Answer given by Mrs Wallström on behalf of the Commission

(3 September 2001)

It is not within the powers of the Commission to take a position in the discussion between Germany and the Netherlands on the demarcation of the border in the wide mouth of the river Ems between the towns of Emden (Germany) and Delfzijl (the Netherlands) and the islands of Borkum (Germany) and Rottumeroog (the Netherlands). This is not a question of the interpretation and application of Community-law. Therefore, the Commission is not able to reply to the first and the fifth questions.

As to the other questions, since the German authorities have issued to German fishermen a licence for the fishing of the natural mussel bed of the Hond sandbank, the Commission has already launched an investigation in order to further assess the matter with a view to ensuring that applicable Community environmental law is respected in this case.

(2002/C 40 E/088) WRITTEN QUESTION E-1715/01

by Erik Meijer (GUE/NGL) to the Commission

(14 June 2001)

Subject: Tension between the euro as the single currency and the increasingly different pension reserves in the various Member States

1. Is the Commission aware of the European Pension Fund Managers’ Guide published on 16 May by William Mercer in London according to which the pension reserves in the Netherlands, Sweden and Denmark equal between 100 % and 162 % of gross national product while those in Germany, Austria, Belgium, Portugal, France and Spain only equal between 5 % and 13 % of GNP?

2. Can the Commission confirm that the differences in pension reserves in the various Member States have increased significantly in recent times since Member States which already had better pension provisions were able to increase their lead as a result of the increase in share prices in recent years?

3. Can the Commission also confirm that Italy and Sweden have increased pension contributions, that Germany and Spain are preparing legislation and that it would appear that France is not doing anything to create pension reserves?

4. In the Commission’s opinion, what are the likely consequences of the introduction of the euro as the single currency on 1 January 2002 in eleven Member States for the future of pension reserves which already differ greatly from Member State to Member State?

5. Does the Commission expect:

(a) that very large income differences among the elderly will be accepted?

(b) that existing pension reserves will lose out as a result of the significant monetary devaluation of the euro required to create large pension reserves in other Member States?

(c) a policy to share some of the large reserves built up by certain Member States with those which have built up little or no reserves?

(d) the elimination of State pension funds and old-age pensions, leaving the provision of pensions to international private pension managers without the involvement of governments authorities subject to democratic control, trade unions or senior citizens’ organizations?

1. The Commission is aware of the large differences in pension reserves across Member States.

2. Clearly, the value of reserves in funded pension systems, which invest in equities, is influenced by changes in share prices. However, this is not the only factor that has had affected the value of pension reserves in recent years. The reserves of funded pension systems have been growing on account of the demographic profile of labour forces, with the large post-war baby-boom cohort now approaching the statutory retirement age.

3. During the 1990's, both Italy and Sweden introduced substantial reforms to their public pension systems, of which reforms to contribution rates were just one element. Inter alia, the reforms also addressed eligibility conditions, parameters affecting entitlements and indexation rules. A substantial reform of the pension system has recently been agreed in Germany, whereas recent reforms in Spain have been more limited. France has established a reserve fund, albeit of limited size, to meet some of the additional expenditures on public pensions as a result of ageing populations: a comprehensive reform of the pension has been debated for several years but has not yet been adopted.

4. The introduction of the euro will have a number of consequences for Member States' pension systems, including funded pension systems. Firstly, it is essential that Member States are prepared to meet the budgetary consequences of an ageing population so that the requirements of the Stability and Growth Pact are respected at all times, thus facilitating the operation of the single monetary policy. Secondly, the introduction of the euro has eliminated exchange rate risk amongst the twelve participating currencies and is facilitating the development of an integrated European financial market place. The portfolios of pension funds have and will need to be rebalanced to reflect changing market conditions.

5. (a) The Commission in its Communication on safe and sustainable pensions (1) underlined the need for social as well as financial considerations to be taken into account when designing pension reforms, and identified the need to maintain the adequacy of pension income as a key principle for sound pension reform. Nonetheless, it is evident that there are large differences in the levels of pension income amongst elderly persons both within and between countries. This is especially the case with pre-funded, contributory pensions since these tend to be linked directly to past contributions. However, pensions, and especially public pensions, are only one element in overall retirement income provision, and account also needs to be taken of other income sources such as private savings and other transfers to the elderly.

(b) The Commission does not agree with the statement that the building up of large pension reserves could lead to the devaluation of the euro and to a detrimental impact on the value of existing pension reserves. In contrast, measures to improve the sustainability of pension systems, including, where appropriate, greater recourse to funding, could be expected to enhance confidence in the capacity of the euro area countries to face up to structural and demographic changes.

(c) Member States remain responsible, in accordance with the EC Treaty, for pensions policy and thus for the policies to ensure that adequate provision is made for the retirement income of their citizens. There is no scope for ‘sharing’ the reserves of pension funds amongst Member States. The EC Treaty (Article 103) contains an explicit ‘no bail out clause’ prohibiting one Member States from assuming the liabilities of another Member State. Moreover, it should be borne in mind, that a large percentage of pension reserves do not fall within the public sector, but rather are assets of occupational pension schemes and private savings for retirement.

(d) The challenge posed by ageing populations does not require the elimination of public pension systems and a complete move to private pension schemes finances on a funded basis. As made clear in the Commission Communication, what is required is a modernisation of pension systems to ensure their
financial sustainability and capacity to meet their social objectives, to improve the incentives provided
to older workers to stay in the labour market and to cater for changes in society and the preferences
of individuals. The Commission also stresses the need for broad dialogue and consensus amongst all
parties concerned.


(2002/C 40 E/88)

WRITTEN QUESTION E-1717/01
by Erik Meijer (GUE/NGL) to the Commission

(14 June 2001)

Subject: Protection of European products against American commercial advantages arising from the
rejection of the Kyoto climate convention

1. Does the Commission share my belief that the USA, which are responsible for 25 % the world’s
climatic problems, will for the duration of the current Presidential term of office ending in 2005 continue
to refuse to adhere to the commitments made at Kyoto in 1997 regarding CO₂ emissions and the warming
of the planet resulting therefrom in order to protect the climate?

2. Does the Commission consider that a viable protocol can be drawn up in the short term without the
participation of the USA leaving the possibility open for the USA to adopt it under a future government?

3. Can the Commission confirm that American undertakings will enjoy an advantage on the world
markets, both because they shall not have to take the same measures as their European competitors and
because their profit margin will not be reduced through environmental taxes, so that they shall be able to
supply similar goods at a lower price than European countries adhering to the climate convention?

4. In this regard, can the Commission provide a forecast of the commercial advantages which the USA
is likely to enjoy in the short term by leaving later generations to shoulder the burden? Does the signing of
the Kyoto convention entail any advantages for the European economy vis-à-vis that of the USA?

5. What does the Commission intend to do to counteract the American commercial advantage over
Europe resulting from a deficient government policy which in practice constitutes concealed state aid?

6. Does the Commission have a preference for import levies or for export subsidies in this regard? Does
the position of the WTO play any role in this respect? What does the Commission base any such
preference on and how shall decisions in this regard be taken in future?

Answer given by Mrs Wallström on behalf of the Commission

(3 September 2001)

The Commission hopes that the United States will at some stage come back into the Kyoto process and
Protocol. The Community will take the lead by implementing the 8 % reduction commitment and working
towards ratification. At the same time it will continue diplomatic efforts and work with other partners to
achieve entry into force of the Kyoto Protocol by 2002.

The outcome of the second part of the Sixth Conference of the Parties to the UN Framework Convention
on Climate Change in Bonn in July, represents a major step forward towards the entry-into-force of the
Kyoto Protocol by all Parties who support the Protocol. It contains no particular impediments to a future
ratification of the Protocol by the US. Although demonstrable progress has to be achieved by 2005, the
Kyoto commitments will constrain countries’ emissions only as of 2008.