



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2013) 2041 final

Strasbourg, 16 April 2013

MINUTES

of the 2041st meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 10 April 2013

(morning)

PV(2013) 2041 final

TABLE OF CONTENTS

Attendance list	5-7
1. AGENDAS (OJ(2013) 2041/FINAL; SEC (2013) 180/2).....	8
2. WEEKLY MEETING OF CHEFS DE CABINET (RCC(2013) 2041).....	8
3. APPROVAL OF THE MINUTES OF THE 2039TH MEETING OF THE COMMISSION (20 MARCH) AND THE MINUTES AND SPECIAL MINUTES OF THE 2040TH MEETING (27 MARCH) (PV(2013) 2039; PV(2013) 2040; PV(2013) 2040, PART II).....	8
4. INTERINSTITUTIONAL RELATIONS (RCC(2013) 50)	9
4.1. LEGISLATIVE MATTERS	9
4.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL.....	13
4.3. RELATIONS WITH PARLIAMENT.....	13
4.4. EXTERNAL RELATIONS	14
5. MONITORING THE APPLICATION OF EUROPEAN UNION LAW	14
INFRINGEMENTS – URGENT INDIVIDUAL CASES (SEC(2013) 202).....	14
6. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 102 OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION AND ARTICLE 54 OF THE EEA AGREEMENT (CASE COMP/AT.39727 – CEZ) (C(2013) 1997 TO /5).....	15
7. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2013) 185/3).....	16

7.1. DG HUMAN RESOURCES AND SECURITY – APPROVAL OF LISTS OF CANDIDATES FOR HEAD OF EUROPEAN UNION DELEGATION POSTS (PERS(2013) 65; PERS(2013) 66; PERS(2013) 67; PERS(2013) 68; PERS(2013) 69; PERS(2013) 70; PERS(2013) 71; PERS(2013) 72; PERS(2013) 73; PERS(2013) 74).....	16
7.2. DG JUSTICE – EXTENSION OF THE TERM OF OFFICE OF THE EXECUTIVE DIRECTOR OF THE EUROPEAN UNION AGENCY FOR FUNDAMENTAL RIGHTS	16
7.3. DG HUMAN RESOURCES AND SECURITY – SPECIAL ADMINISTRATIVE ARRANGEMENTS FOR THE SELECTION PROCEDURE FOR THE POST OF HEAD OF THE COMMISSION REPRESENTATION IN CROATIA	17
7.4. DG ECONOMIC AND FINANCIAL AFFAIRS – APPOINTMENT OF AD14/15 DIRECTOR (PERS(2013) 5 AND /2).....	17
7.5. LEGAL SERVICE – APPOINTMENT OF AD14/15 PRINCIPAL LEGAL ADVISER (PERS(2012) 112 TO /4).....	18
8. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS.....	18
8.1. WRITTEN PROCEDURES APPROVED (SEC(2013) 181 ET SEQ.).....	18
8.2. EMPOWERMENT (SEC(2013) 182 ET SEQ.)	19
8.3. DELEGATION AND SUBDELEGATION OF POWERS (SEC(2013) 183 ET SEQ.).....	19
8.4. SENSITIVE WRITTEN PROCEDURES (SEC(2013) 184 AND /2; COM(2013) 199 AND /2; RCC(2013) 53)	19
9. COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT ON MODERNISATION OF TRADE DEFENCE INSTRUMENTS – ADAPTING TRADE DEFENCE INSTRUMENTS TO THE CURRENT NEEDS OF THE EUROPEAN ECONOMY (COM(2013) 191 TO /4; SEC(2013) 194 AND /2; SEC(2013) 195 AND /2; SEC(2013) 196 AND /2; SEC(2013) 197 AND /2; RCC(2013) 52).....	25

10. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING REGULATION (EC) 1225/2009 ON PROTECTION AGAINST DUMPED IMPORTS FROM COUNTRIES NOT MEMBERS OF THE EUROPEAN COMMUNITY AND COUNCIL REGULATION (EC) 597/2009 ON PROTECTION AGAINST SUBSIDISED IMPORTS FROM COUNTRIES NOT MEMBERS OF THE EUROPEAN COMMUNITY (COM(2013) 192 TO /4; SWD(2013) 105 AND /2; SWD(2013) 106 AND /2; SEC(2013) 199; RCC(2013) 52).....	25
---	----

Single sitting: Wednesday 10 April 2013 (morning)

The sitting opened at 9.07 with Mr BARROSO, President, in the chair.

Present:

Mr BARROSO	President	
Ms REDING	Vice-President	
Mr ALMUNIA	Vice-President	Items 1 to 8 (in part)
Mr KALLAS	Vice-President	
Mr TAJANI	Vice-President	
Mr ŠEFČOVIČ	Vice-President	
Mr REHN	Vice-President	
Mr POTOČNIK	Member	
Mr PIEBALGS	Member	
Mr BARNIER	Member	
Ms VASSILIOU	Member	
Mr ŠEMETA	Member	
Mr DE GUCHT	Member	
Ms GEOGHEGAN-QUINN	Member	
Mr LEWANDOWSKI	Member	
Ms DAMANAKI	Member	
Ms GEORGIEVA	Member	
Mr OETTINGER	Member	Items 1 to 8 (in part)
Mr HAHN	Member	
Mr FÜLE	Member	
Mr ANDOR	Member	
Ms MALMSTRÖM	Member	
Mr CIOLOŞ	Member	Items 8 (in part) to 10

Absent:

Baroness ASHTON

High Representative/
Vice-President

Ms KROES

Vice-President

Ms HEDEGAARD

Member

Mr BORG

Member

The following sat in to represent absent Members of the Commission:

Mr BANNERMAN	Adviser in Baroness ASHTON's Office
Mr KLEINER	Adviser in Ms KROES's office
Mr VIS	Chef de cabinet to Ms HEDEGAARD
Ms DARMANIN	Chef de cabinet to Mr BORG

The following also sat in:

Mr LAITENBERGER	Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr PAULGER	Director-General, DG Communication	
Mr DOENS	Head of the Commission Spokesperson Service	
Ms AHRENKILDE HANSEN	Commission Spokeswoman	Items 1 to 9/10 (in part)
Mr THEBAULT	Head of the Bureau of European Policy Advisers	Items 8 (in part) to 10
Mr CABRAL	Adviser hors classe in the PRESIDENT's Office	Items 1 to 8 (in part), 9 and 10
Ms SKURATOWICZ	A member of the PRESIDENT's staff	Items 1 to 8
Mr MARTÍNEZ MONGAY	Chef de cabinet to Mr ALMUNIA	Items 8 (in part) to 10
Mr LAHTI	Adviser in Mr REHN's office	Items 1 to 8
Mr RITTER	A member of Mr REHN's staff	Items 1 to 8
Mr BENGTTSSON	A member of Mr DE GUCHT's staff	
M. HAUSLER	Chef de cabinet to Mr CIOLOŞ	Items 1 to 8 (in part)

Secretary: Ms DAY, Secretary-General, assisted by Mr AYET PUIGARNAU, Director in the Secretariat-General.

1. AGENDAS

(OJ(2013) 2041/FINAL; SEC (2013) 180/2)

The Commission took note of that day's agenda and of the tentative agendas for forthcoming meetings.

2. WEEKLY MEETING OF CHEFS DE CABINET

(RCC(2013) 2041)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 8 April.

3. APPROVAL OF THE MINUTES OF THE 2039TH MEETING OF THE COMMISSION (20 MARCH) AND THE MINUTES AND SPECIAL MINUTES OF THE 2040TH MEETING (27 MARCH)

(PV(2013) 2039; PV(2013) 2040; PV(2013) 2040, PART II)

The Commission held over approval of the minutes of its 2039th and 2040th meetings for the following week.

4. INTERINSTITUTIONAL RELATIONS (RCC(2013) 50)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group held on Friday 5 April (RCC(2013) 50).

It paid particular attention to the following points.

4.1. *LEGISLATIVE MATTERS*

i) Ordinary legislative procedure

(point 1.2 of the IRG record)

Dossiers at Parliament first reading

- Multiannual Financial Framework 2014-2020 – Common Agricultural Policy – Establishment of rules for direct payments to farmers under support schemes within the framework of the common agricultural policy (Regulation) – CAPOULAS SANTOS report – 2011/0280 (COD)

The Commission approved the line set out in SI(2013) 162/2.

- Multiannual Financial Framework 2014-2020 – Common Agricultural Policy – Common organisation of the markets in agricultural products (Single CMO Regulation) – DANTIN report – 2011/0281 (COD)

The Commission approved the line set out in SI(2013) 163.

(10 April 2013)

- Multiannual Financial Framework 2014-2020 – Implementation and exploitation of European satellite navigation systems (Regulation) – MARINESCU report – 2011/0392 (COD)

The Commission approved the line set out in SI(2013) 178/2.

- Multiannual Financial Framework 2014-2020 – Definition of the rules for participation in the Horizon 2020 Framework Programme for Research and Innovation and for dissemination of the results (Regulation) – EHLEER report – 2011/0399 (COD) / Research and Training Programme of the European Atomic Energy Community (2014-2018) complementing the Horizon 2020 Framework Programme for Research and Innovation (Council Regulation) – SKINNER report – 2011/0400 (NLE) / Horizon 2020 Framework Programme for Research and Innovation (Regulation) – RIERA MADURELL report – 2011/0401 (COD) / Specific programme implementing the Horizon 2020 Framework Programme for Research and Innovation (Council Decision) – CARVALHO report – 2011/0402 (CNS)

The Commission took note of the information in SI(2013) 166/2.

- Annual financial statements, consolidated financial statements and related reports of certain types of undertakings (Directive) – LEHNE report – 2011/0308 (COD)

The Commission approved the line set out in SI(2013) 176/4.

- Amendment of Directive 2009/16/EC on port State control (Directive) – SIMPSON Report – 2012/0062 (COD)

The Commission approved the line set out in SI(2013) 167/2.

- Establishment of ‘Eurodac’ for the comparison of fingerprints for the effective application of Regulation (EC) .../... establishing the criteria and mechanisms for determining the Member State responsible for examining an application for international protection lodged in one of the

Member States by a third-country national or a stateless person
(Regulation – recast) – MACOVEI Report – 2008/0242 (COD)

The Commission approved the line set out in SI(2013) 168.

- Minimum standards on procedures in Member States for granting and withdrawing international protection (Directive – recast) – GUILLAUME report – 2009/0165 (COD)

The Commission approved the line set out in SI(2013) 169.

- New Legislative Framework Alignment Package (Implementation of the Goods Package) – Harmonisation of the laws of the Member States on making pyrotechnic articles available on the market (Directive – recast) – ROITHOVÁ reports – 2011/0358 (COD)

The Commission approved the line set out in SI(2013) 174/2.

Dossier at Council first reading

- Common Fisheries Policy (Regulation) – RODUST Report – 2011/0195 (COD)

The Commission approved the line set out in SI(2013) 179/2.

ii) Preparation of the April part-session of Parliament
(point 1.3 of the IRG record)

Ordinary legislative procedure – Second reading – Empowerment

- Economic Partnership Agreements between the European Union and the African, Caribbean and Pacific (ACP) countries – Amendment of Annex I to Council Regulation (EC) 1528/2007 as regards the exclusion of a number of countries from the list of regions or states which have concluded negotiations (Regulation) – MARTIN report – 2011/0260 (COD)

Under Article 13 of its Rules of Procedure, the Commission empowered Mr DE GUCHT, in agreement with the PRESIDENT and Mr ŠEFČOVIČ and any other members associated, to adopt its opinion on the amendments together with any amended proposals, on the basis of the line set out in SI(2013) 135 as approved by the Commission on 20 March, once Parliament had given its opinion, and transmit them to the Council in accordance with Article 294(7)(c) of the Treaty on the Functioning of the European Union.

Ordinary legislative procedure – First reading

- Groundhandling services at Union airports and repeal of Council Directive 96/67/EC (Regulation) – ZASADA report – 2011/0397 (COD)

The Commission approved the line set out in SP(2013) 220, /2 and /3.

- Amendment of Council Regulation (EC) 812/2004 laying down measures concerning incidental catches of cetaceans in fisheries and amendment of Regulation (EC) 88/98 (Regulation) – ROMEVA I RUEDA report – 2012/0216 (COD)

The Commission approved the line set out in SP(2013) 221 and /2.

- Technical and control measures in the Skagerrak and amendment of Regulation (EC) 850/98 and Regulation (EC) 1342/2008 (Regulation) – KUHN report – 2012/0232 (COD)

The Commission approved the line set out in SP(2013) 222 and /2.

- European statistics on demography (Regulation) – SÓGOR report – 2011/0440 (COD)

The Commission approved the line set out in SP(2013) 224.

- Amendment of Directive 2003/87/EC to clarify provisions on the timing of auctions of greenhouse gas allowances (Decision) – GROOTE report – 2012/0202 (COD)

The Commission approved the line set out in SP(2013) 225 and /2.

- European Network and Information Security Agency (ENISA) (Regulation) – CHICHESTER report – 2010/0275 (COD)

The Commission took note of the information in SP(2012) 226, further to note SI(2012) 552/2, which it had already approved on 5 December 2012.

Special legislative procedure

- Amendment of Directive 2006/112/EC on the common system of value added tax as regards the treatment of vouchers (Council Directive) – GÁLL-PELCZ report – 2012/0102 (CNS)

The Commission approved the line set out in SP(2013) 227 and /2.

Consent procedure

- Facility for providing financial assistance for Member States whose currency is not the Euro – HÜBNER report – 2012/0164 (APP)

The Commission approved the line set out in SP(2013) 228 and /3.

4.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

iii) Programming of Council business

(SI(2013) 180)

The Commission took note of the information in SI(2013) 180 on the Council meetings between 11 and 24 April.

4.3. RELATIONS WITH PARLIAMENT

iv) Action taken on legislative opinions and non-legislative resolutions adopted by Parliament at its January part-session

(point 3.4.2 of the IRG record)

The Commission approved documents SP(2013) 176 and /2 on the action taken on the legislative opinions and non-legislative resolutions adopted by Parliament at its January part-session, for transmission to Parliament.

- v) Action taken on legislative opinions and non-legislative resolutions adopted by Parliament at its February part-session**
(point 3.4.3 of the IRG record)

The Commission approved documents SP(2013) 239 and /2 on the action taken on the legislative opinions and non-legislative resolutions adopted by Parliament at its February part-session, for transmission to Parliament.

4.4. EXTERNAL RELATIONS

- vi) Agreement between the European Union and Canada on the processing and transfer of passenger name record data (PNR data)**
(point 5.1 of the IRG record)

The Commission approved the line set out in SI(2013) 173.

5. MONITORING THE APPLICATION OF EUROPEAN UNION LAW

INFRINGEMENTS – URGENT INDIVIDUAL CASES

(SEC(2013) 202)

- 2008/2097 – IT – Incorrect transposition of the directives of the first railway package
Decision: partial withdrawal
- 2008/2107 – PL – Incorrect transposition of the directives of the first railway package
Decision: partial withdrawal

The Commission adopted the decisions in SEC(2013) 202.

6. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 102 OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION AND ARTICLE 54 OF THE EEA AGREEMENT (CASE COMP/AT.39727 – CEZ) (C(2013) 1997 TO /5)

The Commission:

- took note of the opinion of the Advisory Committee on Restrictive Practices and Dominant Positions of 22 March in C(2013) 1997/3;
- took note of the final report of the Hearing Officer of 25 March in C(2013) 1997/4;
- adopted, in the authentic language (English), the decision in C(2013) 1997 finding that there was no need to act in the case in question, subject to compliance with the commitments made by the company concerned;
- decided that the decision in C(2013) 1997 would be notified to the company concerned, together with the final report of the Hearing Officer;
- decided to empower Mr ALMUNIA, the Commission Member responsible for competition, in agreement with the PRESIDENT, to adopt the necessary decisions to ensure that the company concerned complied with the commitments forming part of the decision;
- decided that the key parts of the decision, together with the Advisory Committee's opinion and the Hearing Officer's final report, would be published in the official languages of the Union in the *Official Journal of the European Union* (with business secrets and other confidential information removed);
- decided also to publish the decision on the internet (with business secrets and other confidential information removed).

7. ADMINISTRATIVE AND BUDGETARY MATTERS
(SEC(2013) 185/3)

ADMINISTRATIVE MATTERS
(PERS(2013) 64/2 AND /3)

**7.1. DG HUMAN RESOURCES AND SECURITY – APPROVAL OF LISTS
OF CANDIDATES FOR HEAD OF EUROPEAN UNION DELEGATION
POSTS**

**(PERS(2013) 65; PERS(2013) 66; PERS(2013) 67; PERS(2013) 68;
PERS(2013) 69; PERS(2013) 70; PERS(2013) 71; PERS(2013) 72;
PERS(2013) 73; PERS(2013) 74)**

The Commission took note of the information in point 1 of PERS(2013) 64/2 and, on a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT, decided to approve the lists of candidates in PERS(2013) 65, PERS(2013) 66, PERS(2013) 67, PERS(2013) 68, PERS(2013) 69, PERS(2013) 70, PERS(2013) 71, PERS(2013) 72, PERS(2013) 73, and PERS(2013) 74 for the posts of Head of the European Union Delegations to Benin, Cameroon, Central African Republic, Mauritania, Mauritius, Niger, Sierra Leone, Swaziland and Togo (AD9-14/AD12), and Nigeria (AD13-14/AD13); these lists would serve as a basis for the competent authority of the European External Action Service to make the final appointments.

This decision would take effect immediately.

**7.2. DG JUSTICE – EXTENSION OF THE TERM OF OFFICE OF THE
EXECUTIVE DIRECTOR OF THE EUROPEAN UNION AGENCY FOR
FUNDAMENTAL RIGHTS**

Having noted the procedure followed as set out in point 2 of PERS(2013) 64/2, the Commission, on a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and Ms REDING, decided to propose to

extend for three years with effect from 1 June 2013 the term of office of Mr Morten KJAERUM as Executive Director of the European Union Agency for Fundamental Rights, and asked Ms REDING to communicate this proposal to the Agency's management board.

This decision would take effect immediately.

7.3. DG HUMAN RESOURCES AND SECURITY – SPECIAL ADMINISTRATIVE ARRANGEMENTS FOR THE SELECTION PROCEDURE FOR THE POST OF HEAD OF THE COMMISSION REPRESENTATION IN CROATIA

The Commission noted the information set out in point 3 of PERS(2013) 64/2 and, on a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT, decided to authorise the Director-General of DG Human Resources and Security to derogate, if necessary, from Commission Decision C(2004) 1597 of 28 April 2004 on a new policy for the engagement and employment of temporary staff in the case of the selection procedure for the post of Head of the Commission Representation in Croatia.

This decision would take effect immediately.

**7.4. DG ECONOMIC AND FINANCIAL AFFAIRS – APPOINTMENT OF AD14/15 DIRECTOR
(PERS(2013) 5 AND /2)**

The Commission had before it the applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post at director level of Head of the Athens Office of DG Economic and Financial Affairs.

It took note of the opinions of the Consultative Committee on Appointments of 10 January and 7 February (PERS(2013) 5 and /2).

The Commission proceeded to compare the applicants' qualifications for the post. It also considered their ability, efficiency and conduct in the service. On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT and

Mr REHN, it then decided to appoint Mr Margaritis SCHINAS to the post.

This decision would take effect on 16 May 2013.

7.5. *LEGAL SERVICE – APPOINTMENT OF AD14/15 PRINCIPAL LEGAL ADVISER*

(PERS(2012) 112 TO /4)

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Principal Legal Adviser in charge of the ‘Justice, Freedom and Security, Private Law and Criminal Law’ team in the Legal Service (PERS(2012) 112 and /2).

It took note of the opinions of the Consultative Committee on Appointments of 31 January and 21 February 2013 (PERS(2012) 112/3 and /4).

The Commission proceeded to compare the applicants’ qualifications for the post. It also considered their ability, efficiency and conduct in the service. On a proposal from Mr ŠEFČOVIČ, in agreement with the PRESIDENT, it then decided to appoint Mr Enrico TRAVERSA to the post.

This decision would take effect on 1 May 2013.

8. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

8.1. *WRITTEN PROCEDURES APPROVED*

(SEC(2013) 181 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 25 March and 5 April.

8.2. EMPOWERMENT

(SEC(2013) 182 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 25 March and 5 April.

8.3. DELEGATION AND SUBDELEGATION OF POWERS

(SEC(2013) 183 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 25 March and 5 April, as archived in e-Greffe.

8.4. SENSITIVE WRITTEN PROCEDURES

(SEC(2013) 184 AND /2; COM(2013) 199 AND /2; RCC(2013) 53)

The Commission took note of the sensitive written procedures for which the time limit expired between 8 and 12 April.

Prevention and correction of macroeconomic imbalances – In-depth reviews

Attention was drawn to ongoing written procedure PE/2013/2130, which concerned the approval of the Communication from the Commission to the European Parliament and the Council on the in-depth reviews carried out on 13 Member States identified in the Alert Mechanism Report of November 2012 under Regulation (EU) 1176/2011 on the prevention and correction of macroeconomic imbalances.

The PRESIDENT wanted the Commissioners to be fully informed by Mr REHN of the results of the reviews carried out by his departments and the conclusions drawn regarding the existence and the severity of macroeconomic imbalances in certain countries.

The PRESIDENT began by stressing the importance of the analyses carried out on 13 of the 14 Member States which had been identified in the Alert

Mechanism Report adopted by the Commission on 28 November, the other country being Cyprus, which now came under a specific programme of European assistance. He reminded the meeting that the Commission had, with some difficulty, retained its responsibility for macroeconomic analysis and surveillance which some Member States had sought to entrust to a group of experts. He therefore insisted that the objectivity and independence of the analysis carried out by DG Economic and Financial Affairs and the internal procedures established since November 2011 were crucial factors in guaranteeing the credibility of the exercise and the Commission's authority.

He also said that there was a need to draw a clear distinction between the analysis stage, which was being presented that day, and the operational conclusions stage, which would be presented on 29 May with the adoption of country-specific recommendations. Between these two stages there would be a period of dialogue and partnership with the Member States to enable them to assume ownership of the measures recommended by the Commission and, if necessary, to amend their strategies.

He stressed that, in any event, the Commission would not adopt any operational conclusions before May and that it would base itself on how the Member States responded to the in-depth reviews in their national reform programmes and stability and convergence programmes, which they would be presenting as part of the European Semester. There was therefore no automatic link between the in-depth reviews as summarised in the main communication and the placing of particular Member States under the excessive imbalance procedure.

Mr REHN then took the floor. He began his presentation by quoting from the Regulation on the prevention and correction of macroeconomic imbalances to show that this process was designed to take account of the severity of such imbalances 'and their potential negative economic and financial spill-over effects which aggravate the vulnerability of the Union economy and are a threat to the smooth functioning of the economic and monetary union'.

He then outlined the broad economic trends that had emerged from the in-depth reviews. First, he noted that, while structural reforms and sound fiscal policies took time, they complemented each other, the first supporting growth and job creation, which in turn reduced the pressure on public finances.

He then turned to the current account balance, which was a key variable. He noted progress in the adjustment of external positions in a number of Member States, although still not enough to ensure healthy and sustainable levels of external debt; these efforts must therefore be continued. For the euro area as a whole, the adjustment process was even heading towards a surplus.

He also said that price and non-price competitiveness was still a matter for concern in a number of Member States. Generally speaking, these countries had lost export market share to more dynamic emerging economies, although he was keen to stress that situations varied widely across the Union.

As regards competitiveness measured in terms of unit labour costs, Mr REHN noted some convergence, but against a background of incomplete labour market reforms and a backlog of competitiveness losses over the years that still had to be made up. Some Member States needed to continue their recovery by holding down wages, but the pursuit of a policy of dynamic wage growth by countries 'in surplus' would contribute to the re-balancing of the euro area.

Finally, he referred to the ongoing recovery in housing markets, and the levels of household, business and public debt which, though shrinking, remained high. He acknowledged that the policy of debt reduction had to be pursued, despite the inevitable impact it would have in the short term in slowing down growth.

Mr REHN did not discuss the details of each of the in-depth reviews produced by the Commission. On a general level, he noted that 13 Member States had macroeconomic imbalances and that the Commission would deliver its

assessment of their budget plans and reform programmes on 29 May. On this basis it would then present its country-specific recommendations. In this context, too, the Commission would also examine whether other measures were needed for Member States with an excessive macroeconomic imbalance and would at the same time review the situation in the framework of the ongoing excessive deficit procedures so that, if necessary, recommendations could be adopted for presentation to the Council.

During an exchange of views the following main points were raised:

- the need for a discussion at this stage of the procedure, to ensure that the Commission's economic analyses were fully understood and supported and that communication on the issue was as accurate as possible at this particularly sensitive time;
- the importance of stressing the pertinence of the macroeconomic surveillance procedure at European Union level in view of the current imbalances and the high level of interdependence revealed by the in-depth reviews; the importance of presenting the constructive, pragmatic nature of the information provided by these in-depth reviews for the next stages of the procedure;
- in addition to the reviews by Member State, the idea of looking more specifically at the imbalances within the euro area and in particular certain Member States' current account surpluses; the case for making the correction of such imbalances a necessary condition for achieving the goals recommended at national level; the idea of taking into account the wider environment, and particularly the impact of monetary policy, when analysing the implementation of structural reforms;
- in matters of external communication, the need to stress that the structural reforms being advocated would, by definition, take time to yield results; the importance of placing the Commission's action in the context of support for Member States in difficulty and efforts to stimulate growth and

competitiveness, in order to defuse populist rhetoric; the meaningful distinction to be made between pre-existing imbalances identified by the Commission's analyses, on the one hand, and imbalances due instead to the impact of emergency adjustment measures, on the other;

- the suggestion in some quarters that a more political and direct tone be used for the in-depth reviews, which would serve as a basis for future decisions, thereby preventing confusion with reports by other institutions that were purely consultative; support by the majority of Members of the Commission for the approach adopted, which entailed a separation between the analysis stage and the policy-making stage, to allow room for a proper dialogue with the Member States;
- the possibility of making some adjustments to the procedure for future exercises, particularly as regards the timetable and the internal procedures, and of giving the Member States more time to assume ownership of the results of the Commission's analysis and take it properly into account; the suggestion that in future more systematic attention be paid to all the factors that affect competitiveness, including social issues, such as the ageing of the population and changes in pension systems, as well as the development of the green economy and youth employment initiatives.

Mr REHN thanked the other Commission Members for their comments. He referred again to the logic of the current exercise, which in the first stage did indeed involve highlighting the problems; this was the function of the in-depth reviews. But it also entailed, in the second stage in May, proposing practical solutions to these problems following a dialogue with the Member States. It was the Commission's job to complete this process and to perform the dual task of providing objective analysis and policy guidance.

Turning to the substance of the reports, he spoke of the urgent need to take measures in the most vulnerable Member States, which were those with large and persistent current account deficits and significant losses of competitiveness. The Member States that were building up large current

account surpluses, for their part, needed measures to boost domestic demand and enhance their growth potential. There were signs of movement in this direction in these Member States, but the surpluses could also be explained by the fact that the euro area was an open economy that traded extensively with the rest of the world.

The PRESIDENT wound up the debate by reiterating the importance of resolutely defending the Community method in this exercise. This meant upholding the role of the Commission both on the analysis side, thanks to the analytical skills of its staff, which would be supplemented by the newly-created post of Chief Economic Analyst, and in issuing recommendations for action, which was one of the Commission's policy responsibilities.

He observed that the Commission was fulfilling its role not just by sending out alarm signals whenever it detected macroeconomic imbalances – which sometimes put it in an awkward position politically – but also by making a very active and concrete contribution to the recovery and the good economic governance of the Union in the interests of European citizens. The PRESIDENT therefore invited the Commission Members to highlight this aspect so that, beyond what was perceived as a policy of austerity, the Commission would also be rightly credited for its global growth and employment strategy and its action to boost social cohesion and future investment in the Union. He also approved the idea put forward in the discussion that the country-specific recommendations to be published on 29 May should be supplemented by a horizontal analysis of the relative weight of the general factors relating, for example, to monetary policy or the ageing of the European population. Lastly, on the question of the current account surpluses, he considered that the difficulty arose not from their existence but from the issue of how to redress some imbalances in the European Union and in the euro area in favour of the most vulnerable Member States.

The PRESIDENT wound up by stressing that the in-depth reviews and the forthcoming country recommendations were a test of the Commission's

credibility. He thanked the Commissioners for their contribution and their support for the document that was being adopted that day.

9. COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT ON MODERNISATION OF TRADE DEFENCE INSTRUMENTS – ADAPTING TRADE DEFENCE INSTRUMENTS TO THE CURRENT NEEDS OF THE EUROPEAN ECONOMY

(COM(2013) 191 TO /4; SEC(2013) 194 AND /2; SEC(2013) 195 AND /2; SEC(2013) 196 AND /2; SEC(2013) 197 AND /2; RCC(2013) 52)

10. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING REGULATION (EC) 1225/2009 ON PROTECTION AGAINST DUMPED IMPORTS FROM COUNTRIES NOT MEMBERS OF THE EUROPEAN COMMUNITY AND COUNCIL REGULATION (EC) 597/2009 ON PROTECTION AGAINST SUBSIDISED IMPORTS FROM COUNTRIES NOT MEMBERS OF THE EUROPEAN COMMUNITY

(COM(2013) 192 TO /4; SWD(2013) 105 AND /2; SWD(2013) 106 AND /2; SEC(2013) 199; RCC(2013) 52)

The PRESIDENT introduced the proposal on modernisation of trade defence instruments tabled by Mr DE GUCHT. He said that it was a balanced proposal in that it reconciled the interests of the different players involved (producers, consumers and importers), and that it was appropriate to present it at this stage in view of the timetable for the current term of the European Parliament. He pointed out that the main points in the dossier had been agreed upon ahead of the Commission meeting. However, he noted that the Members wished to discuss two questions that were still open. These were (i) the period of advance notice for implementation of the provisional anti-dumping or anti-subsidy measures, for shipments already in transit (the ‘shipping clause’ that was the subject of

Article 1(3) of the proposal for a Regulation) and (ii) the repayment of duties collected if, on expiry of the trade defence measures, the investigation concluded that the measures would not be extended (Article 1(5) and (8) of the proposal for a Regulation). Before opening the discussion, he invited the lead Commissioner to summarise the content of the proposal.

Mr DE GUCHT explained that the aim of the proposal for a Regulation he was tabling that day was to set out a balanced approach for adaptation of the Union's trade defence instruments to world trading conditions today which, without embarking on a total reform of the current system, would take into account the interests of the stakeholders and ensure that the proposal had the best possible chance of succeeding.

Without discussing the proposal in detail, he focused on the two points still open. Concerning the first point, the shipping clause and the resulting risk of stockpiling imports, he pointed out that the aim of the new proposal was to provide more predictability for economic operators. In line with the requests made during the preparation phase, he proposed reducing the prior notice period for implementation of the provisional anti-dumping or anti-subsidy measures from three to two weeks. He noted in this regard that it had been agreed that Commission decisions on such prior notice would be taken by accelerated written procedure. He had also proposed reducing the length of the Commission's internal investigation procedures in anti-dumping cases from 9 to 7 months. Turning to the second point, the repayment of duties paid when the investigation concluded without a renewal of the measures, he said that this provision would have only a slight financial impact on the European Union budget.

Winding up, Mr DE GUCHT recalled that the four draft guidelines that had been circulated related to the regulation in force (Council Regulation (EC) 1225/2009) rather than the proposal tabled that day for amendment.

In the brief discussion that followed, questions were raised, in relation to the shipping clause, about the effectiveness of the proposed compromise concerning the advance notice period and the feasibility of a different period for enterprises and for

the Member States; in this context, the question arose of a different transparency obligation for the Commission with regard to the Member States and enterprises; a request was made for clarification on the length of the Union's internal procedures in relation to the procedures of other countries that were members of the Organisation for Economic Cooperation and Development, for example; with regard to the reimbursement of duties, a question was asked about the possible ways of ensuring the reciprocity of this measure on the part of the Union's trading partners.

Replying to these comments, Mr DE GUCHT explained that investigations conducted by the Commission were longer than those in other countries because they were serious and solid, as borne out by the fact that the outcome of procedures brought before the World Trade Organisation was favourable to the European Union. With regard to the period proposed for the shipping clause, he felt that it was fair to grant an equivalent advance notice period to the Member States and to economic operators. Lastly, he said that the reciprocity of reimbursement of duties would require the negotiation of new agreements with all the Union's trading partners.

The PRESIDENT added that the reason why the Commission's internal investigation procedures as regards trade defence instruments took longer than in certain partner countries was that, in a Union of 27, these procedures were no longer just a bureaucratic question; they required the agreement of the Member States and involved additional procedures, for example translation into all the official languages.

He expressed his satisfaction at the good compromise that had been reached on the balanced proposal tabled that day. In conclusion, he noted the Commission's support for adopting Mr DE GUCHT's proposal.

At the end of this discussion, the Commission:

- approved the communication in COM(2013) 191/4, for transmission to the European Parliament and the Council and, for information, to the national parliaments;

(10 April 2013)

- took note of the working documents circulated in SEC(2013) 194/2, SEC(2013) 195/2, SEC(2013) 196/2 and SEC(2013) 197/2;
- adopted the proposal for a Regulation in COM(2013) 192/4, for transmission to the European Parliament, the Council and, for information, the national parliaments, together with the impact assessment and the summary thereof in staff working documents SWD(2013) 105/2 and SWD(2013) 106/2, the contents of which were noted;
- took note of the opinion of the Impact Assessment Board on the above proposal for a Regulation, as set out in SEC(2013) 199.

*

* *

The meeting closed at 11.38.