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EN

I

(Information)

COUNCIL

COUNCIL OPINION

of 19 January 2001

on the updated convergence programme of Sweden, 2000 to 2003

(2001/C 73/01)

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 9(3) thereof,

Having regard to the recommendation of the Commission,

After consulting the Economic and Financial Committee,

HAS DELIVERED THIS OPINION:

On 19 January 2001 the Council examined Sweden's updated convergence programme, which covers the period 2000 to 2003. The Council notes with satisfaction that the updated programme envisages continued government surpluses throughout the period to 2003 as the Swedish authorities maintain their-medium term objective of a budget surplus of 2 % of gross domestic product (GDP) on average over the business cycle. The strategy of lowering the expenditure ratio, aided by tight expenditure ceilings and a balanced budget requirement for local governments, is accompanied by a lowering of the tax ratio. The Council considers this budgetary strategy appropriate. The Council further notes with satisfaction that the debt ratio is expected to fall below the reference value of 60 % of GDP in 2000, and to continue to fall substantially over the remainder of the programme period.

The macroeconomic scenario presented in the programme, with GDP growth of 3,9 % and 3,5 % for the years 2000 and 2001, appears realistic but for the years 2002 and 2003 no forecasts are presented and the update assumes a cautious 2,1 % GDP growth, considered to be the trend growth rate.

The budgetary surpluses targeted in the updated programme provide a large enough safety margin for the general government balance not to breach the 3 % of GDP deficit reference value in normal circumstances. The Council considers that Sweden continues to comply with the requirements of the Stability and Growth Pact. Furthermore, the Council welcomes the attention given in the programme to the long-term sustainability of public finances. The Council notes that Sweden's strategy on this hinges on maintaining a surplus of 2 % of GDP over a period of 15 years. By lowering debt and interest payments this will make room to cover much of the costs of ageing to be faced in later years. The Council also encourages Sweden to pursue other routes to restrict expenditure, since the programme recognises that Sweden may have difficulties in maintaining a tax ratio that is markedly higher than in most other countries.

The Council notes that Sweden at present comfortably fulfils the convergence criterion on price stability and that the continued achievement of the domestic inflation target is likely to be consistent with the European Central Bank objective for price stability. Trends in Swedish long-term interest rates in recent years clearly reflect the favourable development of economic fundamentals, which is expected to continue in the future. Following from this, the spread of Swedish long-term

⁽¹⁾ OJ L 209, 2.8.1997, p. 1.

interest rates against euro rates has narrowed during 2000, and Sweden continues to fulfil the interest rate convergence criterion. Regarding the exchange rate, although the krona has displayed less volatility in recent years, the Council reiterates that Sweden needs to 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, as stated in its opinion on the updated 1999 convergence programme⁽¹⁾, expects Sweden to decide to join the ERM2 in due course.

In an environment of strong economic growth, continued wage moderation remains an important factor of stability and a moderate outcome of the wage negotiation round for 2001 and 2002 will be crucial in this respect. The indications are that new wage agreements should result in only slightly higher wage increases, but the risks are on the upside. In this context, the Council encourages Sweden to direct fiscal policy so that it supports monetary policy in the achievement of the

inflation target, in line with the broad economic policy guidelines. While inflationary pressures have remained low in 2000 and are expected to be contained during 2001, there is a risk that the economy might overheat and threaten price stability if wage moderation were to weaken. In such a case, an expansionary fiscal stance in 2001 and 2002 would be inappropriate in the face of an economy where output is above or close to potential.

In order to obtain higher and sustainable economic growth, the strategy of previous programmes is continued and structural measures are being undertaken with a view to enhance the supply side of the economy. Among these measures, the lowering of the very high tax burden will provide better incentives to encourage people to work, consistent with the broad economic policy guidelines. The Council welcomes these structural measures and encourages the Swedish Government to continue these initiatives with determination and especially continue to reduce the high tax burden.

⁽¹⁾ Council opinion of 31 January 2000 on the updated convergence programme of Sweden, 1999 to 2002 (OJ C 60, 2.3.2000, p. 5).

COUNCIL RESOLUTION**of 12 February 2001****national aid to the film and audiovisual industries**

(2001/C 73/02)

THE COUNCIL OF THE EUROPEAN UNION,

1. RECALLING that the Community takes cultural aspects into account in its action under other Treaty provisions in order, in particular, to respect and promote the diversity of its cultures;
2. RECALLING that aid to promote culture and heritage conservation may, where it does not affect trading conditions and competition in the Community to an extent that is contrary to the common interest, be regarded as compatible with the common market;
3. RECALLING the powers of the Commission under Article 88 of the Treaty;
4. RECALLING the Protocol on the application of the principles of subsidiarity and proportionality annexed to the Treaty;
5. EMPHASISING that the mandate given to the Commission at the meeting of the General Affairs Council on 26 October 1999 states that 'during the forthcoming WTO negotiations the Union will ensure, as in the Uruguay Round, that the Community and its Member States maintain the right to preserve and to develop their capacity to define and implement their cultural and audiovisual policies for the purpose of preserving their cultural diversity';
6. RECALLING the decisions of the Commission concerning several national aid mechanisms for the film and audiovisual industries;
7. RECALLING the Commission communication of 14 December 1999 on principles and guidelines for the Community's audiovisual policy in the digital age, and NOTING the Commission's intention to present a communication on the film industry in which it will set out general guidelines for the application of State aid to this sector;
8. REFERRING to the symposium on European cultural industries in the digital age, organised in Lyons on 11 and 12 September 2000, during which participants emphasised the need for the Member States to maintain and implement national arrangements to support cultural industries;
9. RECALLING the discussions on the question of national aid at the meeting of the Council of Ministers for Culture on 26 September 2000;
10. EMPHASISES that, as the Commission has acknowledged:
 - (a) the audiovisual industry is a cultural industry par excellence;
 - (b) national aid to the film and audiovisual industries is one of the chief means of ensuring cultural diversity;
 - (c) the objective of cultural diversity presupposes the industrial fabric necessary to satisfy that objective and justifies the special nature of national aid to the film and audiovisual industries, adapted to the specific circumstances involved;
 - (d) these statements are particularly true in the case of the development of the audiovisual industry in countries or regions where production capacity is low and/or the linguistic or geographical area is limited;
 - (e) the European film and audiovisual sector is suffering from structural weaknesses, including under-capitalisation of undertakings, fragmentation of national markets, which are dominated by non-European productions, and poor transnational circulation of European works; the national and European support systems for this sector have a complementary and essential role to play in solving these problems;

11. REAFFIRMS, in consequence and in the light of all the above, that:
- (a) the Member States are entitled to conduct national policies to support the creation of film and audiovisual products;
 - (b) national aid to the film and audiovisual industries may contribute to the emergence of a European audiovisual market;
 - (c) appropriate means of increasing legal certainty for these arrangements for preserving and promoting cultural diversity should be examined;
 - (d) consequently, the dialogue between the Commission and the Member States should be continued;
12. INVITES the Commission to brief the Council on the state of its reflections as soon as possible and, at all events, at the end of 2001.
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COUNCIL RESOLUTION**of 12 February 2001****on the application of national fixed book-price systems**

(2001/C 73/03)

THE COUNCIL OF THE EUROPEAN UNION,

1. RECALLING that the Community should take cultural aspects into account in its actions, in particular in order to respect and to promote the diversity of its culture;
2. RECALLING that in its Decision of 21 August 1997 and later in its Resolution of 8 February 1999, echoed by the Cologne European Council on 3 and 4 June 1999, it recognised the dual character of books as the bearers of cultural values and as merchandise, and the need for a balanced assessment of the cultural and economic aspects of books;
3. RECALLING the freedom of each Member State, in its policy on books and reading, to decide whether or not to apply a national statutory or contractual book-price system;
4. CONSIDERING the attachment of several Member States to national fixed-price systems for books, as a way of taking into account the specific cultural and economic character of books and of giving readers access, under optimum conditions, to the widest possible supply;
5. RECALLING the Decisions and the positions taken by the Commission on the subject, and particularly the letter dated 12 November 1998 from the Members of the Commission responsible for culture and for competition to the Ministers of Cultural Affairs;
6. TAKING NOTE of the proceedings of the Conference on the Book Market in the European Cultural Area held in Strasbourg on 29 and 30 September 2000, which helped to delve deeper into the singular nature of books, developments in their distribution, ways of regulating

book markets and the impact of digital technology on their economic aspects;

7. REAFFIRMS that homogeneous linguistic areas are an important area for distributing books and add a cross-border dimension to the book market, which needs to be taken into account;
8. CONSIDERS that the emergence of e-commerce, changing the legal and economic landscape of the book sector, may extend the dissemination of books but may also affect, *inter alia*, existing national fixed book-price systems;
9. CONSIDERS that, under these circumstances, achieving the cultural objectives pursued by the existing national fixed book-price systems requires account to be taken of the cross-border dimension of certain book markets, in accordance with Community law;

INVITES THE COMMISSION:

- (a) when applying competition rules and rules on the free movement of goods, to take account of the specific value of the book as a cultural object and the importance of books in promoting cultural diversity, and of the cross-border dimension of the book market;
- (b) when examining national rules and agreements on fixed book prices, insofar as they affect trade between the Member States, to pay particular attention to:
 - the risk of the development of evasion,
 - the consequences of the development of e-commerce,
 - questions relating to imports between countries practising fixed book-price systems.

COUNCIL RESOLUTION

of 12 February 2001

on architectural quality in urban and rural environments

(2001/C 73/04)

THE COUNCIL OF THE EUROPEAN UNION,

Desirous of improving the quality of the day-to-day environment in the life of European citizens,

I.

1. RECALLING the objectives assigned to the European Community under Article 151 of the Treaty;
2. RECALLING Directive 85/384/EEC⁽¹⁾, which states in particular that 'architecture, the quality of buildings, the way in which they blend in with their surroundings, respect for the natural and urban environment and the collective and individual cultural heritage are matters of public concern';
3. RECALLING the Council Conclusions of 10 November 1994 on the Commission communication concerning European Community action to promote culture⁽²⁾;
4. RECALLING the Council Conclusions of 21 June 1994 on the cultural and artistic aspects of education⁽³⁾;
5. RECALLING the Council Resolution of 4 April 1995 on culture and the multimedia⁽⁴⁾;
6. RECALLING the Council Conclusions of 17 December 1999 on the culture industries and employment in Europe⁽⁵⁾;
7. TAKING NOTE of the Presidency conclusions of the informal meeting of Environment Ministers in Oporto on 15 and 16 April 2000, which emphasise the importance of the quality of built-up areas;
8. NOTING the holding on 10 and 11 July 2000 of a European Architectural Policies Forum which brought together representatives of the professions and authorities in charge of architectural matters in the fifteen Member States;
9. WELCOMING the Community and intergovernmental discussions which have taken place for a number of years on architectural heritage and the built, spatial and social environment, and more especially:
 - (a) the fifth research and development framework programme (RDFP) which, for the first time, incorporates a 'key action' on the theme of 'the city of tomorrow and cultural heritage' and addresses the issue of establishing a good-quality building environment;
 - (b) the 'Framework for action: sustainable urban development in the European Union' submitted by the Commission, which includes the preservation and improvement of building quality as an objective of the European Union;
 - (c) the European Spatial Development Perspective (ESDP), which evokes the concept of 'creative management of the architectural heritage', including contemporary architecture, in an approach to preserving the cultural and architectural heritage.

HEREBY AFFIRMS THAT:

- (a) architecture is a fundamental feature of the history, culture and fabric of life of each of our countries; that it represents an essential means of artistic expression in the daily life of citizens and that it constitutes the heritage of tomorrow;
- (b) architectural quality is a constituent part of both the rural and urban environment;
- (c) the cultural dimension and the quality of the physical treatment of space should be taken into account in Community regional and cohesion policies;

⁽¹⁾ Council Directive 85/384/EEC of 10 June 1985 on the mutual recognition of diplomas, certificates and other evidence of formal requirements in architecture, including measures to facilitate the effective exercise of the right of establishment and freedom to provide services (OJ L 223, 21.8.1985, p. 15).

⁽²⁾ OJ C 348, 9.12.1994, p. 4.

⁽³⁾ OJ C 229, 18.8.1994, p. 1.

⁽⁴⁾ OJ C 247, 23.9.1995, p. 1.

⁽⁵⁾ OJ C 8, 12.1.2000, p. 10.

(d) architecture is an intellectual, cultural, artistic and professional activity. Architectural service therefore is a professional service which is both cultural and economic.

HEREBY EXPRESSES ITS ATTACHMENT TO:

(a) the common characteristics shared by European towns and cities, such as the importance of historical continuity, the quality of public areas, the social mix and the richness of urban diversity;

(b) the fact that good quality architecture, by improving the living context and the relationship between citizens and their environment, whether rural or urban, can contribute effectively towards social cohesion and job creation, the promotion of cultural tourism and regional economic development.

II.

HEREBY ENCOURAGES THE MEMBER STATES TO:

(a) intensify their efforts to improve the knowledge and promotion of architecture and urban design, and to make contracting authorities and the general public more aware of and better trained in appreciation of architectural, urban and landscape culture;

(b) take into account the specific nature of architectural service in the decisions and measures which require it;

(c) promote architectural quality by means of exemplary public building policies;

(d) foster the exchange of information and experience in the field of architecture.

III.

CALLS ON THE COMMISSION TO:

(a) ensure that architectural quality and the specific nature of architectural service are taken into consideration in all its policies, measures and programmes;

(b) seek, in consultation with the Member States and in accordance with the rules governing the Structural Funds, ways and means of ensuring in the application of those funds a wider consideration of architectural quality and the conservation of cultural heritage;

(c) in the context of existing programmes:

— foster measures to promote, disseminate and raise awareness of architectural and urban cultures with due respect for cultural diversity,

— facilitate cooperation and networking between institutions devoted to upgrading cultural heritage and architecture, and support incipient European-scale events,

— encourage, in particular, the training and mobility of students and professionals and thus promote the dissemination of good practice;

(d) keep the Council informed of the implementation of such measures.

II

(Preparatory Acts)

COUNCIL

Initiative of the Portuguese Republic with a view to adopting a Council Regulation reserving to the Council implementing powers with regard to certain detailed provisions and practical procedures for carrying out border checks and surveillance

(2001/C 73/05)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 62(2)(a) and (b) and Article 67(1) thereof,

Having regard to the initiative of the Portuguese Republic⁽¹⁾,

Having regard to the opinion of the European Parliament⁽²⁾,

Whereas:

- (1) The Common Manual⁽³⁾ has been established with a view to implementing the provisions of Title II, Chapter 2, of the Convention, signed in Schengen on 19 June 1990, implementing the Schengen Agreement of 14 June 1985 on the gradual abolition of checks at the common borders, hereinafter referred to as 'the Convention'.
- (2) The crossing by persons of the external borders of those States which have decided to abolish checks at their internal borders, including the rules and arrangements with which those States must comply when carrying out

checks on persons at external borders, surveillance of border areas and cooperation with the services responsible for border control, is a matter covered by Article 1 of the Council Decision of 17 May 1999 on certain arrangements for the application of the Agreement concluded by the Council of the European Union and the Republic of Iceland and the Kingdom of Norway concerning the association of those two States with the implementation, application and development of the Schengen *acquis*⁽⁴⁾ and in respect of which closer cooperation has been authorised.

- (3) Certain detailed provisions and practical procedures for carrying out border checks and surveillance at the external borders of Member States participating in the closer cooperation referred to in Article 1 of the Schengen Protocol, contained in the Common Manual and the Annexes thereto, must be adopted and regularly amended and updated to meet the operational requirements of the relevant border authorities.
- (4) Various provisions of Title II, Chapter 2, of the Convention, and in particular Article 8 thereof, provide for implementing decisions to be taken by the Executive Committee, established by the Schengen agreements adopted before 1 May 1999, for which the Council has now been substituted, pursuant to Article 2 of the Schengen Protocol. Pursuant to Article 1 of that Protocol, cooperation in the context of the Schengen *acquis* is to be conducted within the institutional and legal

⁽¹⁾ OJ C ...

⁽²⁾ OJ C ...

⁽³⁾ Listed under reference SCH/Com-ex (99) 13 in Annex A to Council Decision 1999/435/EC of 20 May 1999 (OJ L 176, 10.7.1999, p. 1).

⁽⁴⁾ OJ L 176, 10.7.1999, p. 31.

framework of the European Union and with respect for the relevant provisions of the Treaty on European Union and of the Treaty establishing the European Community.

provisions of Title IV of the Treaty establishing the European Community, and in particular Articles 62(2)(a), and 67 thereof,

(5) It is therefore appropriate to set out in a Community act the procedure by which such implementing decisions should be taken.

HAS ADOPTED THIS REGULATION:

Article 1

(6) Since the Member States have an enhanced role in respect of the development of border policy, reflecting the sensitivity of this area, in particular involving political relations with third countries, the Council reserves the right, during the transitional period of five years referred to in Article 67(1) of the Treaty establishing the European Community, to adopt, amend and update the detailed provisions and practical procedures referred to above by unanimity, pending a review by the Council of the conditions under which such implementing powers would be conferred on the Commission after the end of this transitional period.

1. The Council, acting unanimously, at the initiative of one of its members or on a proposal from the Commission, shall amend, as necessary, Part I, points 1.2, 1.3, 1.3.1, 1.3.3, 2.1, 3.1.2, 3.1.3, 3.1.4, 3.2.4, 4.1, 4.1.1, 4.1.2, and Part II, points 1.1, 1.3, 1.4.1, 1.4.1a, 1.4.4, 1.4.5, 1.4.6, 1.4.7, 1.4.8, 2.1, 2.2.2, 2.2.3, 2.2.4, 2.3, 3.1, 3.2, 3.3.1, 3.3.2, 3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.4, 3.5, 4.1, 4.2, 5.2, 5.3, 5.4, 5.5, 5.6, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 6.10 and 6.11 of the Common Manual as well as Annexes 8 and 9 thereto.

(7) Some of those provisions and procedures require confidential treatment in order to prevent risk of abuse.

2. To the extent that such amendments concern confidential provisions and procedures, the information contained therein shall be made available only to authorities designated by the Member States and to persons duly authorised by each Member State or by the institutions of the European Union, or otherwise entitled to obtain access to such information.

(8) It is also necessary to provide for a procedure whereby the members of the Council and the Commission are informed without delay of all amendments to those Annexes of the Common Manual which consist, in whole or in part, of lists of factual information which must be provided by each Member State in accordance with the rules which it currently applies, and which therefore do not fall to be adopted, amended or updated by an act of the Council.

Article 2

1. Each Member State shall communicate to the Secretary-General of the Council such amendments as it wishes to make to point 1.3.2 of Part I and to Annexes 1, 2, 3, 12 and 13 of the Common Manual.

(9) Those elements of the Common Manual and the Annexes thereto which are not subject to amendment by either of the procedures provided in this Regulation and which do not correspond to any elements of the Common Consular Instructions on Visas for the Diplomatic Missions and Consular Posts (hereinafter 'Common Consular Instructions')⁽¹⁾ which may be amended pursuant to the provisions of Regulation (EC) .../2001⁽²⁾ shall be amended in accordance with the

2. Amendments made pursuant to paragraph 1 shall be deemed to take effect as of the date on which the Secretary-General communicates those amendments to the members of the Council and to the Commission.

Article 3

The Secretariat-General of the Council shall be responsible for the preparation of revised versions of the Common Manual and the Annexes thereto, in order to incorporate amendments made pursuant to the provisions of Articles 1 and 2 of this Regulation and pursuant to Regulation (EC) No .../2001, in respect of those elements of the Common Consular Instructions which correspond to certain Annexes to the Common Manual. It shall transmit these versions to the Member States as necessary.

⁽¹⁾ Listed under reference SCH/Com-ex (99) 13 in Annex A to Decision 1999/435/EC.

⁽²⁾ Council Regulation (EC) No .../2001 of ... reserving to the Council implementing powers with regard to certain detailed provisions and practical procedures for examining visa applications (OJ L ...).

Article 4

Amendments to Annexes 4, 5, 5a, 6, 6a, 6b, 6c, 8a, 10, 11, 14a and 14b of the Common Manual shall be made in accordance with the provisions of Regulation (EC) No .../2001.

This Regulation shall be binding in its entirety and directly applicable in all the Member States.

Done at ...

Article 5

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Communities*.

For the Council

The President
