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Information and Notices

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I

(Information)

COUNCIL

COUNCIL OPINION

of 8 February 1999

on the stability programme of Italy, 1999-2001

(1999/C 68/01)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1466/97 of 7 July 1997 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies [1], and in particular Article 5(1) and (2) thereof,

Having regard to the recommendation of the Commission,

After consulting the Economic and Financial Committee,

HAS DELIVERED THIS OPINION:

On 8 February 1999 the Council examined Italy's stability programme, which covers the period 1999-2001. The Council notes that the objectives in the Italian stability programme go in the direction of meeting the requirements of the Stability and Growth Pact. The Council notes that the programme, which was the basis for the 1999 budget act agreed by the Italian Government and approved by the Italian Parliament, is based on macroeconomic projections made than five months ago. The Italian authorities will revise these projections, in the light of the latest developments, on the occasion of the definition of the new three-year budget plan (2000-2002) which will be presented in May. The most likely outturn of the revision will be economic growth slower than previously expected, at least for 1999, and lower interest rates.

The Council notes with satisfaction that in spite of these revisions, the Italian Government intends to strengthen the progress achieved in public finance in recent years. The composition of the deficit between revenue and expenditure may be affected, but the Italian government remains committed to the overall target, in particular the reduction of the general government deficit by around half a percentage point of GDP per year, to reach 1 % of GDP in 2001. The reduction of the ratio of government debt to GDP is targeted to continue steadily, to reach a level of 107 % of GDP in 2001. These objectives are in line with the Council Recommendation of 6 July 1998 on the broad guidelines of the economic policies of the Member States and the Community [2]. The Council remarks, however, that the stability programme is based on the same macroeconomic framework as the Document for Economic and Financial Planning 1999-2001 (DPEF) presented in May 1998. This framework now seems clearly too optimistic as regards growth in the initial years of the programme.

The Council considers that the strategy of budgetary consolidation presented in the programme, based on the stabilisation of the primary surplus at a high level (5,5 % of GDP) and on the reduction of current expenditure as a percentage of GDP, in parallel with some easing of the fiscal burden and an expansion of fixed capital expenditure goes in the right direction, particularly in view of the need to foster growth and employment in Italy. The strategy is in line with the announcement made by the Italian Government in April 1998, to reduce the public deficit to 1 % of GDP in 2001, to keep the primary surplus until 2001 above 5,5 % of GDP and to reduce the debt below 100 % of GDP in 2003. The Council encourages the Italian Government to pursue it with determination.

The measures included in the 1999 Budget Law seem broadly consistent with the overall budgetary strategy. However, the Council notes that there are risks that the deficit target of 2 % of GDP for 1999 could be missed, namely because of lower-than-projected growth, which also negatively affected the 1998 deficit outturn. In this event, the 1999 outcome would have a negative impact on the following two years. Thus, reaching the objective

[1] OJ L 209, 2.8.1997, p. 1.

[2] OJ L 200, 16.7.1998, p. 34.

of 1 % of GDP in 2001 could require additional corrective measures on a larger scale than identified in the programme. The Council welcomes the commitment on the part of the Italian government to take such additional measures if needed.

The Council recalls that, besides the maintenance of a high primary surplus, Italy should seize all opportunities to secure a faster decline in the debt ratio. To that end, the Council considers that any additional budgetary savings arising from interest payments lower than expected in the programme should be used to confirm and possibly tighten the announced budgetary targets, even in a scenario of weaker economic growth. But as the dynamics of the debt are highly sensitive to the growth performance, the negative impact of weaker growth should be limited as much as possible, namely through a higher contribution from privatisation receipts. Therefore, the Council invites the Italian Government to accelerate its privatisation plans.

The Council takes note that the Italian government is targeting the stabilisation of pension expenditure as a percentage of GDP in the years covered by the programme. The commitment to adopt corrective measures if unexpected deviations from the projections are detected is particularly welcome, as current developments in pension expenditure give some reason for concern. Moreover, the Council underlines that the expected increase in the ratio of pension outlays to GDP after 2003 will weaken the Government's financial position in the medium term. Therefore, the Council encourages the Italian authorities to re-assess the reform of the pension system.

The Council notes that the envisaged medium-term deficit target of 1 % of GDP in 2001 would allow Italy, in the event of a normal cyclical downturn, to let the automatic stabilisers work without any large risk of exceeding the 3 % of GDP reference value. In this sense it is compatible with the requirements of the Stability and Growth Pact. However, a lower deficit would be recommended, notably in order to accelerate the reduction in the debt ratio. The Council also takes note that Italy intends to meet these requirements fully by the year 2002.

COUNCIL OPINION

of 8 February 1999

on the stability programme of Portugal, 1999-2002

(1999/C 68/02)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1466/97 of 7 July 1997 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies [1], and in particular Article 5(1) and (2) thereof,

Having regard to the recommendation of the Commission,

After consulting the Economic and Financial Committee,

HAS DELIVERED THIS OPINION:

On 8 February 1999 the Council examined Portugal's Stability Programme which covers the period 1999-2002. The programme envisages a decline in the general government budget deficit to 0,8 % of GDP by 2002, while the gross debt ratio is expected to decrease to 53,2 % of GDP. The Council notes with satisfaction that the programme builds on the budgetary consolidation realised in the run-up to EMU and commends the regular achievement of better-than-targeted budgetary outcomes. The Council notes, however, that in 1998, in view of the above trend growth and a strong fall in interest payments, only a small reduction in the budget deficit was achieved.

The central macroeconomic scenario underlying the programme assumes output growth to decline from its

(1) OJ L 209, 2.8.1997, p. 1.

current high rate towards growth close to trend during the latter part of the projection period. The Council considers that this scenario appears plausible but notes that there are risks. On the one hand, short-term downside risks are related to the current international economic situation. On the other, the regime change implied by monetary union will continue to exert substantial expansionary effects which should lead to stronger domestic demand, allowing Portugal to catch up faster. To secure such a development, inflationary pressures, which could turn out stronger than expected, should be resolutely addressed by economic policy, in particular budgetary policy and further wage moderation.

The Council notes that the envisaged medium-term deficit target of 0,8 % of GDP would allow Portugal, in the event of a normal cyclical downturn, to let the automatic stabilisers work without any large risk of exceeding the 3 % of GDP reference value. In this sense it is compatible with the requirements of the Stability and Growth Pact. A wider safety margin could be advocated to provide for unforeseen shocks in economic activity or in government finances. The Council welcomes the commitment of the Portuguese authorities to undertake the appropriate corrective actions if necessary. The Council notes, moreover, that in view of the current high level of economic activity in Portugal a faster decline in the deficit ratio would have been compatible with the Council's declaration of 1 May 1998. Such an option would also have been preferable under the aspect of a balanced macroeconomic policy mix. The Council supports, however, the Portuguese Government's emphasis on the role of investment, particularly in infrastructure, in its overall goal of real convergence and welcomes the fact that that government investment is kept at high and rising levels over the planning horizon.

The Council acknowledges the need of a catching-up country like Portugal to expand expenditure in areas which are essential to its development, such as the upgrading of its human capital and infrastructure. To match this need for additional expenditure in these areas with the requirements of sound government finances, the Council invites the Portuguese Governement to finance them through savings in other areas.

A critical element of the government strategy is that the envisaged budgetary consolidation is predominantly due to an increase in current revenue while the contribution of expenditure will be comparatively small. The increase in revenue will be the result primarily of continued efforts to improve the tax administration. The Council considers it appropriate that the Portuguese Government seeks to exploit the room that still exists to enhance the efficiency of the tax administration while continuing to avoid discretionary tax increases. The Council notes, nevertheless, that a budgetary consolidation based on current primary expenditure restraint compatible with the priorities of the Portuguese Government would have been more in keeping with its Recommendations [1] on the Broad Economic Policy Guidelines of the Member States for 1998.

The Council welcomes the planned budgetary and structural reform measures that are outlined in the programme. The envisaged reform measures appear appropriate and in line with the Recommendation on the Broad Economic Policy Guidelines. The Council encourages the Portuguese Government to implement the reforms expeditiously and effectively as this will be crucial for the achievement of the goals set in the stability programme.

(1) OJ L 200, 16.7.1998, p. 34.

COUNCIL OPINION

of 8 February 1999

on the convergence programme of Sweden, 1998-2001

(1999/C 68/03)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1466/97 of 7 July 1997 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies [1], and in particular Article 9(1) and (2) thereof,

Having regard to the recommendation of the Commission,

After consulting the Economic and Financial Committee,

HAS DELIVERED THIS OPINION:

On 8 February 1999 the Council examined Sweden's Convergence programme which covers the period 1998 to 2001. The programme envisages continued government surpluses throughout the period to 2001 as the authorities make further progress towards their medium term objective of a budget surplus of 2 % of GDP over the cycle. The Council considers this target to be appropriate, especially in view of the projected ageing of the population and also welcomes the emphasis in the programme on securing macroeconomic stability. At the same time the Council considers that the programme is in line with the Broad Economic Policy Guidelines of the Member States agreed at the Cardiff Council.

In the macroeconomic framework of the programme GDP growth is projected at 2,4 % per annum. The Council considers that although the growth profile in the convergence programme implies some increase in the potential growth rate of the Swedish economy, this nevertheless seems realistic and attainable in light of the record of economic performance of recent years.

Sweden comfortably fulfils the inflation convergence criterion at present. The outlook for inflation remains good and expectations for inflation have for several years been consistent with price stability. Given Sweden's historical wage-setting pattern, the Council recommends vigilance with regard to wage developments. The Council also encourages Sweden to continue to pursue its inflation target in such a way as to ensure consistency with the ECB's objective of price stability.

Sweden has also fulfilled the long-term interest rate convergence criterion for some time. This reflects the improving stability of the Swedish economy and the recognition of the stability-oriented macroeconomic policy as well as recent success in budgetary consolidation. However, the enhanced credibility of the economic policy background has not yet fully translated into exchange rate stability. Moreover, the Council notes that qualification for EMU will require that Sweden demonstrate its ability to stay in line with an appropriate parity between the krona and the euro over a sufficient period of time without severe tensions. To this end, the Council expects Sweden to decide to join the ERM2 in due course.

The Council welcomes the convergence programme's aim of continuing the recent record of budgetary consolidation through the achievement of growing government surpluses. The budgetary targets of the programme provide a safety margin for the general government budget not to breach the 3 % of GDP reference value in normal circumstances. Therefore, the Council considers that Sweden is in compliance with the requirements of the Stability and Growth Pact. The Council welcomes the measures taken to improve the control of government expenditure, as recommended in the Broad Economic Policy Guidelines. The Council also welcomes the recent decline in the government debt ratio and notes that the government gross debt ratio in expected to fall below 60 % of GDP in 2001.

The Council considers that the programme's objective of increasing the employment ratio is welcome, especially as this should help broaden the tax base and thereby increase the scope for reductions in the tax burden. In addition, the Council welcomes the objective of increasing the employment ratio and urges the authorities to focus on private sector employment creation in pursuing this target. The Council notes that the recent efforts in structural reform have not been mentioned at length in the programme; also, the programme does not provide details of future directions in structural reform and little detail is given with regard to government investment priorities and strategy. The Council recommends that Sweden continue to build on the structural reforms of recent years and particularly welcomes the proposed reform of the pensions system which, in light of the projected ageing of the population, is of importance to the long-term stability of the public finances.

(1) OJ L 209, 2.8.1997, p. 1.

COUNCIL OPINION

of 8 February 1999

on the convergence programme of the United Kingdom, 1997-1998 to 2003-2004

(1999/C 68/04)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1466/97 of 7 July 1997 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies ([1]), and in particular Article 9(1) and (2) thereof,

Having regard to the recommendation of the Commission,

After consulting the Economic and Financial Committee,

HAS DELIVERED THIS OPINION:

On 8 February 1999 the Council examined the United Kingdom's Convergence programme which covers the period 1997-1998 to 2003-2004. The programme envisages a government surplus of 0,8 % of GDP in 1998-1999 and public finances close to balance in the remaining years of the programme. The Council considers it appropriate that the programme emphasises the securing of macro-economic stability supported by budgetary consolidation and continued structural reform. Moreover, the Council considers that the programme is fully in line with the Broad Economic Policy Guidelines.

The programme is built upon a macroeconomic forecast showing a deceleration in the strong domestic demand led growth of recent years towards real GDP growth of 1 to 1½ % in 1999 but for growth to recover subsequently to 2¾ to 3¼ % in 2001 and remain around trend thereafter. The Council acknowledges that the growth scenario appears realistic and notes that growth at the top end of the forecast range is based, *inter alia*, on the success of the government's labour market policies and the delivery of a reduction in the sustainable rate of unemployment. Moreover, the projections in the programme for the public finances are, for reasons of caution, based on the lower end of the growth range. The Council notes the government's commitment to a framework in which monetary policy is applied promptly, with the support of budgetary policy, with a view to achieving a less volatile growth profile.

With respect to inflation, the United Kingdom continues to fulfil the convergence criterion with some margin. The Council notes that the monetary framework of inflation targeting, with operational responsibility for interest rate changes given to the Bank of England, has been an important condition for securing low inflation expectations. The outlook is for inflation to remain low with downward pressure on domestically generated inflation in the near term. The Council urges that the United Kingdom's inflation target be achieved over the programme period; it is encouraged that such an outturn is likely to be consistent with the ECB's definition of price stability.

The United Kingdom has fulfilled the convergence criterion on the long-term interest rate for some time. This emphasises the credibility given by markets to the United Kingdom's stability oriented framework for macroeconomic policy. However, it is too soon to conclude that this policy framework has, as yet, reduced exchange rate volatility. Therefore the Council recommends that the United Kingdom continue with these policies with a view to securing exchange rate stability which, in turn, should help re-enforce a stable economic environment.

The Council takes note of the programme's budgetary objectives and its expectation of their achievement over the programme period to 2003-2004. It notes with approval that the public finances are projected to be close to balance in underlying terms over the programme period thus fulfilling the medium term requirements of the Stability and Growth Pact. This budgetary objective is intended to be achieved by announced tax policies that will raise the ratio of receipts to GDP a little over the programme period, while maintaining a ratio below that of the European Union on average, and by the adherence to the firm expenditure plans over the medium term. The Council welcomes the raising of government investment as a share of GDP within the expenditure totals. It also notes that the move to three-year allocations of departmental expenditure should help ensure

([1]) OJ L 209, 2.8.1997, p. 1.

that the tight budgetary position is locked in over the economic cycle.

The Council notes that the Government gross debt ratio in the United Kingdom remains below 60 % of GDP and is expected to fall below 50 % in 1998-1999. The Council welcomes the envisaged further reduction of the gross debt ratio to around 40 % of GDP by 2003-2004.

The Council welcomes the structural reforms included in the programme. It notes, with approval, the programme's emphasis of these reforms, together with the macro-economic reforms and the reforms to the public finances. In particular the labour market reforms should build on earlier reforms which have secured an unemployment rate in the United Kingdom well below the European Union average.

COMMISSION

Euro exchange rates [1]

10 March 1999

(1999/C 68/05)

1 euro	=	7,433	Danish krone
	=	321,3	Greek drachma
	=	8,8925	Swedish krona
	=	0,6746	Pound sterling
	=	1,0953	United States dollar
	=	1,6607	Canadian dollar
	=	131,74	Japanese yen
	=	1,6014	Swiss franc
	=	8,5435	Norwegian krone
	=	78,756	Icelandic króna [2]
	=	1,7237	Australian dollar
	=	2,0461	New Zealand dollar
	=	6,74979	South African rand [2]

(1) *Source:* reference exchange rate published by the ECB.
(2) *Source:* Commission.

Average prices and representative prices for table wines at the various marketing centres

(1999/C 68/06)

(Established on 9 March 1999 for the application of Article 30(1) of Regulation (EEC) No 822/87)

Type of wine and the various marketing centres	EUR per % vol/hl	% of GP º
*R I Guide price**	3,828	
Heraklion	No quotation	
Patras	No quotation	
Requena	No quotation	
Reus	No quotation	
Villafranca del Bierzo	No quotation (1)	
Bastia	No quotation	
Béziers	4,589	120 %
Montpellier	4,604	120 %
Narbonne	4,802	125 %
Nîmes	4,665	122 %
Perpignan	4,549	119 %
Asti	No quotation	
Florence	No quotation	
Lecce	No quotation	
Pescara	No quotation	
Reggio Emilia	No quotation	
Treviso	3,615	94 %
Verona (for local wines)	No quotation	
Representative price	4,574	119 %
*R II Guide price**	3,828	
Heraklion	No quotation	
Patras	No quotation	
Calatayud	No quotation	
Falset	No quotation	
Jumilla	No quotation (1)	
Navalcarnero	No quotation (1)	
Requena	No quotation (1)	
Toro	No quotation	
Villena	No quotation (1)	
Bastia	No quotation	
Brignoles	No quotation	
Bari	No quotation	
Barletta	No quotation	
Cagliari	5,061	132 %
Lecce	No quotation	
Taranto	No quotation	
Representative price	5,061	132 %
	EUR/hl	
*R III Guide price**	62,150	
Rheinpfalz-Rheinhessen (Hügelland)	No quotation (1)	

Type of wine and the various marketing centres	EUR per % vol/hl	% of GP º
*A I Guide price**	3,828	
Athens	No quotation	
Heraklion	No quotation	
Patras	No quotation	
Alcázar de San Juan	2,827	74 %
Almendralejo	2,885	75 %
Medina del Campo	No quotation (1)	
Ribadavia	No quotation	
Villafranca del Penedés	2,837	74 %
Villar del Arzobispo	No quotation (1)	
Villarrobledo	No quotation	
Bordeaux	No quotation	
Nantes	No quotation	
Bari	No quotation	
Cagliari	No quotation (1)	
Chieti	No quotation	
Ravenna (Lugo, Faenze)	2,789	73 %
Trapani (Alcamo)	No quotation	
Treviso	3,228	84 %
Representative price	2,831	74 %
	EUR/hl	
*A II Guide price**	82,810	
Rheinpfalz (Oberhaardt)	37,575	45 %
Rheinhessen (Hügelland)	46,016	56 %
The wine-growing region of the Luxembourg Moselle	No quotation	
Representative price	40,027	48 %
*A III Guide price**	94,570	
Mosel-Rheingau	No quotation	
The wine-growing region of the Luxembourg Moselle	No quotation	
Representative price	No quotation	

(1) Quotation not taken into account in accordance with Article 10 of Regulation (EEC) No 2682/77.
* Applicable from 1.2.1995.
º GP = Guide price.

Notice of the impending expiry of certain anti-dumping measures

(1999/C 68/07)

1. The Commission gives notice that, unless a review is initiated in accordance with the following procedure, the anti-dumping measures mentioned below will expire on the date mentioned in the table below, as provided in Article 11(2) of Council Regulation (EC) No 384/96 of 22 December 1995 (1) on protection against dumped imports from countries not members of the European Community, as last amended by Council Regulation (EC) No 905/98 (2).

2. **Procedure**

Community producers may lodge a written request for a review. This request must contain sufficient evidence that the removal of the measures would be likely to result in a continuation or recurrence of dumping and injury.

Should the Commission decide to review the measures concerned, importers, exporters, representatives of the exporting country and Community producers will then be provided with the opportunity to amplify, rebut or comment on the matters set out in the review request.

3. **Time limit**

Community producers may submit a written request for a review on the above basis, to reach the Commission of the European Communities, Directorate-General I — External Relations: Commercial Policy and Relations with North America, the Far East, Australia and New Zealand (Division I-C-2), rue de la Loi/Wetstraat 200, B-1049 Brussels (3) at any time from the date of the publication of the present notice but no later than three months before the date mentioned in the table below.

4. This notice is published in accordance with Article 11(2) of Regulation (EC) No 384/96.

Product	Country(ies) of origin or exportation	Measures	Reference	Date of expiry
Certain magnetic disks (3,5″ micro-disks)	Republic of Korea Hong Kong	Duty	Regulation (EC) No 2199/94 (OJ L 236, 10.9.1994)	11.9.1999

(1) OJ L 56, 6.3.1996, p. 1.
(2) OJ L 128, 30.4.1998, p. 18.
(3) Telex COMEU B 21877; fax (32-2) 295 65 05.

Non-opposition to a notified concentration

(Case No IV/M.1380 — Siebe/BTR)

(1999/C 68/08)

(Text with EEA relevance)

On 13 January 1999, the Commission decided not to oppose the above notified concentration and to declare it compatible with the common market. This decision is based on Article 6(1)(b) of Council Regulation (EEC) No 4064/89. The full text of the decision is only available in English and will be made public after it is cleared of any business secrets it may contain. It will be available:

— as a paper version through the sales offices of the Office for Official Publications of the European Communities (see list on the last page),

— in electronic form in the 'CEN' version of the CELEX database, under document number 399M1380. CELEX is the computerised documentation system of European Community law; for more information concerning subscriptions please contact:

EUR-OP,
Information, Marketing and Public Relations (OP/4B),
2, rue Mercier,
L-2985 Luxembourg.
Tel. (352) 29 29-42455, fax (352) 29 29-42763.

Non-opposition to a notified concentration

(Case No IV/JV.14 — Panagora/DG Bank)

(1999/C 68/09)

(Text with EEA relevance)

On 26 November 1998, the Commission decided not to oppose the above notified concentration and to declare it compatible with the common market. This decision is based on Article 6(1)(b) of Council Regulation (EEC) No 4064/89. The full text of the decision is only available in English and will be made public after it is cleared of any business secrets it may contain. It will be available:

— as a paper version through the sales offices of the Office for Official Publications of the European Communities (see list on the last page),

— in electronic form in the 'CEN' version of the CELEX database, under document number 398J014. CELEX is the computerised documentation system of European Community law; for more information concerning subscriptions please contact:

EUR-OP,
Information, Marketing and Public Relations (OP/4B),
2, rue Mercier,
L-2985 Luxembourg.
Tel. (352) 29 29-42455, fax (352) 29 29-42763.

Prior notification of a concentration

(Case No IV/M.1467 — Rohm and Haas/Morton)

(1999/C 68/10)

(Text with EEA relevance)

1. On 2 March 1999, the Commission received notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89 (1), as last amended by Regulation (EC) No 1310/97 (2), by which the undertaking Rohm and Haas Company (Rohm and Haas) acquires within the meaning of Article 3(1)(b) of the Regulation control of the whole of the undertaking Morton International Inc. (Morton) by way of public bid filed on 5 February 1999.

2. The business activities of the undertakings concerned are:

— Rohm and Haas: performance polymers, chemical specialities and electronic materials,

— Morton: manufacture and marketing of specialty chemicals and salt.

3. On preliminary examination, the Commission finds that the notified concentration could fall within the scope of Regulation (EEC) No 4064/89. However, the final decision on this point is reserved.

4. The Commission invites interested third parties to submit their possible observations on the proposed operation.

Observations must reach the Commission not later than 10 days following the date of this publication. Observations can be sent by fax (No (32-2) 296 43 01 or 296 72 44) or by post, under reference IV/M.1467 — Rohm and Haas/Morton, to the following address:

European Commission,
Directorate-General for Competition (DG IV),
Directorate B — Merger Task Force,
Avenue de Cortenberg/Kortenberglaan 150,
B-1040 Brussels.

(1) OJ L 395, 30.12.1989, p. 1; corrigendum: OJ L 257, 21.9.1990, p. 13.
(2) OJ L 180, 9.7.1997, p. 1; corrigendum: OJ L 40, 13.2.1998, p. 17.

Prior notification of a concentration

(Case No IV/M.1475 — Dexia/Crediop)

(1999/C 68/11)

(Text with EEA relevance)

1. On 3 March 1999, the Commission received notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89 (1), as last amended by Regulation (EC) No 1310/97 (2), by which the Dexia group (Crédit Local de France and Crédit Communal de Belgique) acquires, within the meaning of Article 3(1)(b) of the Regulation, control of the whole of Crediop SpA by way of purchase of shares.

2. The business activities of the undertakings concerned are:

— Dexia: banking and financial activities, principally loans to local authorities and public bodies,

— Crediop SpA: loans to local authorities.

3. On preliminary examination, the Commission finds that the notified concentration could fall within the scope of Regulation (EEC) No 4064/89. However, the final decision on this point is reserved.

4. The Commission invites interested third parties to submit their possible observations on the proposed operation.

Observations must reach the Commission not later than 10 days following the date of this publication. Observations can be sent by fax (No (32-2) 296 43 01 or 296 72 44) or by post, under reference IV/M.1475 — Dexia/Crediop, to the following adress:

European Commission,
Directorate-General for Competition (DG IV),
Directorate B — Merger Task Force,
Avenue de Cortenberg/Kortenberglaan 150,
B-1040 Brussels.

(1) OJ L 395, 30.12.1989, p. 1; corrigendum: OJ L 257, 21.9.1990, p. 13.
(2) OJ L 180, 9.7.1997, p. 1; corrigendum: OJ L 40, 13.2.1998, p. 17.

Notice of initiation of an anti-dumping proceeding concerning imports of video tapes on reels originating in the Republic of Korea

(1999/C 68/12)

The Commission has received a complaint pursuant to Article 5 of Council Regulation (EC) No 384/96 (1), as last amended by Council Regulation (EC) No 905/98 (2) (hereinafter referred to as the 'Basic Regulation'), alleging that imports of video tapes on reels, originating in the Republic of Korea, are being dumped and are thereby causing material injury to the Community industry.

1. **Complaint**

The complaint was lodged on 25 January 1999 by the Video Pancake Manufacturers Association (VIPAM) (hereinafter referred to as 'complainant') on behalf of producers representing a major proportion, that is to say more than 70 % of the total Community production of video tapes on reels.

2. **Product**

The product allegedly being dumped is video tapes on reels, uncut with a width exceeding 12,65 mm or cut with a width of 12,65 mm, currently classifiable within CN code ex 8523 13 00. This code is only given for information.

3. **Allegation of dumping**

The allegation of dumping for the Republic of Korea is based on a comparison of a constructed normal value with the export prices of the product concerned to the Community.

On this basis, the dumping margin calculated is significant.

4. **Allegation of injury**

The complainant has provided evidence that imports of the product concerned from the Republic of Korea have increased overall in absolute terms and in terms of market share.

It is alleged that the volumes and the prices of the imported product concerned have, among other consequences, had a negative impact on the quantities sold and the level of prices charged by the Community producers, resulting in substantial adverse effects on the overall performance, the financial situation and the employment situation of the Community industry.

5. **Procedure for the determination of dumping and injury**

Having determined, after consulting the Advisory Committee, that the complaint has been lodged by or on behalf of the Community industry and that there is sufficient evidence to justify the initiation of a proceeding, the Commission hereby initiates an investigation pursuant to Article 5 of the Basic Regulation.

(a) *Questionnaires*

In order to obtain the information it deems necessary for its investigation, the Commission will send questionnaires to the complainant Community producers and to the associations of producers in the Community, to importers, to any representative association of exporting producers and importers named in the complaint and to the authorities of the Republic of Korea.

Exporting producers and importers are invited to contact the Commission forthwith in order to find out whether or not they are listed in the complaint. In the latter case, they should as soon as possible, but not later than 15 days after publication of this notice in the *Official Journal of the European Communities*, request a copy of the questionnaire, as all questionnaires have to be completed within the time limit set out in paragraph 7(a) of this notice. Any request for questionnaires must be made in writing to the address mentioned below and should indicate the name, address, telephone, fax and/or telex numbers of the interested party.

(b) *Collection of information and holding of hearings*

All interested parties are hereby invited to make their views known in writing and to provide supporting evidence.

Furthermore, the Commission may hear interested parties, provided that they make a request in writing and show that there are particular reasons why they should be heard.

6. **Community interest**

In accordance with Article 21 of the Basic Regulation and in order that a decision may be reached as to whether, in the event that the allegations of dumping

(1) OJ L 56, 6.3.1996, p. 1.
(2) OJ L 128, 30.4.1998, p. 18.

and injury are substantiated, the adoption of anti-dumping measures would be in the Community interest, the complainant Community producers, importers, their representative associations and representative users may, within the general time limit set in paragraph 7(a) of this notice, make themselves known and provide the Commission with information. It should be noted that any information submitted pursuant to this Article will only be taken into account if supported by factual evidence at the time of submission.

7. **Time limits**

(a) *General time limit*

Interested parties, if their representations are to be taken into account during the investigation, must make themselves known, present their views in writing and submit information, unless otherwise specified, within 40 days from the date of the publication of this notice in the *Official Journal of the European Communities*. Interested parties may also apply to be heard by the Commission within the same time limit. The time limit applies to all interested parties, including the parties not named in the complaint, and it is consequently in the interest of these parties to contact the Commission without delay.

(b) *Commission address for correspondence:*

European Commission,
Directorate-General I,
External Relations: Commercial Policy and Relations with North America, The Far East, Australia and New Zealand,
Directorates C and E,
DM 24 — 8/37,
Rue de la Loi/Wetstraat 200,
B-1049 Brussels,
Fax (32-2) 295 65 05,
Telex COMEU B 21877.

8. **Non-cooperation**

In cases in which any interested party refuses access to or does not provide the necessary information within the time limits, or significantly impedes the investigation, provisional or final findings, affirmative or negative, may be made in accordance with Article 18 of the Basic Regulation, on the basis of the facts available.

EUROPEAN ECONOMIC AREA

EFTA SURVEILLANCE AUTHORITY

Authorisation for State aid pursuant to Article 61 of the EEA Agreement and Article 1(3) of Protocol to the Surveillance and Court Agreement

EFTA Surveillance Authority decision not to raise objections

(1999/C 68/13)

Date of adoption:	3.12.1998
EFTA State:	Norway
Aid No:	98-011
Title:	Individual award of aid to Mabo AS
Objective:	Aid for regional development within the map of assisted areas for Norway
Legal basis:	Circular letter H-3/96, S.nr. 93/4414 U, January 1994, from the Ministry of Local Government and Labour, and Rules for the local enterprise fund in Surnadal municipality
Aid intensity:	8,6 % nge of the investment costs in fixed production assets
Amount of aid:	Aid from local enterprise fund, municipality of Surnadal: NOK 2,52 million
Duration:	Individual award of aid