



**COUNCIL OF
THE EUROPEAN UNION**



13683/07 (Presse 225)

(OR. fr)

PRESS RELEASE

2825th Council meeting

Agriculture and Fisheries

Luxembourg, 22-23 October 2007

President

Mr Jaime SILVA
Minister for Agriculture, Rural Development and
Fisheries of Portugal

P R E S S

Rue de la Loi 175 B – 1048 BRUSSELS Tel.: +32 (0)2 281 5389 / 6319 Fax: +32 (0)2 281 8026
press.office@consilium.europa.eu <http://www.consilium.europa.eu/Newsroom>

13683/07 (Presse 225)

1
EN

Main results of the Council

The Council reached political agreement on a Council Regulation fixing the fishing opportunities and associated conditions for certain fish stocks applicable in the Baltic Sea for 2008.

*The Council reached political agreement on a Regulation clarifying certain aspects of the **financing of the CAP** and introducing the obligation to publish the national list of beneficiaries.*

*The Council adopted a Decision allowing **Romania** to allocate EUR 400 million of **State aid** to its farmers in order to compensate them for losses as a result of the drought in 2007.*

*The Council held a first exchange of views on the **Community Animal Health Strategy** and continued the discussion begun in September on the reform of the **wine** sector.*

*The Council also adopted without debate a Regulation bringing together in a **single** Regulation 21 texts governing the **Common Agricultural Market Organisations**, a Regulation abolishing **Finnish aid** for seeds and cereal seeds after **2010** and a Decision simplifying the Community's import arrangements for **manioc** from **Thailand**.*

CONTENTS¹

| | |
|--------------------------|----------|
| PARTICIPANTS..... | 5 |
|--------------------------|----------|

ITEMS DEBATED

| | |
|--|----|
| ANIMAL HEALTH STRATEGY..... | 7 |
| WINE | 9 |
| FINANCING OF THE CAP | 12 |
| ROMANIAN STATE AID..... | 13 |
| TACs AND QUOTAS IN THE BALTIC SEA..... | 14 |
| NORWAY | 18 |
| OTHER ITEMS..... | 19 |

OTHER ITEMS APPROVED*AGRICULTURE*

| | |
|---|----|
| – Thailand – manioc..... | 21 |
| – Single common market organisation* | 21 |
| – Seeds and cereal seeds – National aid granted by Finland* | 22 |

FISHERIES

| | |
|---|----|
| – Northwest Atlantic Fisheries Organisation – Update of Community rules | 22 |
|---|----|

EXTERNAL RELATIONS

| | |
|--|----|
| – EU/Russia Permanent Partnership Council on Culture..... | 23 |
| – Israel – Euro-Mediterranean agreement – Enlargement..... | 23 |
| – Relations with Egypt – Strategic partnership on energy | 23 |

- ¹
- 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.

ECONOMIC AND FINANCIAL AFFAIRS

- Transmission of national accounts data23

TRADE POLICY

- EU/Russia agreement on steel products.....24

BUDGET

- Budgetary discipline.....24
- Institutions' expenditure on buildings - *Council conclusions*25

EUROPEAN ECONOMIC AREA

- Amendments to the EEA Agreement.....25

INTERNAL MARKET

- Company law - merger or division of public limited liability companies.....25

PARTICIPANTS

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

Belgium

Ms Sabine LARUELLE

Minister for Small and Medium-Sized Businesses, the Liberal Professions and the Self-Employed and Agriculture

Bulgaria:

Mr Nihat KABIL

Minister for Agriculture and Forestry

Czech Republic

Mr Petr GANDALOVIČ

Minister for Agriculture

Denmark:

Ms Eva Kjer HANSEN

Minister for Social Affairs and Equal Opportunities

Germany:

Mr Gert LINDEMANN

State Secretary, Federal Ministry of Food, Agriculture and Consumer Protection

Estonia:

Ms Rita ANNUS

Deputy Minister for Environment

Ireland:

Ms Mary COUGHLAN

Minister for Agriculture and Food

Greece:

Mr Alexandro KONTOS

Deputy Minister for Rural Development and Food

Spain:

Ms Elena ESPINOSA MANGANA

Ms Mercè AMER RIERA

Minister for Agriculture, Fisheries and Food

Minister for Agriculture and Fisheries of the Autonomous Community of Balearic Islands

France:

Mr Michel BARNIER

Minister for Agriculture and Fisheries

Italy:

Mr Paolo DE CASTRO

Minister for Agricultural and Forestry Policy

Cyprus:

Mr Panicos POURIOS

Permanent Secretary, Ministry of Agriculture, Natural Resources and Environment

Latvia:

Ms Dace LUCUA

State Secretary, Minister for Agriculture

Lithuania:

Ms Kazys SIVICKIS

Under-Secretary, Ministry of Agriculture

Luxembourg:

Mr Fernand BODEN

Minister for Agriculture, Viticulture and Rural Development, Minister for Small and Medium-sized Businesses, the Liberal Professions and the Self-Employed, Tourism and Housing
State Secretary for Relations with Parliament, State Secretary for Agriculture, Viticulture and Rural Development, State Secretary for Culture, Higher Education and Research

Ms Octavie MODERT

Hungary:

Mr Adam FICSOR

State Secretary (with special responsibility), Ministry of Agriculture and Rural Development

Malta:

Mr Francis AGIUS

Parliamentary Secretary for Agriculture and Fisheries, Ministry of Rural Affairs and the Environment

Netherlands:

Mr Peter W. KOK

Deputy Permanent Representative

Austria:

Mr Walter GRAHAMMER

Deputy Permanent Representative

Poland:

Mr Jan Krzysztof ARDANOWSKI

Under-Secretary, Ministry of Agriculture and Rural
Development**Portugal:**

Mr Jaime SILVA

Mr Luís VIEIRA

Minister for Agriculture, Rural Development and Fisheries
State Secretary for Agriculture and Fisheries, attached to
the Minister for Agriculture, Rural Development and
Fisheries**Romania:**

Mr Dacian CIOLOS

Minister for Agriculture and Rural Development

Slovenia:

Mr Iztok JARC

Minister for Agriculture, Forestry and Food

Slovakia:

Mr Miroslav JUREŇA

Minister for Agriculture

Finland:

Ms Sirkka-Liisa ANTILA

Minister for Agriculture and Forestry

Sweden:

Mr Eskil ERLANDSSON

Minister for Agriculture

United Kingdom:

Mr Hilary BENN

Secretary of State for Environment, Food and Rural
Affairs

Mr Richard LOCHHEAD

Scottish Cabinet Secretary for Rural Affairs and
Environment**Commission:**

Mr Joe BORG

Member

Mr Markos KYPRIANOU

Member

Ms Mariann FISCHER BOEL

Member

ITEMS DEBATED

ANIMAL HEALTH STRATEGY

The Council took note of Commissioner Kyprianou's presentation of a Communication on the new animal health strategy for the European Union (2007-2013): "**prevention** is better than cure".

All delegations commended the quality of work conducted and its timeliness when a disease such as foot-and-mouth disease has recurred and climate change is leading to the appearance of existing diseases in new geographical areas (blue tongue).

Most Ministers agreed to the initiative to **modernise** the **legislative framework** governing animal health in order to **adapt** it in particular to budgetary constraints by establishing general principles, defining the **responsibilities** of each of the players in the **chain**, clarifying procedures and optimising organisational efficiency. Any **vaccination** policy should be harmonised.

The availability of suitable resources, both financial and human, was in this respect a priority.

Consistency with World Organisation for Animal Health (OIE) rules and its health code, without prejudice to more ambitious Community standards, was also recognised to be an essential element against a backdrop of growing international trade in live animals and animal products both within the Community and with third countries. Coordination of veterinary and customs controls must also be strengthened.

Delegations requested that the **financing** rules referred to in the Communication be assessed in greater depth, taking into account the principles of solidarity, the insurance systems which have proven their worth in some Member States and **better allocation of public funds**. The financing rules should not, however, compromise notification of diseases by livestock farmers.

Improvement of **biosecurity** rules and maintenance of health surveillance networks were also unanimously established as a priority at all levels: livestock farmers, veterinary practitioners, veterinary services and laboratories.

The strategy should be based on the 7th research framework programme in order to boost **technological innovation**, in particular with regard to making vaccinations available.

Lastly, **communication**, especially in a period of crisis, remained an essential factor for transparency and confidence.

The Council asked its preparatory bodies to continue their proceedings with a view to submitting conclusions on the Commission strategy for adoption at the Council meeting in December.

WINE

The Council held a policy debate on the reform of the wine sector based on the following questionnaire (13883/07):

1. Taking it that you agree with the principle of a national envelope, what kind of measures should be covered, taking into account the proposed transfer of resources from Pillar I to Pillar II?
2. In order to mitigate the effects of the reform on producers, should Member States be allowed to use part of the budget available under their national envelopes, namely in the form of decoupled payments under the Single Payment System?
3. Taking into account its economic, social and environmental dimensions, what should be the level of ambition, the length and the modalities of the grubbing-up programme under the reformed wine regime?

Menu of national envelopes

Most delegations could support the principle of **national envelopes** and would agree to extending the list of measures eligible ("the menu") under the envelopes. Those delegations shared the Commission's view that such envelopes make it possible to meet the specific needs of each Member State:

- support for restructuring and/or conversion at the level of production, processing and/or marketing;
- promotion of new production techniques;
- promotion, both within the internal market and in third countries, compatible with public health measures;

- agri-environmental measures;
- crisis prevention and management measures;
- green harvesting¹.

Some delegations, which were more reticent on some of the measures proposed, drew the Council's attention to the need to check the compatibility of the measures with the World Trade Organisation (WTO) green box.

Transfer from the first to the second pillar

This proposal was received with scepticism by most delegations, who feared a re-nationalisation of the CAP or that resources would not be channelled to the wine sector, and so preferred that they be kept under the first pillar. However, some delegations felt, like the Commission, that the proposal was an active means of supporting certain vulnerable wine regions.

Method of allocating envelopes

Several delegations, in particular some of the new Member States, requested that the allocation of resources guarantee equal treatment of all Member States.

Decoupled payment

Some delegations could accept decoupled payment, for example in the form of transitional measures like the arrangements adopted for the processing of certain fruit and vegetables. Most did not see the immediate need and did not wish the solution to be adopted as compensation for the abolition of chaptalisation.

In the course of this exchange of views, several delegations expressed a desire to continue to use the term "fruit wines", and, where appropriate, mention it on the label, in line with the solution adopted for vodka in the proceedings on spirit drinks.

¹ This is the harvesting of unripe grapes in order to avoid over-production. Doubts have been expressed as to the effectiveness of this measure.

Grubbing-up scheme

Some delegations welcomed the grubbing-up scheme as a way of rebalancing the market and/or as a socially-based offer to producers wishing to leave the sector, provided the measure was voluntary. However, opinions continued to be divided as to the duration of the scheme (5 years or less), degressivity and/or the level of premiums. Some delegations, however, indicated a preference for grubbing-up on a wider scale than was provided for, and expressed doubts as to the effectiveness of the system advocated in view of the large number of proposed exemptions.

While they had some reservations, other delegations said they could accept a grubbing-up scheme which was not an end in itself, while allowing Member States some leeway in restricting grubbing-up in sensitive areas. Several delegations seriously doubted whether the proposed grubbing-up scheme would be effective in resolving the problem of over-production, and would prefer to incorporate this measure into the national envelopes.

According to the Commission representative:

- the national envelopes should enable Member States to choose the solutions best adapted to their specific wine-growing characteristics, but should not constitute a disguised means of reintroducing tools which had proved ineffective for reviving the sector's competitiveness;
- the amount of the national envelopes was a "Pandora's box" which it would be too risky to reopen;
- transfer to the second pillar was a measure adapted to the specific problem encountered by certain wine-growing regions;
- the grubbing-up scheme represented an offer to producers wishing to leave the sector with dignity, though the Commission was open to all constructive proposals concerning both the duration of the scheme and the ceiling of 200 000 hectares.

The Council asked its preparatory bodies to continue examining the proposal with a view to returning to this question at its next meeting on agriculture and reaching political agreement at the end of the year.

FINANCING OF THE CAP

The Council reached political agreement on a draft Regulation amending Regulation (EC) No 1290/2005 on the financing of the common agricultural policy. This item will appear on the agenda for a forthcoming Council meeting for adoption as an "A" item.

The Regulation aims to supplement or clarify certain aspects of current procedures concerning *inter alia*:

- the Commission's power to **reduce or suspend monthly payments** under certain conditions: financial correction already imposed on two occasions for the same reason, key components of the control system missing or ineffective in view of the seriousness of deficiencies, lack of corrective measures to rectify established failings.

Such suspension or reduction would follow the dispatch of a "warning letter" to the Member States concerned.

- reasonable time limits allowing the Commission, on the one hand, to verify that Member States have complied with their ex-post control obligations on certain CAP expenditure, and, on the other hand, to proceed where necessary to **conformity clearance**.
- **ex-post publication**, for each financial year, of information concerning the **beneficiaries** of Community funds, as from 16 October 2007 for the EAGF and from 1 July 2007 for the EAFRD. Member States will be responsible for such publication.

The Commission representative welcomed this agreement and pointed out that Member States would be responsible for ensuring the accuracy of the data published.

With regard to the suspension of payments, Ms Fischer Boel explained that, although such a possibility already existed, the proposal aimed to clarify the conditions for its use by the Commission.

ROMANIAN STATE AID

The Council adopted a Decision authorising Romania to grant exceptional State aid of EUR 400 million to its farmers (12035/07).

The Danish, Czech, Netherlands and Swedish delegations abstained, saying that they preferred the procedure followed by Bulgaria, which had notified the Commission of such aid.

The Commission representative also regretted the fact that Romania had notified the Council of its request rather than the Commission.

In July, the Romanian delegation drew the Council's attention to the exceptional drought which the country is facing. The State aid in question will compensate more than 250 000 farmers for the poor harvests and enable them to prepare for the spring sowing season.

Pursuant to Article 88(2) of the Treaty, the Council must adopt a unanimous position within three months of a Member State's application for the authorisation of aid.

The official Romanian application was submitted to the Council on 25 July.

TACs AND QUOTAS IN THE BALTIC SEA

The Council reached political agreement by a qualified majority on the fishing opportunities and associated conditions for certain fish stocks in the Baltic Sea for 2008. This item will be included in part "A" of the agenda for a forthcoming Council meeting.

More specifically, Regulation (EC) No 1098/2007, adopted by the Council on 18 September 2007¹, establishes a multiannual plan for cod stocks in the Baltic.

The agreement reached the concerns the total allowable catches (TACs) and fishing quotas for the Baltic Member States. The following table summarises the main changes in terms of reduction, increase or continuation of TACs compared with 2007.

¹ OJ L 241, 22.9.2007, p. 1.

| COMMUNITY TOTAL ALLOWABLE CATCHES (TACs) IN THE BALTIC SEA FOR 2008 | | | | | | |
|--|---|----------|---------------------|-----------------------|-------------------|---------------|
| Species | ICES DIVISIONS | | COMMISSION proposal | COMMISSION objectives | COUNCIL agreement | Difference |
| <i>Latin name</i> | | TAC 2007 | for 2008 | for 2008 | TAC 2008 | previous year |
| | | tonnes | tonnes | % | tonnes | |
| | | 1 | 2 | 3 | 4 | 5** |
| <i>Clupea harengus</i> | Baltic Sea subdivisions 30-31 | 91600 | 77860 | -15,00% | 87440 | -4,54% |
| <i>Clupea harengus</i> | Baltic Sea subdivisions 22-24 | 49500 | 39600 | -20,00% | 44550 | -10,00% |
| <i>Clupea harengus</i> | Baltic Sea subdivisions 25-27, 28.2, 29, 32 | 132718 | 148407 | 11,82% | 152630 | 15,00% |
| <i>Clupea harengus</i> | Baltic Sea subdivisions 28-1 (Gulf of Riga) | 37500 | 36094 | -3,75% | 36094 | -3,75% |
| <i>Gadus morhua</i> | Baltic Sea subdivisions 25-32 (East) | 40805 | 31561 | -22,65% | 38765 | -5,00% |

| | | | | | | |
|------------------------------|--------------------------------------|--------|--------|---------|---------------|----------------|
| <i>Gadus morhua</i> | Baltic Sea subdivisions 22-24 (West) | 26696 | 17930 | -32,84% | 19221 | -28,00% |
| <i>Pleuronectes platessa</i> | III bcd | 3766 | 3201 | -15,00% | 3201 | -15,00% |
| <i>Salmo salar</i> * | III bcd, excluding subdivision 32 | 428697 | 364392 | -15,00% | 364392 | -15,00% |
| <i>Salmo salar</i> * | Baltic Sea subdivision 32 | 15419 | 15419 | 0,00% | 15419 | 0,00% |
| <i>Sprattus sprattus</i> | III bcd | 454492 | 432000 | -4,95% | 454492 | 0,00% |

Common names:

Clupea harengus: herring

Gadus morhua: cod

Pleuronectes platessa: plaice

Salmo salar: Atlantic salmon

Sprattus sprattus: sprat

* TAC expressed by number of individual fish

** a **negative** % indicates a **reduced** TAC, a **positive** % indicates an **increased** TAC and 0% continuation of the existing TAC

In line with the multiannual plan for stocks of cod (*Gadhus morua*) in the Baltic, adopted on 18 September 2007¹, the Council approved a **5 % reduction** of the TACs for that species in the **Eastern Baltic** and a **28 % reduction** in the **Western Baltic**.

Measures to limit fishing effort were also agreed on, in particular:

- The system of periods of closure for certain fishing vessels which was applied in 2007 was replaced by a system of allocating a maximum number of days absent from port: **223** days in subdivisions 22-24 (Western Baltic)² and **178** days in subdivisions 25-27³, i.e. a reduction of 10% and 20% respectively.
- The Commission also proposes continuing to apply the transitional technical measures adopted in 2007 prohibiting retention on board of flounder and turbot during certain periods and in specific subdivisions.

The Polish delegation undertook to submit an action plan for cod fishing in the Baltic in order to deal with the matter as a priority.

The Commission said that it would be flexible as regards restitution of the quotas over-fished by Poland and that it would submit appropriate proposals to the Council.

The United Kingdom, Irish and Italian delegations asked that this flexibility remain consistent with the principles of the Common Fisheries Policy.

¹ Regulation (EC) No 1098/2007, OJ L 248, 22.9.2007, p. 1.

² Excluding the period 1 to 30 April, when Article 8(1)(a) of Regulation (EC) No 1098/2007 applies.

³ Excluding the period 1 July to 31 August, when Article 8(1)(b) of Regulation (EC) No 1098/2007 applies.

NORWAY

The Council held an exchange of views on the preparatory work for the annual consultations between the Community and Norway for 2008. The Council asked the Commission to take into account the indications given by the Ministers, particularly regarding the level of TACs and the associated measures for jointly managed stocks¹.

The consultations are scheduled to take place from 5 to 9 and from 21 to 25 November 2007.

The European Community and Norway signed a fisheries agreement in 1980² and the total allowable catches (TACs) are fixed jointly for certain species of fish taking account, in particular, of the scientific advice given by the International Council for the Exploration of the Sea (ICES).

Reciprocal exchanges of certain catches are also envisaged, with due regard for balanced allocation between the parties concerned.

¹ Cod (*Gadus morrhua*), haddock (*Melanogrammus aeglefinus*), herring (*Clupea harengus*), plaice (*Pleuronectes platessa*), saithe (*Pollachius virens*), blue whiting (*Micromesistius poutassou*) and mackerel (*Scomber scombrus*).

² OJ L 226, 29.8.1980, p. 48.

OTHER ITEMS**(a) Protection of animals during transport – request by the Swedish delegation**

The Council took note of information provided by the Swedish delegation, supported by the German, Danish, Austrian, Finnish and Netherlands delegations, concerning the need to ensure application of the current legislation on the protection of animals during transport through the implementation of the monitoring measures provided for under Community and national rules, and imposition of the appropriate penalties.

Commissioner Kyprianou confirmed that this was still a matter of priority for the Commission. He stressed that the Food and Veterinary Office was pursuing its inspection programme without prejudice to each Member State's responsibility for ensuring compliance with Community legislation, transposed where necessary into its national legislation. He also told delegations that he intended to submit a proposal on time-limits for transport and loading densities before the end of his term of office.

(b) Situation on the pigmeat market – request by the Polish delegation

The Council noted the concerns expressed by the Polish delegation (*13989/07*), supported by the Belgian, Bulgarian, Czech, Danish, German, Greek, Spanish, French, Irish, Cypriot, Lithuanian, Luxembourg, Hungarian, Netherlands, Austrian, Romanian and Slovenian delegations, concerning the worrying situation on the pigmeat market.

The Commission announced that the pigmeat management committee, at its meeting on 18 October, had responded positively to the introduction of aid for private storage to relieve over-supply on the market. This measure will take effect on 29 October 2007 and will last for a period of three to five months. The measure was welcomed by all the delegations which had spoken.

With regard to the request by some Ministers for consideration of export refunds to compensate for the record euro-dollar parity and the increase in feed prices¹, the Commission did not make any response at this stage. Two delegations came out clearly against such an initiative.

¹ 35 % between September 2006 and September 2007.

(c) Bluefin tuna – request from the Spanish delegation

The Council noted the concern expressed by the Spanish delegation, with the support of the Cypriot, Greek and Maltese delegations, at the closure of the bluefin tuna fishery, as decided by the Commission on 19 September, while the quota for 2007 had not been used up. Those delegations wanted every Member State and the Commission to ensure that current Community legislation was complied with and for the losses incurred by fishermen in 2007 to be compensated for in 2008.

The French delegation said it was fully aware of this problem and wanted to do all it could to resolve it, in particular by stepping up controls on all elements in the tuna production chain, and on fishing boats, no matter what flag they were flying. For its part, Italy said it had assumed its responsibilities by closing its fishery for this species at the end of July, when the quota had been used up.

The Commission representative said that infringement procedures had been initiated in respect of the 7 Member States that had been found wanting as regards forwarding of data, and the 2 Member States that

He said that the Commission was looking into a solution whereby Member States that had not used up their quotas in 2007 would be compensated in the next fishery year, in compliance with the Community's obligations within the International Commission for the Conservation of Atlantic Tunas (ICCAT), particularly in respect of the possibility of the Community TAC being paid back at international level.

He was counting on the Member States to adopt and implement the bluefin tuna recovery plan currently passing through the Council's preparatory bodies.

The next meeting of the ICCAT will be held in Antalya (Turkey) from 9 to 18 November 2007.

OTHER ITEMS APPROVED

AGRICULTURE

Thailand – manioc

The Council adopted a Decision on the conclusion of the Protocol amending the Cooperation Agreement between the EC and the Kingdom of Thailand on manioc production, marketing and trade. The arrangements for imports of manioc into the Community from Thailand will henceforth be governed by the "first come first served" system administered by TAXUD. This new system will simplify the management of the import arrangements and reduce their costs ([13380/07](#)).

Single common market organisation*

The Council adopted a Regulation establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (*10059/07, 10883/07 ADD 1 REV 1*).

The Regulation is the flagship of the Commission's action plan to simplify and rationalise the Common Agricultural Policy.

The Regulation brings together in a single Regulation the existing 21 common market organisations (CMOs) and 23 related Council acts¹, and takes a horizontal approach.

Whilst remaining a technical exercise which is neither intended to change the underlying policy decisions taken by the Council nor to alter the current scope of the existing CMOs, the Regulation also aims to create a horizontal legal framework, thus requiring re-drafting and a reduction in the detail which could then be covered by implementing legislation.

The Regulation will apply as of 1 January 2008 with different dates set throughout 2008 according to the sector concerned.

¹ In particular Council Regulations concerning agricultural products which are currently not subject to a CMO (silk worms, ethyl alcohol of agricultural origin and apiculture products), competition and State aid rules, rules on private storage and public intervention and rules on sugar and milk quotas.

Seeds and cereal seeds – National aid granted by Finland*

The Council adopted by qualified majority¹ a Regulation amending Regulation (EC) No 1947/2005 as regards national aid granted by Finland for seeds and cereal seeds (*12069/07, 12070/1/07 REV 1 ADD 1*).

Under Regulation (EC) No 1947/2005, Finland may grant aid respectively for certain quantities of seeds and for certain quantities of cereal seed produced solely in Finland because of its specific climatic conditions. The Regulation amends the common market organisation in seeds by abolishing the possibility for Finland to grant this aid after the 2010 harvest.

FISHERIES

Northwest Atlantic Fisheries Organisation – Update of Community rules

The Council adopted a Regulation updating conservation and enforcement measures applicable in the area of the Northwest Atlantic Fisheries Organisation (NAFO) (*12740/07 and 12739/07 ADD 1*).

The Regulation, applicable to commercial activities conducted by EU fishing vessels, will incorporate into Community law the measures revised by the NAFO in 2004.

It provides for an update of control measures in the NAFO area, such as inspections and infringement procedures, as well as technical measures such as the minimum size of fish, by-catch requirements, mesh sizes and requirements for data collection.

Some of the measures updated by the NAFO have already been incorporated into Community law via the yearly TAC ("total allowable catches") and quota regulations.

¹ The Danish and the Swedish delegations abstained from voting.

The new Regulation also simplifies the legislative framework by combining all the measures in a single legal act and repealing Regulations 1262/00, 3069/95, 3680/93, 189/92, 1956/88 and 2868/88.

The Community has been a party to the NAFO since 1979.

EXTERNAL RELATIONS

EU/Russia Permanent Partnership Council on Culture

The Council approved the draft agenda and the draft annotated agenda for the first EU-Russia Permanent Partnership Council on Culture to be held in Lisbon on 25 October 2007.

Israel – Euro-Mediterranean agreement – Enlargement

The Council adopted a Decision authorising the signing and provisional application of a protocol to the Euro-Mediterranean association agreement with Israel in order to take account of the accession of Bulgaria and Romania to the European Union on 1 January 2007.

Relations with Egypt – Strategic partnership on energy

The Council endorsed a memorandum of understanding on a strategic partnership between the European Union and Egypt in the field of energy.

ECONOMIC AND FINANCIAL AFFAIRS

Transmission of national accounts data

The Council adopted in first reading, following negotiations with the European Parliament, a Regulation amending *Council Regulation (EC) No 2223/96 with respect to the transmission of national accounts data (PE-CONS 3614/07)*.

The objective of this Regulation is the creation of common statistical standards that permit the production of harmonised national accounts data.

The new Regulation updates the transmission programme of national accounts data taking into consideration the fundamental political and statistical changes that have occurred in some Member States during the reference periods of the programme. It also takes into account changing user needs and new policy priorities, and the development of new economic activities in the European Union.

TRADE POLICY

EU/Russia agreement on steel products

The Council adopted a Decision approving the conclusion of an agreement with Russia on trade in certain steel products (*12903/07*), as well as a Regulation on administering certain restrictions on imports of those products from Russia (*12906/07*).

The agreement fixes quantitative limits on Russian exports to the Community of steel products for 2007 and 2008. It replaces the previous agreement which expired at the end of 2006, and takes account of the development of trade relations between the two parties in this sector.

The new agreement will apply from its entry into force until 31 December 2008 or until Russia's accession to the World Trade Organisation, whichever date is earlier.

BUDGET

Budgetary discipline

The Council adopted a Regulation repealing Regulation (EC) No 2040/2000 on budgetary discipline (*13259/07*).

The provisions of Council Regulation (EC) No 2040/2000 on budgetary discipline became unnecessary following the entry into force of the new Interinstitutional Agreement of 17 May 2006¹ on budgetary discipline and sound financial management for the period 2007-2013, as well as the adoption of a number of related legislative provisions concerning agriculture and reserves for external operations.

¹ OJ C 139, 14.6.2006, p. 1.

Institutions' expenditure on buildings - Council conclusions

The Council adopted the conclusions as set out in [13525/07](#).

EUROPEAN ECONOMIC AREA**Amendments to the EEA Agreement**

The Council approved three draft Decisions, to be adopted by the European Economic Area (EEA) Joint Committee, amending the EEA Agreement:

- a Decision concerning the cooperation between the surveillance authorities (*12022/07*);
- a Decision dealing with the participation of the EEA-EFTA States in the European Food Safety Authority (*12720/07*);
- a Decision dealing with the special position and the specific derogations to be granted to Iceland in view of its participation in the European Food Safety Authority (*12723/07*).

INTERNAL MARKET**Company law - merger or division of public limited liability companies**

The Council¹ adopted at first reading, following negotiations with the European Parliament, a Directive amending Council Directives 78/855/EEC and 82/891/EEC as regards the requirement of an independent expert's report on the occasion of merger or division of public limited liability companies (*PE-CONS 3641/07*).

The amendment of the two abovementioned Directives is a simplification measure in line with Directive 2005/56/EC on cross-border mergers of limited liability companies² which provides for an exemption from the obligation to have the draft terms of merger examined by independent experts and a report drawn up by such experts for the shareholders of the companies involved in the merger, if all the shareholders agree that such a report is not needed.

¹ The Spanish delegation abstained.

² OJ L 310, 25.11.2005, p. 1.

After being signed by the President of the European Parliament, the President of the Council and the Secretaries-General of the two institutions, the new Directive will be published in the Official Journal of the European Union.
