Concerning the state guarantees to various organisations, it should be noted that they are not counted in the general government debt unless they are called.

In order to assess the government indebtedness, what is relevant is the level of the general government consolidated gross debt at the end of the year and the evolution of the debt to GDP ratio. As the general government debt ratio is influenced by several factors (like the primary balance, the rate of growth of nominal GDP and other autonomous factors including financial operations and privatisation proceeds), the results from the implementation of the budget as well as the level of borrowing of the State in the first quarter of the year do not give a reliable indication on the government debt ratio at the end of the year.

As quarterly government accounts are not yet available, checking the reasons of the observed increase is not possible. However, the observed increase in the central government borrowing in the first quarter of 2003 does not necessarily indicate unexpected overruns in the level of the general government debt to GDP ratio at the end of the year. In fact, as it might be the specific case, it may reflect a front-loaded borrowing strategy based on certain market conditions and therefore a normalisation of the borrowing profile in the course of the year should not be excluded.

(2004/C 51 E/175)

WRITTEN QUESTION E-1911/03
by Johannes Blokland (EDD) and Rijk van Dam (EDD) to the Commission
(12 June 2003)

Subject: Possible effects on competition policy of the Court of Justice's judgments in cases C-469/00 and C-108/01

On 20 May 2003 the Court delivered its judgments in cases C-469/00 and C-108/01, both of which concerned the application and implementation of provisions on protected designations of origin (PDO) for foodstuffs, namely 'Grana Padano' cheese and 'Prosciutto di Parma' ham.

Is the Commission aware of the substance of these judgments?

Does the Commission share the view that the product dossiers on which the Court's judgments were based authorise such extensive protection measures that there are justifiable fears that they will not contribute to the effective operation of the internal market?

Is the Commission prepared to evaluate the potential effects on the internal market of provisions in PDO product dossiers and to review such provisions and dossiers if they have disproportionately negative effects on the internal market?

Answer given by Mr Fischler on behalf of the Commission
(4 August 2003)

The Commission is aware of the two judgments that the Court of Justice handed down on 20 May 2003 in cases C-108/01 and C-469/00, respectively concerning the protected designations of origin 'Prosciutto di Parma' and 'Grana Padano'.

The Commission agrees with the Court of Justice's analysis that the measures contained in the specifications requiring certain operations such as grating, slicing and packaging of the products to be undertaken in the geographical area of production, are measures whose effect is equivalent to a quantity restriction (which is banned by the principle of the free movement of goods) but they benefit from one of the derogations provided for in the EC Treaty in that they are justified on the grounds of protecting industrial and commercial property, in this case, designations of origin. The measures in question are balanced and needed to protect the respective PDOs.
The PDOs, as industrial and commercial property rights, must be protected against abusive use of the designations by third parties wishing to profit from the reputation they have acquired. The measures are balanced and needed to preserve the quality features and characteristics of the products, thus protecting the reputation of the designations of origin involved.

When examining each application for registration the Commission is especially careful to ensure that certain provisions in the specifications — regarding packaging, for example — are in fact balanced and needed to protect the designation. This analysis ensures that abuses do not arise that would hamper the free circulation of goods.

The Commission has not noticed disproportionate effects on the internal market. As for the request to review the provisions of PDO specifications, the Commission has powers to do so only when it has received a request from the Member State concerned.

(2004/C 51 E/176) WRITTEN QUESTION E-1922/03
by María Izquierdo Rojo (PSE), Pedro Aparicio Sánchez (PSE), Juan Izquierdo Collado (PSE) and Fernando Pérez Royo (PSE) to the Commission
(12 June 2003)

Subject: Administrative situation with regard to the Breña II dam

The Guadalquivir basin suffers a serious structural water shortage, which has an enormous adverse socio-economic impact. The lack of security of supply of water for irrigation leads to loss of investment in regions such as Andalucia, which is defined as an Objective 1 region by the European Union.

The Breña II dam is not only backed by economic operators and representatives of civil society linked to the agricultural sector, such as the farmers in the Guadalquivir basin and farmers’ organisations (ASAJA, COAG and UPA), but also by workers’ trade unions (CC.OO. and UGT), consumers (UCE-UCA), provincial councils in the region (Cordoba, Granada, Jaen and Seville), the Andalucian regional government, the Spanish government itself and the Andalucian Parliament.

All this is because the dam, combined with the current policy of modernising irrigated land and improving the use and management of the scarce water resources available, is the only way of remedying the water shortage in the Guadalquivir basin.

In November 2001 the Spanish Government forwarded to the Commission, in accordance with Council Directive 92/43/EEC(1) on the conservation of natural habitats, the project for the Breña II dam and the plans for compensation and corrective measures, as well as justification for the reasons of overriding public interest making the dam necessary.

As the Commission well knows, the dam in question not only has the support and approval of the environmental authorities of the Spanish Government and the Andalucian regional government, but also the lobby group for the protection of the Iberian lynx, which means that only the European Union’s approval is lacking.

In view of the above and the delay in settling this issue, can the Commission say why it has not yet given its final approval for the execution of this water supply project of vital importance for Andalucia? What conditions has the Spanish Government not yet fulfilled? When does the Commission envisage settling the issue once and for all?