COUNCIL OF
THE EUROPEAN UNION

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2753rd Council meeting

Economic and Financial Affairs

Luxembourg, 10 October 2006

President **Mr Eero HEINÄLUOMA**
Minister of Finance of Finland

P R E S S

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Main Results of the Council

The Council adopted an opinion on an updated convergence programme presented at the beginning of September by ***Hungary,*** *as well as a recommendation on corrective measures to be taken in order to correct its excessive deficit, and assessed action taken by the* ***United Kingdom*** *and* ***Germany*** *in order to correct their excessive deficits.*

The Council approved conclusions on reducing the ***administrative burden on businesses****, the* ***quality of public finances*** *and on how best to make use of the Single Euro Payment Area.*

It also discussed the renewal of the European Investment Bank's external lending mandate; the aim is to reach an agreement on this dossier by the end of the year.

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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.

ENVIRONMENT

FISHERIES

PARTICIPANTS

The Governments of the Member States and the European Commission were represented as follows:

Belgium:	
Mr Jan DE BOCK	Permanent Representative
Czech Republic:	
Mr Tomáš ZIDEK	Deputy Minister for Finance
Denmark:	
Mr Thor PEDERSEN	Minister for Finance
Germany:	
Mr Peer STEINBRÜCK	Federal Minister for Finance
Estonia:	
Mr Aivar SÕERD	Minister for Finance
Greece:	
Mr Georgios ALOGOSKOUFIS	Minister for Economic Affairs and Finance
Spain:	
Mr Pedro SOLBES MIRA	Second Deputy Prime Minister and Minister for Economic Affairs and Finance
France:	
Mr Pierre SELLAL	Permanent Representative
Ireland:	
Mr Brian COWEN	Minister for Finance
Italy:	
Mr Rocco Antonio CANGELOSI	Permanent Representative
Cyprus:	
Mr George CHACALLI	Deputy Permanent Representative
Latvia:	
Mr Eduards STIPRAIS	Permanent Representative
Lithuania:	
Mr Rimantas ŠADŽIUS	Deputy Minister for Finance
Luxembourg:	
Mr Jean-Claude JUNCKER	Prime Minister, "Ministre d'Etat", Minister for Finance
Hungary:	
Mr János VERES	Minister for Finance
Malta:	
Mr Lawrence GONZI	Prime Minister, Minister for Finance
Netherlands:	
Mr Gerrit ZALM	Deputy Prime Minister, Minister for Finance
Austria:	
Mr Karl-Heinz GRASSER	Federal Minister for Finance
Poland:	
Ms Zyta GILOWSKA	Deputy Prime Minister, Minister for Finance
Portugal:	
Mr Fernando TEIXEIRA DOS SANTOS	"Ministro de Estado", Minister for Finance
Slovenia:	
Mr Andrej BAJUK	Minister for Finance
Slovakia:	
Mr Maroš ŠEFČOVIČ	Permanent Representative

Finland:	
Mr Pertti RAUHIO	State Secretary, Ministry of Finance
Sweden:	
Mr Anders BORG	Minister for Finance
United Kingdom:	
Ms Dawn PRIMAROLO	Paymaster General

Commission:	
Mr Günter VERHEUGEN	Vice-President
Mr Joaquin ALMUNIA	Member
Mr Charlie McCREEVY	Member

Other participants:	
Mr Jean-Claude TRICHET	President of European Central Bank
Mr Philippe MAYSTADT	President of the European Investment Bank
Mr Xavier MUSCA	Chairman of the Economic and Financial Committee
Mr Joe GRICE	Chairman of the Economic Policy Committee

The Governments of the Acceding States were represented as follows:

Bulgaria:	
Mr Plamen Vassiler ORESHARSKI	Minister for Finance
Romania:	
Ms Alice Cezarina BITU	State Secretary, Ministry of Public Finance

ITEMS DEBATED

REDUCING THE ADMINISTRATIVE BURDEN ON BUSINESSES - *Council conclusions*

The Council held an exchange of views on member states' experiences in assessing and reducing the administrative burden on businesses, in the context of the EU's *better regulation* initiative. It endorsed an approach foreseen by the Commission for future work in this area, presented by commissioner Günter Verheugen.

The Council adopted the following conclusions.

"The Council on the basis of a note prepared by the Economic Policy Committee (EPC), discussed and endorsed the approach foreseen by the Commission for measuring and reducing administrative costs in the EU.

In March 2006, the European Council invited the Commission to launch an exercise to measure administrative costs associated with EU rules in specific areas. The Commission intends to report on progress in November and in the Annual Progress Report on the Lisbon strategy in December 2006.

- The Council notes with interest that several Member States have completed or are carrying out exercises to measure the administrative burden on business. The preliminary results of this work show that a sizeable share of the burden faced by enterprises stems from EU regulation.

- Against the background of the available country experiences in order for firms to reap the full benefits of the internal market, the Council considers that alongside progress at national level, the priority must be to make concrete progress at Community level. The Council calls for urgent action to control and reduce these burdens, while safeguarding the wider objectives and benefits of legislation and regulation. It is clear that this process aims at improving, not removing regulation.

- The Council invites the Commission and the Member States to focus efforts on reducing EU administrative burdens in the priority areas identified by the Member States and in the forthcoming Commission communication. The Commission and the Member States should immediately identify pieces of EU legislation and their implementation where in the light of the national measurements already conducted significant benefits can be achieved, and take prompt action at Community level in order to make rapid progress. The Council will come back to the issue of statistical priorities in November 2006.

- The Council invites the Commission to take account of the views of the EPC in its forthcoming Communication on the approach to cost reduction and when formulating targets and plans related to EU legislation and its implementation. The work programme on simplification should also be continued with high priority to contribute to administrative burden reduction in the short term.

The Council will return to the issue of administrative burden before Spring 2007 to assess progress and provide guidance on further steps to be taken."

ENLARGEMENT OF THE EURO AREA - THE PRICE STABILITY CRITERION

The Council was briefed by the chairman of the economic and financial committee (EFC) on work carried out by the EFC on interpretation and application of the price stability criterion in relation to enlargement of the euro area.

It held an exchange of views.

The price stability criterion is one of a number of factors assessed by the Commission and the European Central Bank in so-called "convergence reports" on member states that are not members of the euro area.

The reports, which are issued every two years or at the request of a member state, examine the compatibility of the member state's legislation with treaty provisions and with the statute of the European system of central banks. They also examine the fulfilment of convergence criteria - namely inflation, government budgetary position, exchange rate stability and long-term interest rates - and of obligations regarding economic and monetary union.

Fulfilment of all criteria and all obligations by a member state can allow it to join the euro area, as is currently the case with Slovenia, which will adopt the euro as its currency as from 1 January 2007.

The reference value for inflation is calculated as the average in the three best-performing member states plus 1.5 percentage points.

STABILITY AND GROWTH PACT

– ***Hungary: updated convergence programme; excessive deficit procedure***

The Council adopted:

– an opinion on an updated convergence programme[1] presented by Hungary;

– a recommendation, under article 104(7) of the EU treaty, on corrective measures to be taken in order to bring its government deficit below 3% of gross domestic product (GDP), the maximum threshold set by the EU treaty, by 2009.

The Council considered that the worsening budget deficit in Hungary - expected to be around 10% of gross domestic product (GDP) in 2006 - created serious concern, calling for urgent, determined and sustained action. It therefore welcomed that in their updated convergence programme, submitted on 1 September, the Hungarian authorities give priority to the reduction of the excessive deficit by almost 7 percentage points between 2006 and 2009, through a substantial front-loaded effort, and that important initial steps have been taken to support this reduction. It acknowledged that, given the size of the envisaged adjustment, action was needed on both the expenditure and the revenue side of the budget in order to implement this fiscal consolidation strategy.

The Council regretted the substantial deterioration in Hungarian public finances in recent years and called for a prompt correction consistent with the new adjustment path set out in Hungary's adjusted convergence programme. The article 104(7) recommendation identifies measures to correct the deficit by 2009, one year later than previously planned, given the much higher deficit at the outset. It is however the third time that the Council issues such recommendations, as it had to conclude twice already that Hungary did not comply with its previous recommendations of July 2004 and March 2005.[2]

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1 Under the EU's stability and growth pact, member states having the euro as their currency are required to present stability programmes and those not participating in the single currency to present convergence programmes. The aim is to ensure sound government finances as a means for strengthening the conditions for price stability and for sustainable growth conducive to employment creation.

2 Steps of the excessive deficit procedure provided for by article 104(9) and 104(11) do not apply to Hungary as it is not a member of the euro zone. In addition, the existence of special circumstances - namely, the size of the deficit and the ongoing structural shift in the economy - enabled it to plan for the correction of its deficit not in the short term but in the medium term.

While recognising that this deficit reduction is very demanding, the Council considered it essential to ensure that Hungary returns to a situation of sound finances that will create the basis for sustainable growth. The Council therefore requested the Hungarian government to strictly implement its consolidation strategy as planned, and in particular to advance with the necessary structural reforms and enhancement of expenditure control. It established the deadline of 10 April 2007 for Hungary to take effective action in order to achieve the deficit targets for 2006 and 2007.

The Commission and the Council welcomed Hungary's commitment to report twice a year on progress with implementing its strategy.

– ***United Kingdom: excessive deficit procedure***

The Council discussed a communication from the Commission assessing action taken by the United Kingdom in response to the Council's recommendation of 24 January 2006 with a view to bringing to an end the situation of an excessive deficit by the 2006-07 financial year. The Council judged that there was no need for further steps under the excessive deficit procedure for the moment.

The outlook for public finances now looks slightly more favourable than at the time of the Council's recommendation. The Council also noted that on unchanged policies, the deficit is forecast to be below the reference value in 2007-08.

It shared the view of the Commission that, while the UK appears to be just on track for correcting its excessive deficit in the 2006-07 financial year, there are large uncertainties attached to this as there appears to be no safety margin against the reference value, with the correction of the excessive deficit by 2006-07 vulnerable to small adverse changes in the macroeconomic and fiscal outlook.

In addition, the Council shared the view of the Commission that the structural improvement in the budget balance in 2006-07 appears to fall clearly short of the 0.5% of GDP recommended by the Council.

In view of the uncertainties, fiscal policies should be implemented to deliver safety margins against the reference value in the current financial year, and to ensure that budgetary consolidation is sustained in the years ahead towards a medium-term budgetary objective, in line with the Council's recommendation of January 2006. The Council will continue together with the Commission to closely monitor budgetary developments in the UK.

The excessive deficit procedure was opened with regard to the UK in January 2006, when the Council adopted a decision under article 104(6) on the existence of an excessive deficit and a recommendation under article 104(7) on measures to correct it.

– *Germany: excessive deficit procedure*

The Council discussed a communication from the Commission assessing the action taken by Germany in response to the Council decision of 14 March 2006, in accordance with article 104(9) of the treaty, for the deficit reduction judged necessary in order to remedy the situation of excessive deficit.

The Council welcomed the commitment of the German authorities to address the budget deficit on a structural basis and emphasized the importance of budgetary consolidation within a broad strategy aimed at enhancing potential growth. The Council shared the view of the Commission that no further steps in the excessive deficit procedure of Germany are needed at present.

Implementation of the comprehensive package of corrective measures adopted by the German authorities since late 2005 would ensure adequate progress towards the correction of the excessive deficit within the time limits set in the decision, namely by 2007 at the latest. The Council noted that the reduction in the cyclically-adjusted deficit, excluding one-off and other temporary measures, in cumulative terms in 2006 and 2007 is estimated to be slightly lower than, although close to, that recommended the Council decision. Also to benefit from the improving economic situation, expenditure control should remain strict and additional revenues used for deficit reduction.

The Council further noted that on current information, the adjustment in the years beyond 2007 falls short of the required annual improvement in the structural balance of 0.5 percentage points of GDP. It called for the necessary adjustment in order to rapidly achieve the medium-term objective of a balanced budget in structural terms, in line with the stability and growth pact. In accordance with the treaty and in consideration of the reporting requirements for Germany as stipulated in the decision of 14 March 2006, the Council, together with the Commission, will closely monitor budgetary developments in Germany.

The excessive deficit procedure was opened with regard to Germany in January 2003, when the Council adopted a decision under article 104(6) on the existence of an excessive deficit and a recommendation under article 104(7) on measures to correct it.

WORKING METHODS, INNOVATION, ENERGY, FINANCIAL STABILITY

The Council adopted the following conclusions.

" The Council

- AGREES that, in conformity with the Council's Rules of Procedure and the relevant European Council's decisions, the format for meeting of the Ecofin Council will be Ministers accompanied by a delegation of 3 persons in the meeting room; AGREES that the Presidency may reflect on possibilities to ensure confidential deliberation in the context of the Ecofin Council; INVITES the EFC and the EPC, while respecting the Council's Rules of Procedure and the respective roles of the Coreper and the Commission, to ensure better coordination of their work.

- AGREES to monitor closely developments in risk capital financing and innovation through the following steps:

  - Member States are invited to report on the national environments for risk capital in the context of their Lisbon National Reform Programme;

  - the Financial Services Committee is invited to update its assessment on the existing obstacles for the further development of the European risk capital markets, and at least every second year, to report on the progress made on the key remaining barriers;

  - the Commission is invited to study further the conditions for early stage venture capital investment in the EU with a view to future policy initiatives for SMEs, and to present best practices;

  - the EIB and the EIF are invited to further develop their role in facilitating the development of financial products in segments where the private markets fail, including through concentrating on early stage and R&D and innovation driven investments;

  - the Commission and the ECB are invited to monitor and assess relevant institutional features that hinder the efficient functioning of the financial system, and to pursue efforts aimed at improving the financial market framework conditions;

– ENDORSES the attached key messages on the future energy policy for Europe, to be taken into account by the Commission when preparing the Action Plan for the 2007 Spring meeting of the European Council; and INVITES the EFC and EPC to continue their work on these issues, including exploring the possibilities of auctioning emission allowances in the context of the EU emissions trading scheme taking however full account of international competitiveness for industries with both high energy consumption and high exposure to non-EU competition, and report back to the Ecofin Council in due course.

– WELCOMES that the Memorandum of Understanding signed in 2005 on crisis management between EU Finance Ministers, Banking Supervisors and Central Banks, which has been tested in an EU level crisis simulation exercise in April 2006, provides a useful basis for co-ordinated action in a financial crisis situation at the EU level; NOTES that efforts should be continued to further deepen the co-operation among relevant authorities and ensure that EU arrangements for financial stability correspond with the developments in the financial markets. Therefore the Council REAFFIRMS the importance of actions set out in the Commission's White Paper on Financial Services Policy in developing EU arrangements for financial stability; and INVITES the EFC to further develop procedures and, as appropriate, general principles for resolving cross-border financial crises in the EU and to report back to the Ecofin Council on these issues semi-annually.

ANNEX

Key messages on the Future Energy Policy for Europe

In March 2006, the European Council called for an Energy Policy for Europe (EPE) and for a prioritised Action Plan to be adopted at its 2007 Spring meeting. In view of the preparations – by the different Council formations concerned – of the prioritised Action Plan, Ministers highlighted the following issues:

- They re-state the agreement reached in Manchester for continuous effective coordination in reaction to oil price developments and avoiding distortionary fiscal and other policy interventions that prevent the necessary adjustments. Where short-term targeted measures are taken to alleviate the impact of higher oil prices on the poorer sections of the population, they should avoid introducing distortionary effects. This approach is equally important in all energy markets. Letting price signals work is crucial to increasing energy efficiency and stimulating R&D investment.

- Beyond any short term measures, and in the context of increasing reliance of the EU on external energy sources, they emphasize the importance of reducing the external vulnerability of the European energy system. Diversification of energy supply, improvement of energy efficiency and promotion of renewable sources, as well as innovation all have a part to play while paying due attention to the cost-effectiveness of all targets and measures based on impact assessments, and to consistency with existing fiscal targets.

- They stress the importance of enhancing the clarity and stability of the policy framework to promote new investments in energy sectors and emphasize the need to improve planning and regulation procedures for energy investments and to enhance the public acceptance of such investments. They support the strengthening of the role of the European Investment Bank and the other International Financing Institutions (IFIs) as part of the European Energy Policy.

- They also emphasize the need for greater transparency of markets. In this context, it is important to improve the quality and transparency of data on the state of Community oil stocks (strategic, as well as commercial) with a view to future publication on a more regular basis, while avoiding undue administrative burden.

- The EU emission trading scheme (ETS) is the main market-based instrument for cost-effectively reducing greenhouse gas emissions. In this context, two issues require particular attention: the evolution of the international climate change regime after 2012 – where all relevant emitting countries need to participate; and, the further development and design of the EU ETS, including its potential strengthening and extension beyond 2012.

- They will use all opportunities to promote the EU's common interest – including the encouragement of transparency and market principles – in energy policies, in external fora and dialogues with oil and gas producing countries, as well as transit countries.

- They support the efforts of the Commission to secure the effective implementation of EU legislation and the work being undertaken as part of the review into competition in the EU markets to remove barriers to the development of the single Energy market. They stress the need for more consistent implementation of existing regulation so as to promote competition, including the need for better implementation of the provisions for the unbundling of production, distribution and transmission activities. They also stress the need to enhance the development of regional energy integration and to address the lack of physical connection between member states that is an impediment to a full realisation of an internal market, including by closer cooperation between national regulators."

THE QUALITY OF PUBLIC FINANCES - *Council conclusions*

The Council held an exchange of views on national fiscal rules and institutional arrangements as regards public finances, on the basis of a report prepared by the Commission in cooperation with the economic policy committee.

It adopted the following conclusions.

" The revised Stability and Growth Pact (SGP) underlines the important role that national fiscal rules and institutions can play in the attainment of sound budgetary positions and in the respect of the provisions of the Treaty and stresses that «national budgetary rules should be complementary to the Member States' commitments under the Stability and Growth Pact» and that «national institutions could play a more prominent role in budgetary surveillance».

The Council welcomes the report on national fiscal rules and independent institutions prepared by the Economic Policy Committee and the Commission. It acknowledges the role that national fiscal rules and institutions can play in meeting budgetary targets and supporting fiscal consolidation while help avoiding pro-cyclical policies. Coupled with appropriate structural reforms, they can also contribute to improving the efficiency of public expenditure. It also acknowledges that their desirable characteristics depend on domestic circumstances, such as the institutional and political setting and the nature of fiscal problems.

The Council notes that an increasing number of Member States have implemented national fiscal rules, with a positive impact on budgetary outcomes. The analyses conducted by the Commission and the EPC have also shown that the design of fiscal rules varies widely depending on the national context and on the level of government to which they are applied.

Whilst emphasising that there is no «one-size-fits-all» solution, the Council notes a number of general features which may support the effectiveness of national fiscal rules and contribute positively to budgetary outcomes. The Council notably agrees that, to be effective, fiscal rules should benefit from strong national ownership as well as from a clear political commitment by all levels of governments and parliaments. The Council also concurs on the benefits of medium-term budgetary frameworks, and on the fact that the characteristics of fiscal rules matter for their influence on budgetary outcomes. Well-designed fiscal rules, with pre-defined enforcement mechanisms and transparent and credible monitoring procedures which stimulate the public debate, seem to be more effective.

The Council notes that reputable and credible fiscal institutions can make an important contribution to sound and sustainable fiscal policies. In some Member States independent fiscal institutions have played an important role in this respect, for example by providing analysis on fiscal policy issues or preparing macroeconomic forecasts and assumptions which can inform the preparation of the budget. This issue could be considered further at national level.

The Council:

– agrees, in line with the Guidelines on the Format and Content of Stability and Convergence Programmes, that Member States should provide relevant information on their national fiscal frameworks, including on implementation and envisaged changes, in the forthcoming Stability and Convergence Programmes. The Council encourages the Commission to continue to take these elements into account when preparing its assessment on the programmes, as far as relevant for the respect of EU budgetary rules.

– also invites the Commission to develop further in co-operation with the EFC and EPC its analysis of the quality of public finances, including the efficiency and composition of public expenditure, and to provide an overview of the implementation of the existing rules based on the 2007 updates of the SCPs."

EUROPEAN INVESTMENT BANK - EXTERNAL LENDING

The Council held an exchange of views on a proposal for renewal, for the 2007-13 period, of the European Investment Bank's external lending mandates, dealing in particular with the total amount of external lending and the regional distribution of that lending.

It requested the economic and financial committee and the permanent representatives committee to continue work on the basis of its political orientation, so as to enable the Council to reach a political agreement on the dossier before the end of the year.

The draft decision is aimed at renewing the mandates given to the EIB, under guarantee from the EU budget, for lending to projects outside the EU. The current mandates - a general external lending mandate and specific mandates for projects in Russia, Ukraine, Moldova and Belarus, established by Council decisions 2000/24/EC and 2005/48/EC - are due to expire on 31 January 2007.

Activities outside the EU generally make up 10% of the EIB's total activities, amounting to EUR 5,1 billion in 2005, of which 72,5% were under EU guarantee. The guarantee prevents the bank's operations, which often bear a significantly higher level of risk than the EIB's operations within the EU, from affecting the bank's credit standing. It thus allows the EIB to maintain attractive lending rates.

FINANCIAL SERVICES

– ***Clearing and settlement of securities transactions***

The Council held an exchange of views on the Commission's intentions, as announced by commissioner Charlie McCreevy at its meeting on 11 July, regarding initiatives aimed at improving the clearing and settlement of securities transactions in the EU.

The chairman of the economic and financial committee (EFC), reported on EFC discussions on this issue.

The Council may return to the issue at a forthcoming meeting, in the light of developments.

– ***Single euro payments area - Council conclusions***

The Council discussed the creation in the EU of a single euro payments area (SEPA), and adopted the following conclusions.

"The Council

- SUPPORTS the aim of the Single Euro Payments Area (SEPA): to achieve an integrated market for payment services in euro which is subject to effective competition and where there is no distinction between cross-border and national payments in euro within the EU;
- CONSIDERS that the highest priority must be given to meeting users' needs by the payment services developed under the SEPA, which requires continual involvement at national level of all interested parties;
- EXPRESSES appreciation of the substantial work undertaken by industry to achieve this aim and encourages it to make progress in the areas where work remains to be completed;
- NOTES that the completion of SEPA calls for the removal of all technical, legal and commercial barriers between the current national payment markets;
- NOTES that continued attention is needed to ensure that SEPA-payment services, including their supporting technology and procedures, do not represent a deterioration compared to the national cost and service level in the most efficient Member States and that SEPA products and services are offered in a competitive environment;
- STRESSES the importance of ensuring a level-playing field as regards the application of competition principles to all market participants, including new entrants to the payment services market, and INVITES the Commission to continue without delay, its work on this subject;
- UNDERTAKES to work, together with the European Parliament, towards a swift adoption of the Proposal for a Directive on Payments Services;
- WELCOMES that the Commission intends to come forward with the final report regarding the sector inquiry into competition in the retail banking market (which includes payment cards) before the end of the year;

– In order to facilitate commitment to an early use of SEPA, INVITES Member States to carry out cost and benefit analysis, where necessary, to check that SEPA products are better or at least equivalent to existing products in terms of price and quality, including as regards the security of payments and INVITES the industry to provide information to this end;

– INVITES Finance Ministries of Member States to monitor progress on SEPA at national level, with all interested parties; as well as the Commission and the ECB to continue monitoring the overall development, together with the Financial Services Committee and the Economic and Financial Committee, and report back to the Council if progress is not satisfactory and at the latest in 2008;

– INVITES the Commission to assess the economic and competition impacts of the SEPA taking into account its planned time schedule, and

– INVITES the Commission to continue its work on the next steps regarding the issues raised in its consultative paper on SEPA[1], including the responses to the public consultation, without delay."

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Over lunch, ministers discussed the following issues:

– representation of the EU in international fora;

– follow-up to the annual meeting of the International Monetary Fund in Singapore, in particular as regards IMF reform.

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[1] http://ec.europa.eu/internal_market/payments/docs/sepa/sepa-2006_02_13.pdf

MEETINGS IN THE MARGINS OF THE COUNCIL

– ***Eurogroup***

Ministers of the member states of the euro area attended a meeting of the eurogroup on 9 October.

– ***Ministerial meeting on the economic situation***

Ministers held a breakfast meeting, focusing on the economic situation in the EU, and which also included a briefing on the eurogroup meeting held on 9 October.

OTHER ITEMS APPROVED

TRADE POLICY

Anti-dumping - Australia, India, Indonesia and Thailand - Polyester staple fibres

The Council adopted a regulation repealing an anti-dumping duty on imports of synthetic staple fibres of polyesters originating in Australia, India, Indonesia and Thailand and terminating the proceedings in respect of such imports, following expiry reviews pursuant to article 11(2) of regulation 384/96, and terminating the partial interim review pursuant to article 11(3) of such imports originating in Thailand *(12700/06)*.

ENVIRONMENT

Protection of the ozone layer

The Council adopted a decision on the participation of the European Community in negotiations under the Montreal Protocol on substances that deplete the ozone layer. The 18th meeting of the parties to the Protocol will take place in New Delhi from 30 October to 3 November.

Under the terms of this decision, the Commission will conduct the negotiations on behalf of the Community for matters falling within the Community's competence, in consultation with a special committee.

Protection of groundwater against pollution

The Council decided not to accept the European Parliament's second reading amendments to a proposal for a directive on the protection of groundwater against pollution.

It accordingly decided to convene the Parliament-Council conciliation committee with a view to negotiating a joint text.

Infrastructure for spatial information in the Community

The Council decided not to accept the European Parliament's second reading amendments to a proposal for a directive establishing an infrastructure for spatial information in the European Community ("INSPIRE").

It accordingly decided to convene the Parliament-Council conciliation committee with a view to negotiating a joint text.

FISHERIES

Agreement with Guinea-Bissau

The Council adopted a regulation approving the conclusion of an agreement with Guinea-Bissau with a view to extending for one year the protocol establishing fishing opportunities and the financial contribution provided for in the EU/ Guinea-Bissau agreement on fishing off the coast of Guinea-Bissau *(10455/06)*.

The agreement covers the period from 16 June 2006 to 15 June 2007. Fishing opportunities set out in the protocol are allocated to member states as follows:

– shrimps: Italy 1776 gross registered tonnes (GRT), Spain 1421 GRT, Portugal 1066 GRT, Greece 137 GRT

– fin-fish/cephalopods: Spain 3143 GRT, Italy 786 GRT, Greece 471 GRT

– tuna seiners: Spain 20, France 19, Italy 1

– surface longliners and pole-and-line vessels: Spain 21, France 5, Portugal 4.

The Community's financial compensation amounts to EUR 7.26 millions.