboard No 15 from July 2006 (11867/06).

The Council hoped that the Commission would take into account comments made during the debate in the process of the Single Market review to be finalised in 2007.

The Commission recently conducted a wide-ranging consultation on the state of the Internal Market and directions for the future. This consultation resulted on a number of recommendations covering subjects such as fostering market dynamism and innovation, better Regulation, better implementation and enforcement, taking better account of the global context and investing more in information and communication.

**CONSUMER POLICY PROGRAMME (2007-2013)\***

In public deliberation, the Council reached by unanimity a political agreement on a draft Decision establishing a programme of Community action in the field of consumer policy (2007-2013). It will adopt its common position at a forthcoming meeting once the legal text has been finalised, and will send it to the European Parliament for a second reading under the coDecision procedure.

The programme has two main objectives:

- (1) to ensure a high level of consumer protection, notably through improved evidence, better consultation and better representation of consumers' interests.
- (2) to ensure the effective application of consumer protection rules notably through enforcement cooperation, information, education and redress.

The programme provides for a list of 11 consumer actions, from which specific projects will be selected annually in the work programme.

The financial contribution from the EU budget is fixed at EUR 156,8 million.

**OTHER BUSINESS**

The Council took note of information from the Presidency and the Commission concerning:

- a) progress on the 7th research framework programmes (European Community and Euratom), their specific implementing programmes and their rules of participation *(13060/06)*;
- b) the 2005 implementation report on retaining and attracting researchers to the European Research Area *(11629/06)*;
- c) the outcome of the 6th Euro-Mediterranean Conference of Ministers for Industry that took place in Rhodes on 21 and 22 September *(13140/06)*;
- d) a Commission communication on biodiversity *(9769/06)*;
- e) the state of implementation of the consumer protection cooperation Regulation REG (EC) No 2006/2004 *(12991/06)*;
- f) preparatory work on the meeting of national Lisbon coordinators, to be held in Lisbon on 5 and 6 October *(12994/06)*.

**OTHER ITEMS APPROVED****RESEARCH****7th research framework programme\***

The Council adopted, by qualified majority, a common position on a draft Decision establishing the 7th research framework programme (FP7) of the European Community (EC) for the period 2007-2013 (12032/06 +ADD1 + ADD 1 REV 1). The Council's common position will be forwarded to the European Parliament with a view to reaching an agreement in second reading under the coDecision procedure. Adoption follows a political agreement achieved by the Council on 24 July.

*For more information see press release 13149/06).*

**ITER - Fusion energy project**

The Council adopted a Decision approving the conclusion of an international agreement on implementation of the ITER fusion energy project (12731/06).

The Decision authorises the Commission to conclude an agreement between the European Atomic Energy Community (Euratom), China, India, Japan, Korea, Russia and the United States on the establishment of the ITER International Fusion Energy Organisation for the joint implementation of the ITER project. It also approves the conclusion of an arrangement on provisional application of the agreement.

*For more information see press release 13173/06.*

**INDUSTRY****Rules on competition in maritime transport\***

The Council adopted a Regulation repealing Regulation (EEC) No 4056/86 laying down rules for the application of articles 85 and 86 of the Treaty to maritime transport, and amending Council Regulation No 1/2003 on the implementation of rules on competition laid down in Articles 81 and 82 of the Treaty, by extending its scope to cover cabotage and tramp vessel services (11308/06, 11389/06 ADD1 REVI).

**TOURISM****Tourism policy - Council conclusions**

The Council adopted the following conclusions:

"THE COUNCIL:-

1. RECALLS:

- the objectives of the Commission's Communication to the Spring European Council "Working together for growth and jobs – a new start for the Lisbon strategy";<sup>1</sup>
- the Council Conclusions of 18 April 2005 on the sustainability of European Tourism;<sup>2</sup>
- the Commission Communication on "A renewed EU Tourism Policy: Towards a stronger partnership for European Tourism";<sup>3</sup>

2. NOTES the results of:

- the Presidencies'<sup>4</sup> European Tourism Ministers' Conference "Tourism - Key to Growth and Employment in Europe" of 20-21 March 2006, Vienna, in particular the launch of the European Portal for Tourism, the need to continue to combat the sexual exploitation of children, and the results of the European expert conference on environmentally-friendly travelling in Europe;
- the European Tourism Forums, notably the latest, held in Malta on 19-21 October 2005;

3. POINTS OUT that tourism is an activity which can play an important role in the attainment of the goals of the Growth and Jobs Strategy;

4. STRESSES that Europe, based on its broad diversity of destinations, is the leading world tourist destination and that tourism is an activity that concerns practically all European regions and contributes to regional development and the enhancement of cultural and natural heritage and assets; UNDERLINES that Europe contains many sensitive regions which require specific efforts for sustainable tourism;

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<sup>1</sup> 5990/05

<sup>2</sup> 8194/05

<sup>3</sup> 7669/06

<sup>4</sup> The conference was co-chaired by Austria and Finland.

5. WELCOMES the Commission's commitment to contribute to the improvement of the competitiveness of the European tourism industry and to the creation of more and better jobs through the sustainable growth of tourism in Europe;
6. TAKES THE VIEW that cooperation and partnership amongst all involved public and private stakeholders at European, national, regional and local level is needed for the sustainable development of European tourism;
7. WELCOMES the launch of the European Tourist Destinations Portal, financed by the EU, which should contribute to the effective worldwide promotion of Europe as the most attractive set of destinations;
8. INVITES the Commission, the Member States, the European tourism industry and other stakeholders of the tourism sector to:
  - work together to strengthen the political awareness on tourism issues and to organise common initiatives which highlight the importance of tourism for jobs, growth and sustainable development and allow the exchange of expertise and best practice;
  - continue and further their collaboration especially on issues related to sustainability in view of the presentation by the Commission, in 2007, of a proposal for a European Agenda 21 for Tourism;
9. INVITES the Commission - through an active role in policy-coordination - to:
  - maintain and implement its commitment to actively promote Better Regulation and to make sure that the impact of its policy initiatives on the sector's competitiveness and sustainability is identified at an early stage;
  - identify and analyse initiatives that may affect tourism at an early stage and to inform the Tourism Advisory Committee on a regular basis of such initiatives;
  - continue and enforce the interactive process by consulting with and informing the tourism stakeholders on issues and initiatives that may affect tourism;
  - inform the Member States (and in particular the Tourism Advisory Committee) and tourism stakeholders on the possibilities of funding specific tourism-related projects through European financial instruments on a regular basis;

10. INVITES the Member States to:

- actively exchange information on good practices and measures promoting economic, social and environmental sustainability in tourism ;
- undertake regular Better Regulation exercises, at all levels, aiming to improve the regulatory environment for tourism;
- promote the use of European financial instruments for tourism-related projects;
- pay special attention to the upgrading of relevant skills through training and education, and encourage the industry to do likewise;

11. INVITES the European Tourism industry and other stakeholders of the tourism sector to:

- collaborate with each other and with the public sector to promote the competitiveness and sustainability of European tourism and improve the satisfaction of the tourists;
- proactively inform the policy makers, at all levels, of regulatory and policy measures that would help to better take into account the, often complex, interests of the various tourism related sectors;
- actively participate in impact assessment procedures;
- make best use of available European financial instruments for tourism-related projects."

### **EXTERNAL RELATIONS**

#### **EU code of conduct on arms exports - Report**

The Council took note of the eighth annual report on implementation of the EU's code of conduct on arms exports (12634/06).

The code, introduced in 1998, sets criteria for the export of conventional arms with a view to harmonising national arms export control policies.

**Lebanon – Ban on technical and financial assistance to military activities**

The Council adopted a Regulation concerning restrictive measures in respect of Lebanon in order to enforce the measures laid down in a Council common position of 15 September imposing an arms embargo in Lebanon in accordance with United Nations Security Council resolution 1701(2006) (12354/06).

Resolution 1701(2006) provides, *inter alia*, for a prohibition on the provision of technical and financial assistance related to military activities and on the supply of arms to entities or individuals in Lebanon, unless authorised by the Lebanese government or by the United Nations Interim Force in Lebanon.

Adoption of the Regulation is necessary to implement these measures, which fall within the scope of the EU treaties, with a view to ensuring their uniform application by economic operators in all EU Member States.

**Burma/Myanmar –Restrictive measures**

The Council adopted a Regulation amending Regulation (EC) No 817/2006 on restrictive measures in respect of Burma/Myanmar, in order to include a provision allowing financial institutions in the EU that receive funds transferred by third parties to the frozen accounts of listed persons or entities, to credit those funds to such accounts, provided that such credits are also frozen (12353/06). The Regulation applies retroactively from 2 June 2006.

The Council adopted last May Regulation (EC) 817/2006 implementing common position 2006/318/CFSP, which renewed for a year the measures consisting of a visa ban and a freezing of assets of members of the military regime and other individuals, groups and undertakings associated with the military regime that impede Burma/Myanmar's transition to democracy. The restrictive measures also include a prohibition on making financial loans or credits available to, and on acquiring or extending a participation in, Burmese state-owned enterprises.

**EU-Russia relations - Environment**

The Council approved the EU's position for the first EU-Russia permanent partnership council on environment, which will take place in Helsinki on 10 October.

The objective of the meeting is to:

- launch the EU-Russia dialogue on environment and sign its terms of reference including the establishment of a working group and expert subgroups to take the dialogue forward;
- give political impetus to implementation of the environment part of the road map for the EU-Russia common economic space;
- discuss progress and prospects for future cooperation in three key areas: climate change, biodiversity and environment and economic development.

### **Agreements with Kazakhstan and the Kyrgyz Republic - EU enlargement**

The Council adopted Decisions on the conclusion of protocols to the partnership and cooperation agreements signed with Kazakhstan (8027/06) and the Kyrgyz Republic (8031/06), to take account of the accession of the ten new EU Member States in May 2004.

### **TRADE POLICY**

#### **Antidumping measures - Polyethylene terephthalate film, plastic sacks and bags**

The Council adopted Regulations:

- amending Regulation (EC) No 1676/2001 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of polyethylene terephthalate film originating in India and Korea (12372/06); and
- imposing a definitive anti-dumping duty on imports of certain plastic sacks and bags originating in China and Thailand, and terminating the proceeding on imports of certain plastic sacks and bags originating in Malaysia (12375/06).

### **TAXATION**

#### **VAT - United Kingdom - Fuel in business cars**

The Council adopted a Decision authorising the United Kingdom to apply, from 1 May 2007 until 31 December 2015, special measures for determining the proportion of value added tax (VAT) relating to expenditure on fuel used for private purposes in business cars on the basis of CO<sub>2</sub> emissions (12575/06).

Introduction of this measure is a derogation to common EU rules established by Directive 77/388/EEC on turnover taxes. The Council may authorise any EU country to apply special measures that derogate from that Directive in order to simplify the procedure for charging VAT.

## **JUDICIAL COOPERATION IN CIVIL MATTERS**

### **Law applicable to non-contractual obligations\***

The Council adopted its common position on a draft Regulation on the law applicable to non contractual obligations (Rome II) with the Estonian and Latvian delegations voting against. The common position will now be sent to the European Parliament for a second reading under the coDecision procedure.

The purpose of this Regulation is to lay down an uniform set of rules of law applicable to non-contractual obligations, irrespective of the country in which an action is brought to court. This should increase certainty as to the applicable law and, as a consequence, and improve the predictability of legal disputes and the free movement of judgements.

The initial Commission proposal was presented on 23 July 2003. The common position follows largely the modified proposal submitted by the Commission on 22 February 2006. It also takes on board many of the amendments introduced by the European Parliament, which delivered its opinion on 17 November 2005.

## **AGRICULTURE**

### **Plant protection products**

The Council confirmed the absence of an opinion on six proposals for Council Directives to include new active substances in the positive list of Council Directive 91/414/EEC on the placing of plant protection products on the market.

## **CULTURE**

### **European Capital of Culture event for the period 2007-2019**

The Council adopted a Decision of the European Parliament and of the Council establishing a community action for the European Capital of Culture event for the years 2007 to 2019 (*PE-CONS 3611/06*). All amendments suggested by the European Parliament at first reading were accepted.

The Decision replaces Decision 1419/1999/EC, with a view to improving the process of designation of a city as Capital of culture, by:

- strengthening the competition element (Member States are called on to organise competition between interested cities at national level);
- improving the role of the selection panel;
- establishing a "monitoring panel" to evaluate, in particular, the European added value of the programme;
- extending the planning time.

### **"Europe for citizens" programme \***

The Council adopted a common position with a view to the adoption of a Decision of the European Parliament and of the Council establishing for the period 2007-2013 the programme "Europe for citizens" to promote active European citizenship (9575/06, 12217/1/06 ADD1). The United Kingdom, Lithuanian and Portuguese delegations abstained.

The common position will be sent to the European Parliament for second reading.

The programme aims to safeguard the continuity of the ongoing programme on civic participation<sup>1</sup>. The global objective of the programme is to contribute to:

- giving citizens the opportunity to participate in constructing an ever-closer Europe, enriched through its cultural diversity;
- developing a sense of European identity, based on common values, history and culture;
- fostering a sense of ownership of the European Union among its citizens;
- enhancing mutual understanding between European citizens respecting and promoting cultural diversity.

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<sup>1</sup> OJ L 30, 2.2.2004, p. 6

The specific objectives, to be implemented on a transnational basis, are to:

- bring together citizens across Europe, to share and exchange experiences, opinions and values, to learn from history and to build for the future;
- foster action, debate and reflection related to European citizenship through cooperation between civil society organisations at European level;
- make the idea of Europe more tangible for its citizens by promoting Europe's values and achievements, while preserving the memory of its past;
- encourage interaction between citizens and civil society organisations from all Member States, contributing towards intercultural dialogue and bringing to the fore both Europe's diversity and unity, with particular attention for activities with Member States that have recently joined the European Union.

The proposed programme comprises, *inter alia*, actions such as town-twinning, support for research into and consideration of European policies, support for commemorations or for Europe-wide awards.

The budget allocated to the programme amounts to EUR 190 million (at 2004 prices).

## **ENVIRONMENT**

### **International trade in hazardous chemicals and pesticides**

The Council adopted a Decision on the conclusion, on behalf of the European Community, of the Rotterdam Convention on the prior informed consent procedure for certain hazardous chemicals and pesticides in international trade.

## **TRANSPARENCY**

### **Public access to documents**

The Council adopted:

- a reply to confirmatory application 31/c/02/06 made by Mr Andreas MOBERG (12311/06);
- a reply to confirmatory application 32/c/01/06 (12341/06).