

Official Journal

of the European Union

ISSN 1725-2423

C 36

Volume 46

15 February 2003

English edition

Information and Notices

Notice No	Contents	Page
	<i>I Information</i>	
	Commission	
2003/C 36/01	Euro exchange rates	1
2003/C 36/02	Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee, the Committee of the Regions and the European Central Bank — The introduction of euro banknotes and coins — one year after	2
2003/C 36/03	Notice of initiation of an expiry and an interim review of the antidumping measures applicable to imports of glyphosate originating in the People's Republic of China	18
2003/C 36/04	Authorisation for State aid pursuant to Articles 87 and 88 of the EC Treaty — Cases where the Commission raises no objections	22
2003/C 36/05	Initiation of proceedings (Case COMP/M.2947 — Verbund/Energie Allianz) ⁽¹⁾	24
2003/C 36/06	Prior notification of a concentration (Case COMP/M.3081 — Michelin/Viborg) ⁽¹⁾	25
2003/C 36/07	Non-opposition to a notified concentration (Case COMP/M.2917 — Wendel-KKR/Legrand) ⁽¹⁾	26
2003/C 36/08	Non-opposition to a notified concentration (Case COMP/M.3052 — ENI/Fortum Gas) ⁽¹⁾	26
2003/C 36/09	Non-opposition to a notified concentration (Case COMP/M.2881 — Koninklijke BAM NBM/HBG) ⁽¹⁾	27

II Preparatory Acts

.....



<u>Notice No</u>	Contents (continued)	Page
	III <i>Notices</i>	
	Commission	
2003/C 36/10	Fourth call for proposals for Asia Urbs issued by the European Commission	28
2003/C 36/11	Call for proposals for the Asia IT & C programme issued by the European Commission	30
	Corrigenda	
2003/C 36/12	Corrigendum to the Court of Auditors' Annual Report concerning the financial year 2000 — Report on the activities financed from the general budget, together with the institutions' replies (OJ C 359, 15.12.2001)	32

I

(Information)

COMMISSION

Euro exchange rates ⁽¹⁾

14 February 2003

(2003/C 36/01)

1 euro =

Currency		Exchange rate	Currency		Exchange rate
USD	US dollar	1,0793	LVL	Latvian lats	0,6246
JPY	Japanese yen	130,04	MTL	Maltese lira	0,4215
DKK	Danish krone	7,4318	PLN	Polish zloty	4,161
GBP	Pound sterling	0,6677	ROL	Romanian leu	35217
SEK	Swedish krona	9,1066	SIT	Slovenian tolar	231,2224
CHF	Swiss franc	1,4692	SKK	Slovak koruna	41,972
ISK	Iceland króna	83,58	TRL	Turkish lira	1795000
NOK	Norwegian krone	7,5355	AUD	Australian dollar	1,8186
BGN	Bulgarian lev	1,9527	CAD	Canadian dollar	1,6393
CYP	Cyprus pound	0,58028	HKD	Hong Kong dollar	8,4179
CZK	Czech koruna	31,387	NZD	New Zealand dollar	1,9549
EEK	Estonian kroon	15,6466	SGD	Singapore dollar	1,8929
HUF	Hungarian forint	245,45	KRW	South Korean won	1298,99
LTL	Lithuanian litas	3,4522	ZAR	South African rand	9,0055

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

COMMUNICATION FROM THE COMMISSION TO THE COUNCIL, THE EUROPEAN
PARLIAMENT, THE ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE
REGIONS AND THE EUROPEAN CENTRAL BANK

The introduction of euro banknotes and coins — one year after

(2003/C 36/02)

1. EXECUTIVE SUMMARY

Almost one year after the introduction of the euro banknotes and coins the euro has found its place in the daily life of Europe's citizens.

According to the Eurobarometer survey conducted in November 2002, the majority of Europeans feel happy with the euro. There are five times more persons indicating not having any problems, compared to those, who indicate still having some difficulties. The large majority of people quickly got used to the euro cash: 92,8 % find it easy to handle banknotes and more than two-thirds (68,8 %) have no problems handling the euro coins. The vast majority of Europeans believe that the number of existing denominations for banknotes (83,7 %) and for coins (53,5 %) is just right.

The citizens are now well acquainted with the coins from other euro area countries. Especially in regions along the borders, in big cities and in tourist areas, a rising share of the coins in circulation are of 'foreign' origin. The different national faces of the coins are clearly a source of interest and 92,6 % of the respondents confirm that they have no difficulties with the variety of coins. Many citizens have actually started to collect them. The interest of coin collectors was also directed towards the 80 'genuine' euro collector coins that were issued during 2002 by different Member States and which are not destined for regular payment purposes.

The introduction of euro banknotes and coins had an impact on the use of the euro outside the euro area, not only in Europe but also in other parts of the world. Among others, the behaviour of European travellers favours this development: 53 % of them indicate taking euro cash with them when leaving the euro area, as opposed to only 16 % taking US dollars. It appears that payment with euro cash is regularly accepted in the three Member States outside the euro area (Denmark, Sweden and the United Kingdom) as well as in the 12 accession countries, although this practice is usually confined to the capitals and to tourist areas. Some shopkeepers even display prices in euro. In certain areas in the Balkan region, such as Montenegro and Kosovo, the euro is de facto used as the local currency, often as replacement for the former German mark. On the other continents, the introduction of euro notes and coins also had some impact, although on a more limited scale. Apart from the French overseas departments which are geographically located outside Europe but form part of the EU, and where the euro replaced the French franc, the euro is also accepted as a means of payment in the tourist areas of some American, Asian and

African countries, sometimes in connection with the display of prices in euro.

In some countries, citizens linked the euro changeover to significant price increases. This perception is actually not confirmed by hard facts. In particular, a detailed statistical analysis of price evolution based on the harmonised index of consumer prices (HIPC) indicates that the impact of the introduction of euro banknotes and coins on prices ranges between 0,0 % and 0,20 %. Further analysis demonstrates the existence of a clear gap between perceived and measured inflation; this is explained by significant price increases of certain frequently bought goods and services (there are indeed clear indications that prices have gone up in the service sector, particularly in restaurants, hotels, bars, etc.), which are more relevant for the formation of consumers' perceptions.

Whether the introduction of euro cash has influenced the payment habits of the population is not clear at this stage. A significant increase in the use of non-cash payments has been noticed in the course of 2002, but it is difficult to attribute this shift exclusively to the introduction of the euro. The average amount withdrawn at ATMs (automatic teller machines) also seems to have increased.

The recent Eurobarometer survey confirms that the 'mental conversion' of the Europeans is underway but far from completed: 42,2 % of the consumers already calculate mainly in euro, but this percentage drops to 12,5 % when important purchases are being made (e.g. a house or a car), as most people continue to calculate in national currencies for such important transactions. Retailers are still using the dual display of prices, as it is still appreciated by certain categories of consumers, particularly those who are still calculating in national currency. While a small majority (50,6 %) of consumers no longer wants shopkeepers to display prices in old and new currency, 47,2 % still prefer the dual display of prices. At the same time, it should be recognised that a continued dual display of prices inevitably delays the mental changeover to the euro and even risks becoming counterproductive for a smooth transition. **In agreement with Euro-commerce, the Commission therefore recommends to the retail sector to discontinue the dual display by 30 June 2003 at the latest**, while informing their customers well in advance of this change. The same approach is recommended in other sectors where prices and amounts are still being displayed in national currency and in euro. This is, for instance, the case on the invoices of certain companies and on the account statements provided by financial institutions to their customers.

THE INTRODUCTION OF EURO BANKNOTES AND COINS — ONE YEAR AFTER

FACTS AND FIGURES FOR THE EURO AREA

OCTOBER 2002

	Banknotes	Coins
Total circulation		
Total cash in circulation (number)	7,42 billion notes	38,2 billion coins
Total cash in circulation (value)	EUR 320,9 billion	EUR 11,9 billion
Total value as a share of GDP	4,54 %	0,17 %
Per capita figures		
Average number per person	24,7 notes	126,5 coins
Average value per person	EUR 1 062,8	EUR 39,4
Most popular euro banknote/coin		
Total number (% of total)	EUR 50 (28,8 %)	1 cent (17,4 %)
Total value (% of total)	EUR 50 (33,4 %)	EUR 2 (39,8 %)
Collector coins (*)		
Total number of different coins issued		80 (30 gold, 50 silver coins)
Smallest denomination		25 cents
Biggest denomination		EUR 400
(*) Collector coin figures refer to the entire year 2002.		

2. THE CHANGEOVER TO THE EURO: A GREAT SUCCESS

One year after the introduction of euro banknotes and coins, the euro has become part of our daily life. The present communication deals with the various practical aspects of the euro, in particular the euro banknotes and coins. It follows the Commission Communication COM(2002) 124 of 6 March 2002, which reviewed the introduction of euro notes and coins. The economic impact of the euro, as the single currency of the 12 Member States of the euro area, is not covered here but is discussed in Commission Communication 'The euro area in the world economy — developments in the first three years' (COM(2002) 332 of 19 June 2002). Finally, the introduction of the euro should also be seen as an important step towards the completion of the Internal Market. The forthcoming Communication 'The Internal Market — 10 years without frontiers' reports on the occasion of the 10th anniversary of this major achievement.

3. BANKNOTES AND COINS IN CIRCULATION IN THE EURO AREA

3.1. Banknotes

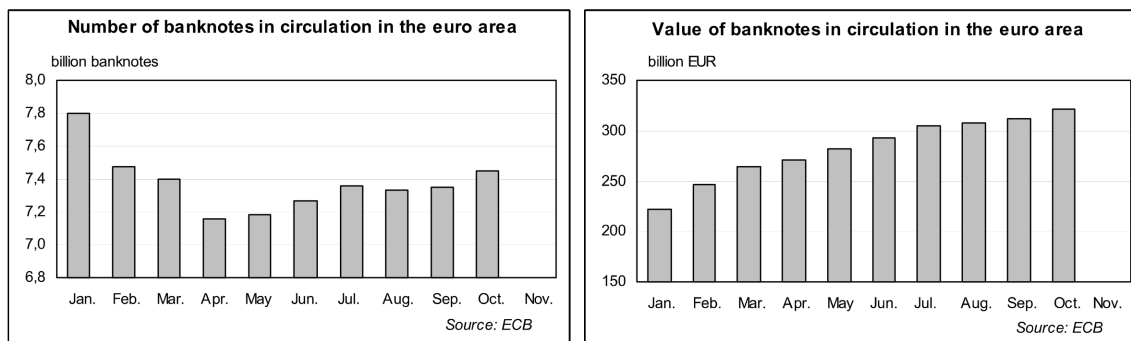
At the beginning of January 2002 the national central banks of the euro area have put into circulation approximately 7,8 billion euro banknotes. In the course of the year, the amount in circulation dropped until spring (7,16 billion) and rose almost steadily afterwards until the end of October to 7,42 billion (see graph 1 below).

This temporary decrease of notes in circulation can firstly be explained by a certain degree of prudence during the front-loading operation in order to ensure a smooth changeover: most banks and retailers ordered significant reserve stocks,

since their needs for euro cash were necessarily based on estimates. Excess stocks flowed back to the central banks afterwards. Secondly, as retailers had committed themselves to giving change exclusively in euro, and as many citizens used retail outlets for exchanging old currency into new

currency (sometimes by buying a small item with a big banknote), retailers needed a lot more notes than usual since incoming national cash could not be recycled and used as change.

Graph 1

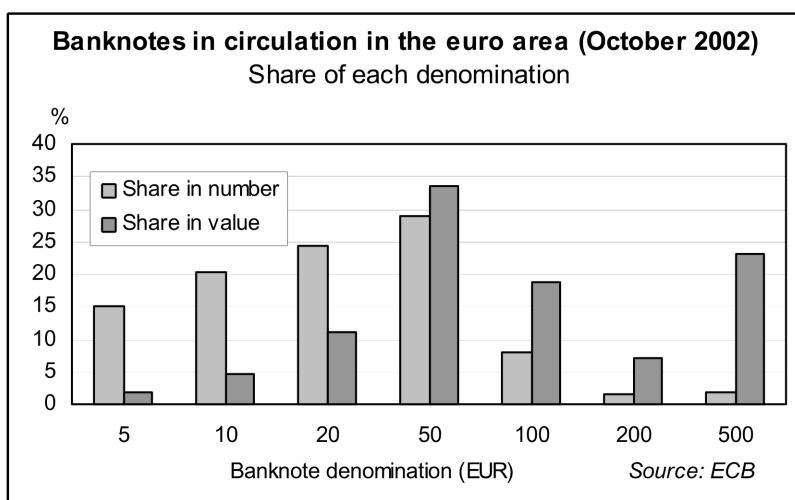


The total value of banknotes in circulation reached EUR 221,5 billion by the end of January 2002 and increased steadily to EUR 320,9 billion in October. This difference of evolution between the total number and total value can notably be explained by the focus that had been put on small denomination banknotes during the frontloading and dual circulation period. Apparently more small denomination banknotes than needed had been issued, and flowed back to the central banks afterwards.

These figures amounted to 24,7 banknotes per capita in circulation by the end of October, and corresponds to an amount of EUR 1 062,8 per capita. The total value of banknotes in circulation amounted to 4,5 % of GDP for the euro area as a whole.

Graph 2 shows the breakdown of banknotes in circulation by denomination in the euro area by the end of October.

Graph 2



The EUR 50 bill is the most common banknote, both in numbers and in total value and it represents one-third of the total value in circulation. In most countries it is the most frequently dispensed banknote by ATMs (automatic teller machines). This certainly reflects the preference of the cash users and the size of typical amounts spent for purchases.

The second most common banknote is the EUR 20 bill, which represents almost one-quarter of all banknotes. However, in value terms the EUR 500 bill holds the second rank. The two high denomination banknotes (EUR 200 and EUR 500) correspond to only 1,5 % and 2 % of all banknotes in circulation.

In some Member States, notably in Italy and Greece, some public discussion arose about the need for EUR 1 and EUR 2 banknotes, in addition or as a replacement for the EUR 1 and EUR 2 coins. However, the latest figures from the Eurobarometer (November) do not at all reflect this need. 83,7 % of the respondents indicated that the number of different denominations of banknotes was just right. Even 78 % of Italians and 68,5 % of Greeks held this view.

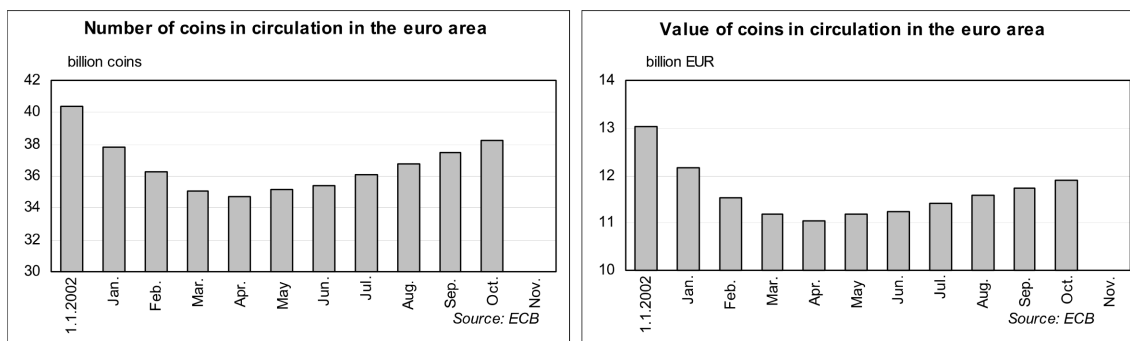
3.2. Coins

At the beginning of the year 2002 the central banks of the euro area put 40,4 billion coins into circulation. Already within the month of January, the quantity of coins in circulation dropped significantly to 37,8 billion (see graph below).

Coins in circulation continued to decline until April. Since then, a steady increase was measured reaching EUR 38,2 billion coins at the end of October 2002. In the case of coins, the evolution in value is similar to the evolution in number (see graph 3). Initially, a total value of EUR 13 billion coins was put into circulation in the euro area. The total reached a low of approximately EUR 11 billion in April before rising to EUR 11,9 billion at the end of October 2002.

The coins issued by Monaco (1/500th of the coins minted by France), San Marino (EUR 1 944 000) and Vatican City (EUR 670 000) also form part of the total volume of circulation coins.

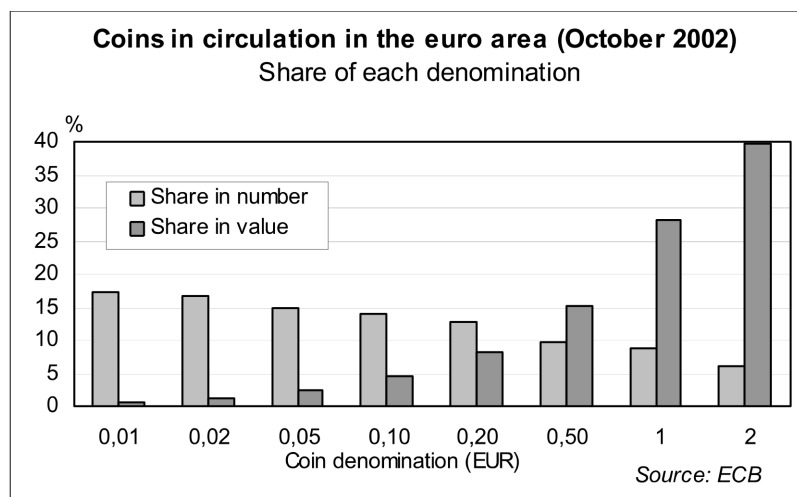
Graph 3



The number of coins put into circulation per capita in the euro area vary widely among euro area Member States, reflecting different national payment habits. On average, 134 euro coins per capita were put into circulation in the euro area at the beginning of the year representing an average value of EUR 43 per person. The total coin value in circulation represents 0,17 % of euro area GDP in October.

The quantity of euro coins in circulation is distributed relatively evenly among the different denominations. The least widespread coin is the EUR 2 coin, which represents 40 % of the total value in circulation. The two bi-metallic coins (EUR 1 and EUR 2) represent 68 % of the value of all coins in circulation. The small denominations (1- and 2-cent coins) have a share of 16,6 % and 17,4 % respectively. In value terms, they only represent 1,1 % and 0,6 % of the total value.

Graph 4



Some discussion on the usefulness of the small cent coins arose in Greece and Italy, in particular on the 1- and 2-cent coins. The number of coins in circulation per country does not however produce any evidence that the population does not use the small coins. For example, the share of the 1-cent coin in euro area countries ranges from 9,1 % to 21,3 % of all coins. For the 2-cent coin, the distribution is more equal and varies between 12,7 % and 18,8 %. In Finland the 1- and 2-cent coins have a limited use, as a Finnish law stipulates the rounding off of euro cash payments to the nearest five cents. Therefore the Finnish Mint produced limited quantities of the two smallest denominations, which are far below the average issue volume in other countries.

According to the latest Eurobarometer, the majority of the euro area population (53,5 %) believes that the number of different denominations is just right. Finally, it should be kept in mind that the small coins played an important role in helping to ensure that price conversions from national currency units could be done correctly, and at cent level.

3.3. Cross-border flows of euro banknotes and coins

Euro banknotes and coins can be used in the entire euro area; they are not confined to the country of origin. As a result, euro banknotes and coins have been 'migrating', and euro area citizens typically possess a mix of euro banknotes and coins from different Member States in their wallets or purses.

Euro banknotes and coins migrate for different reasons. A first reason is that citizens travelling abroad take some money with them, be it for business, vacation or just for cross-border shopping. In addition, banknotes and coins can be transported across borders during the redistribution process between national central banks, commercial banks and retailers. Foreign visitors and tourists from outside the euro area also contribute to the migration of the euro. When they order euro cash from their local bank before starting to travel, it will often have been bought by their bank in a different country than the one in which it is eventually going to be spent.

The mix of euro banknotes and coins from different countries will increase over time and possibly reach an equilibrium level, whereby the coin mix will more or less represent the share of each country in the total issue volume of the euro area. It is unclear though at which pace this will happen. However, some patterns are emerging. It appears that coins of different denominations mix at different rates and that the high-value coins are more prone to migration. The coin mix also depends to a certain extent on location. A higher percentage of foreign coins will typically be found in urban areas, as opposed to rural ones. In addition, people living near the border to another euro area country also have more foreign coins in

their wallets. In this respect, a study by the Austrian Central Bank reveals that on 10 September 2002, 11,8 % of the coins in Austria were of German origin, whereas in areas near the border the share of German coins amounted to 23,4 %.

3.4. Euro collector coins

For many European citizens and foreign tourists, the euro circulation coins have become a collector item because of the many national sides. However, it should be kept in mind that in many Member States a rich and ancient tradition exists of issuing collector coins for the purpose of celebrating special events or symbols of national importance. Like coins destined for circulation, collector coins are officially issued by the Member States, have a nominal (face) value and have legal tender status, although such coins are rarely used for payment purposes since their market value is usually much higher than their nominal value. Most are made out of precious metals like gold or silver.

This tradition is being maintained and developed, and collector coins issued by participating Member States are now all denominated in euro. While euro circulation coins have legal tender status throughout the euro area, it has been decided by Member States that euro collector coins will only enjoy legal tender status in the country of issue. Moreover, in order to avoid confusion, Member States had agreed not to produce euro collector coins during the transitional period (1999 to 2001), as the euro circulation coins had not yet been issued at that time. Since 2002, most euro area countries started to issue collector coins denominated in euro. As agreed among Member States, their technical specifications differ from the characteristics of 'normal' circulation coins in several respects, in order to avoid any kind of confusion for the public. Out of the colour, diameter and weight, at least two out of these three technical parameters, need to be different from those of the euro circulation coins. In addition, the face value of collector coins is always different from circulation coins, and the design of collector coins always differs from the design of euro circulation coins.

By the end of 2002, the total number of euro-denominated collector coins will amount to around 80, about 30 of them being gold coins. Most coins have been issued by France, Austria, Germany and Spain. The face value of these coins ranges from a 'quarter' (25 cents) to EUR 400, while the most common denominations are EUR 5, EUR 10 and EUR 20. This face value normally neither corresponds to the metal value nor to the selling price. The market value of these collector items of course hinges on the issuing volume, which is usually indicated at purchase and which can vary from very small volumes (e.g. 99 pieces) to unlimited editions.

Apart from these official coins, many public and private mints also produce and sell medals, which do not enjoy the status of legal tender. In order to avoid any kind of confusion with such medals, the Commission has issued a Recommendation to Member States on the protection of the euro coins. If similar in size to euro coins, these medals must not be denominated in euro, nor should they bear the euro symbol, or any design similar to the euro coins.

3.5. Euro commemorative coins

Commemorative coins represent another category of coins, which are also officially issued by the Member States. Such coins enjoy legal tender status in the entire euro area and are intended for circulation, although it should be noted that no euro commemorative coins have been issued so far. Their technical properties, dimensions and face value exactly correspond to those of euro circulation coins. The only difference is that the design on the national side is replaced by a special design, which commemorates a special event or depicts national landmarks. Usually the issue volumes of commemorative coins are limited, but sufficiently important to allow their circulation alongside the 'normal' coins. In order to allow the European citizens to familiarise themselves with the different national sides, and to avoid any possible confusion, it has been agreed among Member States that no commemorative coins will be issued during the early years following the introduction of euro banknotes and coins.

3.6. Nickel in euro coins

It is well known that a small fraction of the population is sensitive to the exposure of their skin to nickel; prolonged contact can even give rise to certain allergies. Although a few euro coins still contain some nickel, 85 % of all circulation coins are now nickel-free. Prior to the euro changeover, 75 % of the different national coins contained nickel, for instance, four out of eight coins in Germany, four out of five coins in Belgium, nine out of 10 coins in France and seven out of nine coins in Spain contained nickel and many of these coins were pure nickel coins. The number of coins containing nickel therefore dramatically decreased. Mainly for security reasons, the EUR 1 and EUR 2 coins contain a limited amount of nickel, located mostly in the central part of the coin and not on the surface of it. The use of nickel makes the euro coins less prone to counterfeiting and assures the reliable identification of the coins in vending machines.

While some confusion arose at the beginning of the year in relation to the nickel content of the euro coins and its possible effects upon sensitive users, it has now been firmly established that euro coins are extremely safe to use, even more so than most national coins. A recent study presented by Prof. Pierre-Gilles de Gennes, Nobel Prize winner for physics, confirms the

reduction of nickel ⁽¹⁾ This study, which was conducted under conditions that reflect the normal handling of coins, proves that the EUR 1 and EUR 2 coins release only about half as much nickel as some national coins.

3.7. Euro counterfeiting

In the course of 2002, many banks and foreign currency exchange offices started training their staff with regard to the security features of the new banknotes and coins in order to improve the detection of counterfeits and the fight against fraud. The Commission and the Member States have set up a network of institutions for the fight against counterfeiting. In collaboration with the ECB and Europol, this network assures the classification of all relevant information on counterfeit banknotes and coins.

Due to the state-of-the-art security features of the euro banknotes and coins, euro counterfeiting in 2002 remained at levels considerably lower than the legacy currencies in previous years. Indeed, the number of counterfeit euro banknotes and coins which have been discovered so far is extremely small, and, with very few exceptions, stem from 'amateur' operations. As far as banknotes are concerned, the figures released by the ECB for the first half of the year point to less than 22 000 false euro banknotes, 65 % of them being EUR 50 banknotes. This figure roughly corresponds to 7 % of the total number of counterfeited legacy currency recorded by the euro area national central banks during the same period in 2001; this figure moreover implies that less than one counterfeit per day has been recorded for every 59 million banknotes. The number of counterfeit coins is also extremely low. In the first semester of 2002 only 68 counterfeit coins were detected, an infinitesimal number compared to the more than 38 billion coins in circulation.

4. THE CITIZEN AND THE EURO ⁽²⁾

4.1. Public perception of the euro

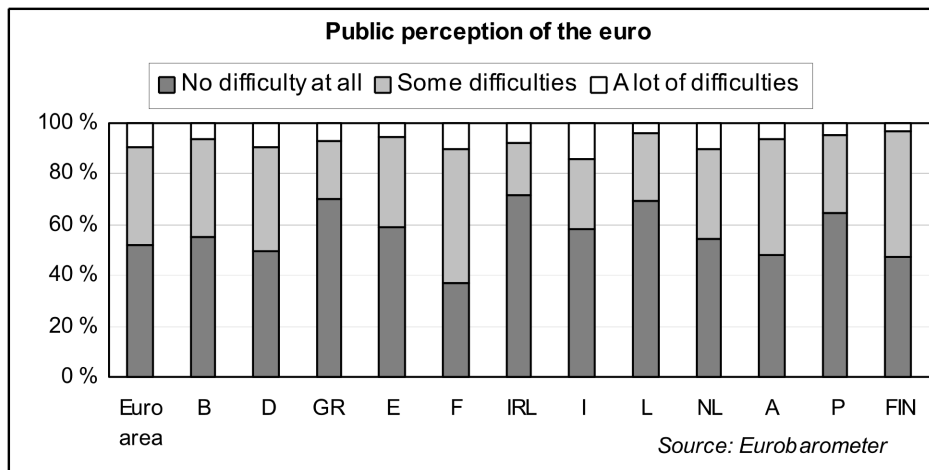
According to data collected through the Eurobarometer poll organised in November 2002, which is based on interviews with EUR 1 200 persons, the majority of people (51,5 %) in the euro area indicated having no difficulties at all with the use of the euro. This result ranges from 71,7 % in Ireland to 36,5 % in France. Only 9,5 % of the interviewees experience having a lot of difficulties (for country details see the graph below). The share of those who have no difficulties at all is higher among men (57 %) than among women (46,4 %). Inversely, the share of those who indicated having a lot of problems is higher among women (11,8 %) than among men (7,0 %).

⁽¹⁾ See Fournier, P-G., Govers, T.R., Fournier, J. and Abani, M.: Contamination by nickel and other metals resulting from the manipulation of coins — Comparison between French francs and euro, published in: *Comptes rendus de l'Académie des sciences: Physique*, Vol. 3 (2002), No 6, pp. 749-758.

⁽²⁾ The data used in sections 4(1) to 4(5) originates from the latest Eurobarometer (Flash EB 139, vol. AB, November 2002).

Question: Nowadays would you say that the euro still causes you a lot of problems, some problems or no difficulties at all?

Graph 5

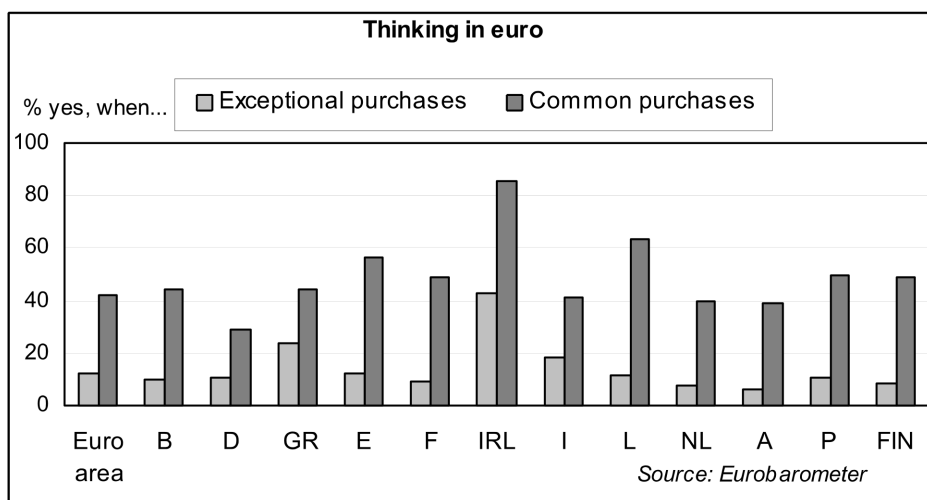


4.2. Thinking in euro

In November 2002 42,2 % of respondents calculate most often in euro when they purchase everyday goods. Conversely, 32,4 % still think more often in national currency when they do day-to-day shopping. The most adapted seem to be the Irish as 85,5 % of them base their decisions most often on euro calculations. Rates are much lower as far as major purchases are concerned. For purchases representing an important amount, e.g. a house or a car, only 12,5 % calculate most often in euro. Here again the Irish figure (43,1 %) is the furthest above average.

Question: Nowadays when doing your shopping, do you mentally count more often in euro, more often in national currency or as often in euro as in national currency, (count most often in euro in %)

Graph 6



4.3. Attitude towards the dual display of prices

The dual display of prices, both in euro and in national currency, considerably facilitated the changeover to the euro by allowing consumers to compare and judge prices. In November, a slight majority of the interviewees (50,6 %) no longer wanted shopkeepers to continue with the dual display of prices. On the other hand, 47,2 % took the opposite view and preferred a continued dual display of prices. Women expressed a stronger preference for keeping dual pricing (50,9 %) than men (43,1 %). A continued dual display of prices is a mixed blessing. On the one hand, it helps certain citizens to adapt to the new currency, but on the other hand it delays the mental conversion of the population to the euro. In some countries, it could even create some price confusion, particularly if the level of the conversion rate could induce the consumer into erroneous interpretations. This could be

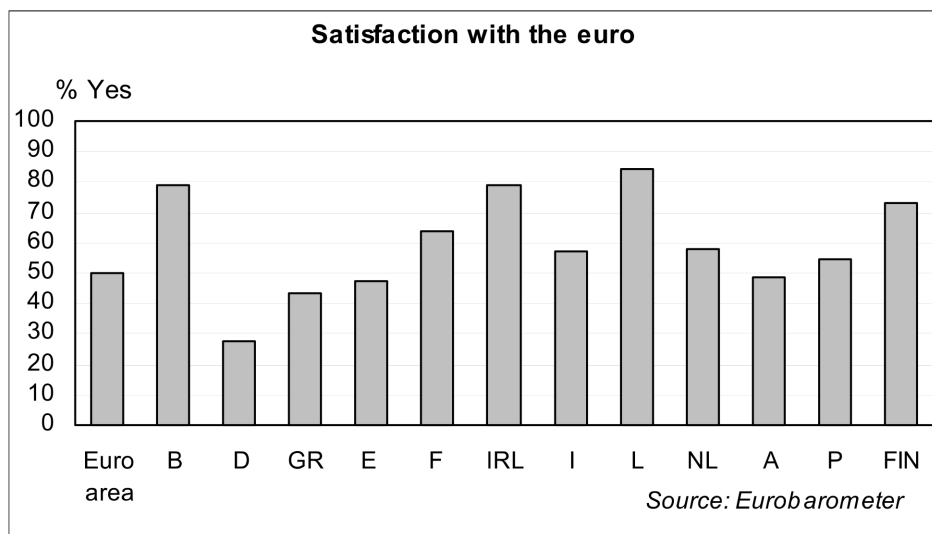
the case in some countries and could imply in some cases an increase in over indebtedness. In agreement with Euro-commerce, the Commission therefore recommends gradually discontinuing dual pricing with a view to making an end to this practice by 30 June 2003 at the latest. This recommendation also applies to the dual display of amounts on invoices and account statements produced by banks.

4.4. Satisfaction with the euro

49,7 % of the euro area citizens consider themselves to be 'very' or 'rather' happy that the euro has become their currency. 11,1 % are neither happy nor unhappy, while 38,7 % indicate being quite unhappy or very unhappy. Among the euro area countries, the approval rate is the highest in Luxembourg (84,2 %) and the lowest in Germany (27,8 %). See chart below for details.

Question: Are you personally very happy or quite happy that the euro has become our currency?

Graph 7



Questions related to the use of banknotes and coins show a more favourable attitude towards the euro. According to the latest Eurobarometer (November 2002), the vast majority of Europeans find it rather easy or very easy to distinguish and handle the euro banknotes and coins. More than two thirds (68,8 %) easily handle the euro coins. For the banknotes this share is even higher (92,8 %). This picture is complemented by the citizens' positive judgement on the number of different coin denominations. The majority of Europeans (53,5 %) believe that the number of different denominations is just right. The rate of approval is significantly higher for the banknotes. Here 83,7 % of the respondents think that the right number of different denominations have been put into circulation.

The arrival of the euro coins also introduced a large variety of circulation coins because of the different national faces on the reverse. In total, 120 different euro coins were put into circu-

lation. This variety became an issue of great interest for collectors. 92,6 % of interviewees say that they have no difficulties with the different national faces. The overwhelming majority of the coin users appear therefore to consider the different national faces a welcome source of diversity.

4.5. Introduction of euro cash favours cross-border trade and price transparency

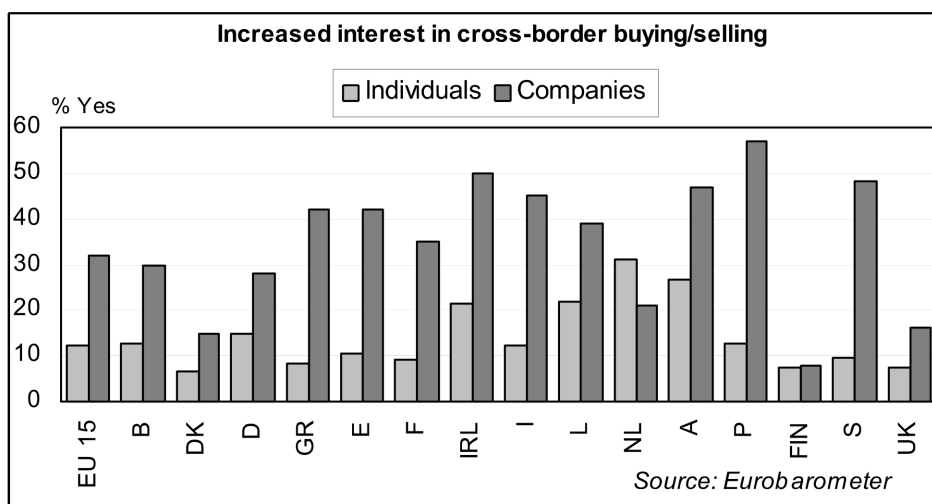
The introduction of the euro banknotes and coins strengthens the integration of markets in the EU. The creation of a single currency has not only eliminated exchange rate risk and transaction cost, it also abolished a psychological barrier to cross-border trade, since price transparency facilitates comparisons.

Since the introduction of the euro banknotes and coins, 12 % of the European consumers are more interested in buying goods in another EU country. The share of people who feel encouraged to buy abroad ranges from 31 % in the Netherlands to 6 % in Denmark. The figures seem to be higher in the smaller countries, i.e. Austria (27 %), Luxembourg (22 %) and

Ireland (22 %), where many people are very favourable to cross-border shopping. On the contrary, the attitude of the Finns (7 %) changed only very little. The relatively low interest of the British (7 %) and the Danes (6 %) is not surprising, as the euro has not been introduced in these countries.

Question: Now that the euro has been introduced, are you more interested in buying goods abroad/ encouraging the sale of your products abroad? (YES in %)

Graph 8



The attitude of companies changed even more significantly. On average 32 % of businesses in the EU-15 indicate that after the introduction of euro banknotes and coins they are more interested in selling their goods abroad. Portuguese entrepreneurs occupy the first position in this respect; 57 % of them are now more interested in promoting cross-border sales of their products, followed by the Irish (50 %), the Swedish (48 %) and the Austrian companies (47 %). At the lower end, we find companies from the United Kingdom (16 %), Denmark (15 %) and Finland (8 %).

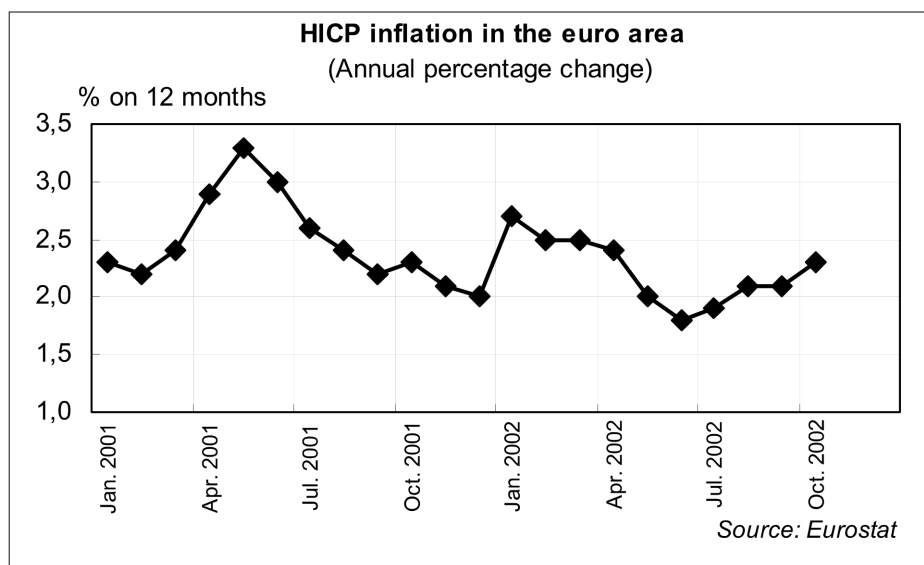
5. THE IMPACT OF THE EURO CHANGEOVER ON INFLATION

In most countries, public concern has arisen about the alleged impact of the cash changeover on prices. This section looks at the evidence on this issue and concludes that on the basis of the available official data, price increases have indeed occurred in some sectors. However, the effect of the euro cash changeover on overall consumer price inflation is rather limited.

At the same time, it should be kept in mind that the fundamental medium to long-term effect of the introduction of the euro on prices will be beneficial. The euro will indeed lead to a much easier comparison of prices across the euro area. This enhanced price transparency leads to a better functioning of the single market and a more competitive environment, which in itself fosters economic efficiency and exerts a downward impact on consumer prices.

5.1. Development of consumer prices in the euro area

After a peak at an annual rate of 3,3 % in May 2001, consumer prices in the euro area, as measured by the harmonised indices of consumer prices (HICP), were on a declining trend during the remaining months of 2001 (graph 9). In January 2002, when euro notes and coins were introduced in the euro area, overall HICP inflation registered a noticeable upward jump, rising from 2,0 % in December 2001 to 2,7 % in January 2002. Subsequently, inflation gradually resumed its downward trend and by June it was 1,8 %, the lowest rate in over two-and-a-half years.

Graph 9

5.2. Possible impact of the euro changeover on inflation

Eurostat has published estimates of the inflationary impact of the euro cash changeover on three occasions this year ⁽¹⁾. The first two studies showed that most of the observed increase in inflation could be explained by normal inflation patterns in most item groups and by some special factors not linked to the euro, like bad weather affecting fruit and vegetable prices, increased energy prices, increases in administered prices and some significant tax increases on tobacco. This left a range of 0 to 0,16 percentage points (pp) that could be attributed to the changeover to euro notes and coins.

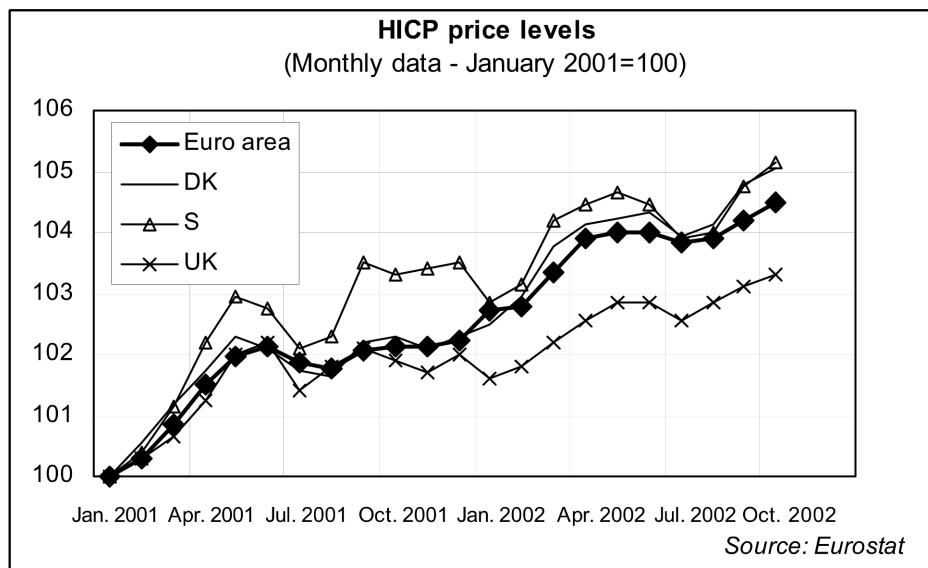
However, most studies also point to more significant price jumps in the services sector, particularly in the services related to tourism (hotels, accommodation services) and in small services to households (repairs, haircuts, etc.), as well as in certain low-price goods bought frequently (newspapers and magazines). For example price increases in the sector of cafes and restaurants correspond to 4,3 % (on a year-to-year basis), i.e. almost double the general inflation rate (measured by HICP).

The latest analysis by Eurostat slightly revised the range of the likely inflationary effect from the changeover in the euro area to 0 to 0,20 pp. While sometimes using different methodologies and samples, many studies conducted at the Member State level by the national statistical institutes and/or national central banks tend to support the results presented by Eurostat.

A further indication results from the comparison of the evolution of the euro area price index with that of the Member States outside the euro area ⁽²⁾. The evolutions are broadly similar (graph 10), confirming a limited euro cash changeover effect.

⁽¹⁾ See the annexes to Eurostat News Releases No 23/2002 (28 February 2002), No 58/2002 (16 May 2002) and No 84/2002 (17 July 2002).

⁽²⁾ This comparison can only provide a rough approximation as it has drawbacks from a statistical point of view. For example, a host of different elements entirely unrelated to the euro changeover could give rise to a given path across countries.

Graph 10

5.3. The discrepancy between perceived and actual inflation

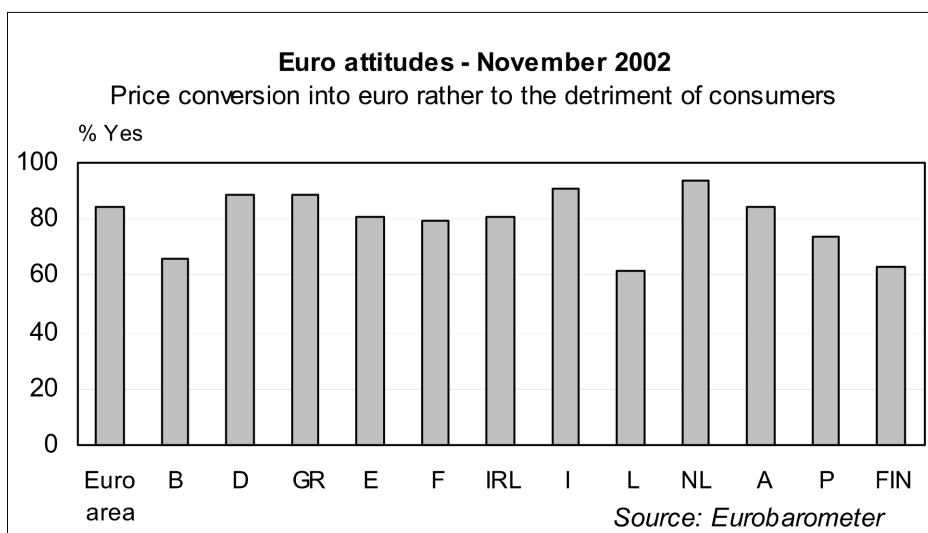
Many consumers associate the changeover with price increases. The media have abundantly reported individual cases qualified as 'euro profiteering', thereby contributing to a feeling of significant upward effects on prices due to the euro cash changeover.

The German government convened a meeting with retailers and consumer associations to address the matter (popularly referred to in this country as the 'teuro' debate, a term linking the German word *teuer* (expensive) to euro. In Greece and Italy national 'euro-strikes' were organised by consumer

associations while severe criticism was voiced in relation to official price indices in France and the Netherlands.

The latest state of public opinion across the euro area was reflected in the November 2002 Eurobarometer survey ⁽¹⁾ 84,4 % of the respondents in the euro area thought that prices had been converted rather to the detriment of consumers and 10,9 % thought that price rises and decreases were balanced. Only 2,7 % held the opposite view that prices were rounded down to the benefit of the consumer.

⁽¹⁾ Eurobarometer Flash EB 139, November 2002.

Graph 11

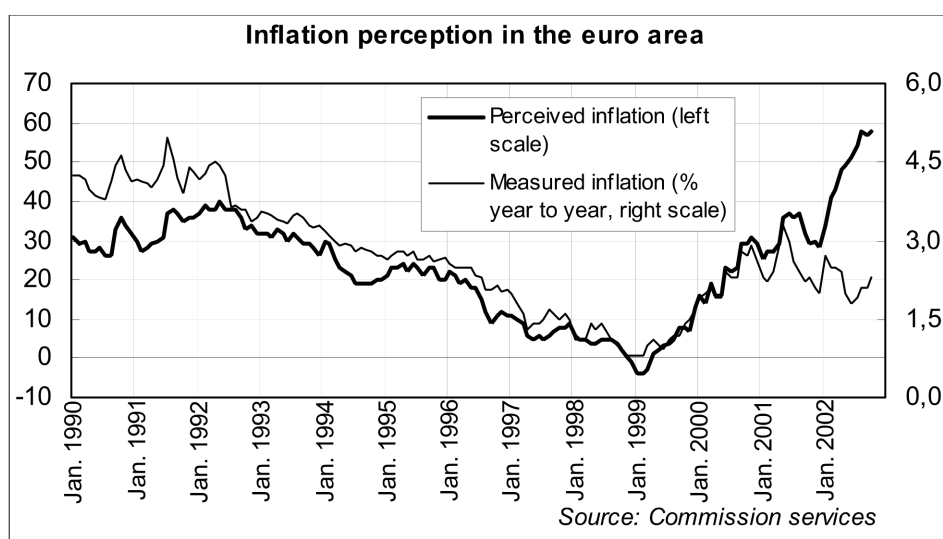
Respondents believed that prices had been always rounded up in small food shops (80 %), in services (80 %), cafés and restaurants (85 %), public transport (55 %), in leisure activities (movie cinemas, swimming pools, etc.) vending machines (62 %) and bank charges 53 %.

The EU Consumer surveys' question on past price trends in the euro area clearly illustrates the discrepancy that arose since the

cash changeover between perceived and actual inflation ⁽¹⁾. As can be observed in graph 12, this indicator has tracked actual inflation fairly well in the past, but since the beginning of 2002 it has been rising to unprecedented levels even though actual inflation has been falling.

⁽¹⁾ Commission services' 'Quarterly Report on the Euro Area' July and September 2002 issues. ECB 'Monthly Bulletin', July and October 2002 issues.

Graph 12



Several explanations exist for the discrepancy between actual and perceived inflation. The first one is that consumers tend to form their perception about general inflation on the basis of price developments of frequently bought goods and services ⁽¹⁾. It appears that precisely those goods and services have registered unusually large price increases following the changeover (e.g. cafés and restaurants, repairs, haircuts, newspapers and periodicals, etc.). However, the prices of other goods and services consumed less frequently have registered more subdued increases or, in the case of computers or photographic and audio recording equipment, have actually been falling. In a comprehensive measure such as the HICP even unusually large price increases in some product categories can be offset by more subdued price increases or falls in other categories that have a higher weight, but which are bought less frequently by consumers.

A second reason behind the perception of an inflationary impact stemming from the changeover might be due to the so-called 'menu costs' considerations. The existence of fixed costs for changing prices could have led to an unusually

high proportion of firms changing prices at the turn of the year. A higher proportion than usual of relative price changes adds some confusion to the perception by consumers of the inflationary impact of the changeover. There is evidence that lends support to this explanation. For example, in Germany price comparison collectors noted substantially more price adjustments than usual for the standard basket of goods and services consumed by households during the first month of the changeover ⁽²⁾. If such price adjustments involved upward rounding and concerned the items used by consumers to form their perception, then the discrepancy between actual and perceived inflation does not come as a surprise.

6. OVERVIEW BY SECTOR

6.1. The Banking industry

In the banking sector, certain small shifts in the behaviour of the bank clients and consumers have been observed, more particularly regarding the use of cash and the choice of means of payment.

⁽¹⁾ See for example J. Walschots (2002) 'Why does inflation feel so high?', CBS Webmagazine, 10 June 2002. <http://www.cbs.nl>

⁽²⁾ Deutsche Bundesbank, Monthly Report, March 2002.

6.1.1. *The choice of the means of payment*

The introduction of the euro seems to have slightly changed the behaviour of the average customer with regard to the choice of the means of payment. All available information points to an increase in 2002 of non-cash means of payment. Figures from Italy for instance show a rise in debit card payments by 30 % and for credit cards by 15 %. Similarly, figures from Finland indicate an increase in the range between 15 to 20 % for credit and debit card payments. Figures for Belgium also clearly show a rise in non-cash payments of up to 17 % for debit cards ⁽¹⁾. Credit card payments at the same time increased by 2 %, while charging of electronic purses soared by 120 % ⁽²⁾. Similarly, information from Austria indicates an increase of non-cash payments by 15 %.

The figures mentioned here refer to recent developments in 2002. However, it is not possible to clearly isolate the effect that is directly related to the euro. It has to be kept in mind that many other factors influence the choice of the means of payment, such as campaigns in favour of non-cash payments or the introduction of modern vending machines accepting credit cards, debit cards or electronic purses. In addition, as at the end of 2001 the guarantee mechanism associated to the eurocheque system was withdrawn, and as banks in some Member States have stopped issuing cheques to clients entirely, this has led to a vast decrease in the use of cheques across the Community. This could also have boosted other means of payment. Additionally, the trend to make more use of non-cash means of payment was already observable before the introduction of the euro.

6.1.2. *Cash withdrawals at ATMs (automatic teller machines)*

Information with regard to the average amount of cash withdrawn each time indicates an increase at least in several countries. In Germany for instance the amount withdrawn each time with credit cards and debit cards belonging to the Maestro system increased on average by 12,4 %. Similarly, figures from Italian banks indicate that the average amount increased by 10 to 20 %. One major Belgian bank reports an increase by 9 %. Figures from France, Austria and the Netherlands also indicate a slight increase. A possible explanation for this change that might not be uniform throughout the euro area, are rounding effects, notably linked to the fact that the new euro banknote denominations being dispensed through ATMs differ significantly from the previous national denominations. If for instance the typical amount withdrawn in Austria was ATS 1 000 (EUR 72,67) in the past, the typical amount withdrawn nowadays could be either EUR 50 (ATS 688,02)

or EUR 100 (ATS 1 376,03). In this example just the rounding to even euro amounts could either yield a decrease by 31,2 % or an increase by 37,6 %.

With regard to the cross-border withdrawals of cash at ATMs, the picture is diverse. A slight increase is reported from Germany as well as from Belgium. On the other hand figures from Mastercard Europe ⁽³⁾ show a decrease of cross-border withdrawals at ATMs. The Austrian public sector banks report a decrease of withdrawals of 30 % by foreigners in Austria. The behaviour of Austrians abroad remained unchanged. This unclear picture is not surprising since monetary union allows the citizens to travel abroad with cash and therefore whether there is an incentive to increase withdrawals at home or abroad depends on the fees that apply. Consequently there are incentives for both a decrease and an increase of cross-border withdrawals at ATMs. Both effects could even out each other. Moreover, on 1 July 2002, the EU-Regulation on cross-border payments entered into force, leading to the same level of charges for cross-border and for national withdrawals, which stood at EUR 4 on average in the euro area prior to 1 July. For customers who do not pay fees for domestic withdrawals, there is now an additional incentive to withdraw abroad. For customers being charged, e.g. for domestic withdrawals at ATMs not belonging to their bank, the same charges will also apply for cross-border withdrawals. They might still prefer not to increase their withdrawals abroad. At this stage it is not yet possible to judge whether this particular measure led to an increase of cross-border withdrawals.

6.1.3. *Dual display of amounts*

In order to facilitate the transition to the euro, the banking sector availed itself of the dual display of amounts, notably on account statements. For the convenience of their customers, many banks have continued to use dual displays during 2002 and some are even considering extending it into 2003. In some cases, banks have not yet decided on the date for ending the dual display of prices.

6.2. **The retail sector**

Because European consumers were eager to use their new euro banknotes and coins, and moreover wanted to spend their national currencies, an increase in cash payments during the beginning of the year was anticipated and was confirmed in practice. Afterwards, the situation changed and retailers are now reporting an increase of the share of non-cash payments.

⁽¹⁾ Figure refers to Bancontact/MisterCash transactions.

⁽²⁾ Figure refers to Proton.

⁽³⁾ Covering Mastercard as well as Maestro debit cards

The dual display of prices has greatly contributed to facilitating the changeover for consumers, both during the dual circulation period and afterwards. It had usually been foreseen to keep the dual pricing of goods until the second quarter of 2002, but it turned out that many consumers appreciate this extra service. Many retailers have therefore decided to continue dual display of prices in 2002, which is considered by some as a competitive instrument in the retail sector. Some retailers indicate having not yet decided on the date of termination of dual display of prices and intend to keep it in 2003, at least for total amounts on bills (see also point 4(3)).

6.3. The cash in transit sector

The CIT sector played an important role in the smooth introduction of euro banknotes and coins. The cash centres, which ensure the counting and sorting of cash, were under heavy pressure for several months, notably due to the quick backflow of legacy currency. Now that all euro area countries share the same currency, the difficulty of carrying out cross-border transport of cash becomes more apparent than before. As the relevant rules relating to the transport of funds vary widely among the euro area countries, since they have not yet been harmonised, such transports are virtually impossible to organise.

6.4. The Vending industry

The vending industry tried to adapt its vending machines as soon as possible in order to avoid loss of turnover. Nevertheless, some vending machine operators indicated temporary turnover losses, sometimes up to 20 %, at the beginning of the year ⁽¹⁾.

Cash-based machines, representing the vast majority of all vending machines (85 to 95 % in some countries) presented the biggest challenge, compared to machines operated with cards or tokens which only needed reprogramming and a new display of prices. Many vending machine operators used the opportunity of the euro cash introduction to replace the validation mechanisms in their machines. For instance in France and Germany, 90 % and 70 % of the validation mechanisms were renewed. Only the remaining old validators had to be converted. In Ireland the rate of replacement is 50 % and in Italy 25 %. The replacement of old validators can be regarded as an investment for the future, since it increases the reliability of the machines in properly identifying banknotes and coins (in particular the new security features) thereby preventing fraud. On the other hand, the investment in new validation mechanisms represents a substantial cost, amounting to EUR 375 to 600 per machine. The cost for the implementation of a non-cash system is lower and comes to EUR 400 on average.

⁽¹⁾ All figures used in this section are based on a survey of five euro area countries (France, Germany, Italy, Ireland and the Netherlands), which cover 80 % of the market for vending machines.

In those Member States (Belgium, Luxembourg, the Netherlands) in which an electronic purse system is commonly used, many vending machines formerly accepting coins have been adapted to an electronic purse system. The quick conversion of parking meters caused some problems to citizens and to tourists, who usually do not have the respective local card at their disposal.

The vending industry emphasises that there is no lack of a particular denomination of coins, and that the quality of the euro coins is very satisfactory. This confirms that the euro coins are able to meet the demanding requirements of modern vending machine validators, including coins from different euro area countries. Typically, vending machines accept all the coin denominations except the 1- and 2-cent coins. The pricing is usually done in 5-cent steps. With regard to price changes due to the euro introduction, the picture is diverse. In order to be able to stick to round prices, prices were adjusted in both directions.

7. THE ROLE OF THE EURO CASH OUTSIDE THE EURO AREA

This section takes a look at the extent to which euro banknotes and coins have started to circulate and to be used outside the euro area. It appears that the use of the euro has been increasing, particularly in non euro-area European countries. In other continents, its use is mostly confined to tourist areas.

The behaviour of European travellers also plays an essential role in this respect. For example, according to the latest Euro-barometer, 53 % of travellers from the euro area who travelled outside the euro area took euro cash with them, compared to 16 % who took US dollars.

7.1. The three Member States outside the euro area

The introduction of euro banknotes and coins has been followed closely by the pre-ins. According to a survey in September 2002, in all three pre-in countries, a majority of the citizens indicates being well or very well informed about the euro (68 % in Denmark, 56 % in Sweden and 53 % in the United Kingdom). A majority of the population have already held euro banknotes or coins in their hands (55 % in Denmark, 56 % in Sweden and 55 % in the United Kingdom), while many people have noticed products in their country which were labelled in euro (47 % of respondents had noticed this in Denmark, compared to 37 % in Sweden and 38 % in the United Kingdom). A large majority of people in each country are aware of the fact that the euro makes price comparisons among countries much easier.

In Denmark, a high preparedness to accept euro cash is observable⁽¹⁾. In September 2002, 83 % of Danish businesses were prepared to accept euro cash from tourists, while 72 % of those also accept euro payments from Danes. 15 % of those who accept euro indicated this to their customers by signs and even 35 % display the total amount in euro next to the amount in Danish Kronor. The dual display of prices on at least a part of the assortment is used by 13 % of all euro-accepting businesses, while 12 % even give change in euro.

In Sweden, a large number of shops, hotels and restaurants, not only in major cities and particular tourist areas, accept euro cash payments, although formerly the national European currencies were not accepted. However, most business only accept euro banknotes and give change in Swedish Kronor. More extensive use of the euro is made along the border with Finland. The remote town of Haparanda, located in the far north of the country close to the Finnish town of Tornio, but very far from Swedish settlements, takes a special position. It has practically switched to the euro. The euro is being commonly used as a means of payment, and all prices are displayed in euro. Even the city's budget for 2002 was already presented in euro, next to Swedish Kronor. The Swedish Trade Federation strongly promotes the acceptance of the euro in shops by distributing a 'We accept the euro' sticker. A referendum on the introduction of the euro in Sweden will take place on 14 September 2003.

Also in the United Kingdom, the euro is sometimes accepted for payments especially in London and in tourist areas. Change is usually given in British pounds. Occasionally prices are also displayed in euro. 74 % of the Brits realised that price comparisons among countries are rendered easier by a common currency. In the United Kingdom, 83 % of the population feels that the adoption of the euro by 12 EU-countries was an historic event.

7.2. The Accession countries

The introduction of the euro cash has had a certain impact on the accession countries as well. Being adjacent to the euro area, a lot of attention has been paid to the euro in the media. Public opinion is usually very receptive, notably because these countries are planning to join the euro area at a certain stage following EU-membership.

It is easy to obtain and exchange euro into national currency at banks in all accession countries and in most of them it is possible to pay with euro in shops, hotels and restaurants. An extra cost is not necessarily charged. In tourist areas one can also find prices being displayed in euro, next to the

domestic currency. In Bulgaria and Turkey the use of the euro is more widespread, sometimes to the extent that it can almost be considered as a parallel currency, together with the US dollar.

7.3. The euro worldwide⁽²⁾

7.3.1. Other parts of Europe

The Community has concluded monetary agreements in the past with Monaco, San Marino and the Vatican City, specifying that the euro is the national currency in these three countries and has legal tender status. Under the terms of these agreements, the countries concerned are also allowed to issue certain quantities of euro coins, which have legal tender status throughout the euro area. They are not however allowed to issue euro (or other) banknotes. In Andorra, the euro replaced the French franc and the Spanish peseta, which formerly circulated in parallel, as this country does not have a national currency.

The euro is also used de facto in Kosovo and Montenegro, both of which form part of the Republic of Yugoslavia. In UN-administered Kosovo, the use and possession of foreign currency was legalised in September 1999. This region was a largely cash-based economy which relied mainly on the German mark before 2002. At the beginning of 2002 the Banking and Payments Authority of Kosovo (BPK) imported EUR 413,3 million in banknotes and EUR 5,5 million in coins in order to facilitate the changeover, while private banks imported another EUR 142 million to Kosovo. The BPK also made special efforts to smooth the changeover in the Serbian enclaves in Kosovo, where the Yugoslav dinar continues to be used as a means of payment. A positive side effect of the euro changeover was the strengthening of the banking system, as many citizens deposited their money in bank accounts during the changeover. In Montenegro, the euro also replaced the German mark, which had been adopted as a means of payment in 1999. Unlike in Kosovo, the euro there has legal tender status.

In the rest of Europe, the euro has acquired an even stronger role than the original German mark, which it has now replaced as a means of payment. Euro cash can be easily obtained and exchanged into local currency. In general, shops, hotels, restaurants etc. accept euro as a means of payment, not necessarily at any significant extra cost. In many countries, especially in the Balkans and eastern Europe, the euro as well as the US dollar are commonly used for transactions and can be regarded as parallel currencies. Consequently, prices displayed in euro can be found, especially in tourist areas.

⁽¹⁾ Figures given in this paragraph refer to a survey conducted by 'Danish Commerce and Services'.

⁽²⁾ The information in this section was gathered by a questionnaire on the role and acceptance of the new currency in countries outside the euro area, which was answered by the European Union Delegations abroad.

7.3.2. Africa

Due to close historical links with certain European countries, the market share of the euro for international transactions is significant in some parts of Africa, particularly in those countries where the domestic currency is linked to the euro by a fixed exchange rate regime. This is the case in all countries belonging to the CFA-zone, i.e. the Central African economic and monetary union (CEMAC) and the West African economic and monetary union (WAEMU) as well as in Cape Verde. In these countries the public interest in euro-related matters is much higher than in the other countries.

The impact of the euro changeover on Africa in general is limited. Euro cash cannot be easily obtained or exchanged into local currency in Africa, especially since some countries apply exchange restrictions. Usually, euro banknotes and coins can only be found at major banks and airports, although less easily than US dollars. It is however possible to pay with euro in most countries. Dual display of prices is only used in some tourist areas in a few African countries such as Cameroon and Egypt.

The island of Reunion located in the Indian Ocean is an overseas department of France and has therefore officially introduced the euro. Mayotte, a French island in the Indian Ocean has the status of a 'collectivité territoriale' and also introduced the euro officially as it was formerly using the French franc.

7.3.3. America

The entire American continent is strongly US dollar oriented. This did not change after the introduction of the euro cash. In most countries it is not even easy to exchange euro into local currency or to receive euro at banks. Consequently, the euro is rarely accepted as a means of payment in hotels or restaurants. The exceptions are the Dominican Republic, Cuba and Surinam, the latter being a former Dutch colony, where euro payments are normally accepted at some extra cost and where prices are also being displayed in euro in tourist areas. The adjacent territory of French Guyana, which is part of France and hence fully operating in euro, may also explain the special situation of Surinam. The euro is furthermore being used in all French overseas departments which geographically belong to the Caribbean, i.e. Guadeloupe and Martinique. St. Pierre-et-Miquelon, an archipelago located in the North Atlantic off

the Canadian coast, which has the status of a French 'collectivité territoriale', has also adopted the euro.

7.3.4. Asia and Oceania

In the Middle East the euro introduction had a very limited impact. Euro cash can be obtained more or less easily and exchanged into local currency. It is possible to use the currency as a means of payment in shops, hotels and restaurants in certain countries. In Israel the use of the euro is somewhat more common. Although not permitted officially, it is accepted in the major tourism-related areas at no significant extra cost.

In the rest of Asia, the euro changeover partly had a more significant impact. In the vast majority of Asian countries, euro cash can be obtained and exchanged into local currency, unless restricted by foreign exchange legislation. In some countries, for instance in Thailand, South Korea and Laos, the euro is widely accepted as payment in shops, restaurants and hotels usually at no significant extra cost. Albeit rare, the dual display of prices can be found in certain Asian countries, such as Thailand and the Philippines, especially in the tourist areas. In those cases where a second means of payment is more widely used next to the domestic currency, it is mostly the US dollar or the currency of a neighbouring country. As Asia is mainly US dollar oriented, the euro does not play a significant role as a means for international transactions. Nevertheless the euro raises the attention of the media to a certain extent. Especially in Japan the attention paid to the exchange rate of the euro is high.

Euro cash can be easily exchanged into local currency everywhere in Oceania. In general, no foreign currency circulates in parallel to the domestic currency as a means of payment. As a general rule, it is not possible to pay with euro in shops, hotels and restaurants. The situation is somewhat different in the French overseas territories such as New Caledonia and French Polynesia. As these territories use the CFP franc, which has a fixed parity vis-à-vis the euro, there is a natural interest in the euro and euro payments are often accepted in hotels, restaurants and shops. Australians and New Zealanders, in general, see the euro favourably, as an alternative to the American dollar on international markets, thereby reducing the countries' dependence on the American currency.

Notice of initiation of an expiry and an interim review of the antidumping measures applicable to imports of glyphosate originating in the People's Republic of China

(2003/C 36/03)

Following the publication of a notice of impending expiry ⁽¹⁾ of the anti-dumping measures in force on imports of glyphosate originating in the People's Republic of China, (country concerned), the Commission has received a request for review pursuant to Article 11(2) of Council Regulation (EC) No 384/96 ⁽²⁾, as last amended by Council Regulation (EC) No 1972/2002 ⁽³⁾ (the Basic Regulation). The Commission also has evidence which justifies the initiation of a review under Article 11(3) of the Basic Regulation.

1. Request for review

The request was lodged on 18 November 2002 by the European Glyphosate Association (EGA) (the applicant) on behalf of producers representing a major proportion, in this case more than 90 % of the total Community production of glyphosate.

2. Product

The product under review is glyphosate, which can be produced in different grades or forms of concentration of which the main ones are the following: formulated (generally with 36 % glyphosate content), salt (with 62 %), cake (with 84 %) and acid (with 95 %) originating in the People's Republic of China (the product concerned), currently classifiable within CN codes ex 2931 00 95 (Taric codes 2931 00 95 81 and 2931 00 95 82) and ex 3808 30 27 (Taric codes 3808 30 27 11 and 3808 30 27 19). These CN codes are given only for information.

3. Existing measures

The measures currently in force are a definitive anti-dumping duty imposed by Council Regulation (EC) No 368/98 ⁽⁴⁾, as last amended by Council Regulation (EC) No 1086/2000 ⁽⁵⁾ and extended to imports of the product concerned which are consigned from Malaysia or Taiwan, whether declared as originating in Malaysia or Taiwan or not, by Council Regulation (EC) No 163/2002 ⁽⁶⁾.

4. Grounds for the review

4.1. Grounds for the expiry review

The request is based on the grounds that the expiry of measures would be likely to result in a continuation or recurrence of dumping and injury to the Community industry.

The applicant has provided evidence that imports of the product concerned from the People's Republic of China have continued to enter the Community in significant quantities and at dumped prices. The allegation of continuation of dumping is based on a comparison of a normal value with the export prices of the product concerned to the Community.

In view of the provisions of Article 2(7) of the Basic Regulation, the applicant has established normal value for the People's Republic of China on the basis of a normal value in an appropriate market economy country, which is mentioned in point 5.1(d) of this notice. The allegation of continuation of dumping is based on a comparison of normal value, as set out in the proceeding sentence, with the export prices of the product concerned when sold for export to the Community.

On this basis, the dumping margins calculated are significant for the exporting country concerned.

Concerning injury aspects, it is alleged that the prices of the imported product concerned have continued, among other consequences, to have a negative impact on level of prices charged by the Community industry, resulting in substantial adverse effects on the financial situation of the Community industry.

The applicant further alleges the likelihood of further injurious dumping. In this respect the applicant alleges that since measures have been absorbed and circumvented, the injurious dumping practices would be likely to recur. Also the applicant has presented evidence showing that Chinese exports are dumped when sold to other third country markets, pointing to the likelihood of recurrence of dumping should measures expire.

Furthermore the applicant presents evidence that, should measures be allowed to lapse, the current import level of the product concerned is likely to increase due to the potential of the manufacturing facilities of the exporting producers and their spare capacities in the country concerned and the existence of well-established distribution channels in the Community for these imports.

In addition, the applicant alleges that the situation of the Community industry is fragile and that any further substantial increase of imports at dumped prices from the countries concerned would be likely to cause even further injury of the Community industry should measures be allowed to lapse.

⁽¹⁾ OJ C 120, 23.5.2002, p. 3.

⁽²⁾ OJ L 56, 6.3.96, p. 1.

⁽³⁾ OJ L 305, 7.11.2002, p. 1.

⁽⁴⁾ OJ L 47, 18.2.98, p. 1.

⁽⁵⁾ OJ L 124, 25.5.2000, p. 1.

⁽⁶⁾ OJ L 30, 31.1.2002, p. 1.

4.2. *Grounds for the interim review*

The Commission has decided on its own initiative to initiate an interim review in order to examine the appropriateness of the measures, as the evidence presented in the request shows that the level of the measure is not sufficient to counteract the injurious dumping practices, which calls for a full interim review of the measures encompassing all aspects of the proceeding.

5. Procedure

Having determined, after consulting the Advisory Committee, that sufficient evidence exists to justify the initiation of an expiry and an interim review, the Commission hereby initiates a review in accordance with Article 11(2) and 11(3) of the Basic Regulation.

5.1. *Procedure for the determination of likelihood of dumping and injury*

The investigation will determine whether the expiry of the measures would be likely, or unlikely, to lead to a continuation or recurrence of dumping and injury, as well as the need for the continuation, removal or amendment of the existing measures.

(a) *Sampling*

In view of the apparent number of parties involved in this proceeding, the Commission may decide to apply sampling, in accordance with Article 17 of the Basic Regulation.

(i) Sampling for exporters/producers in the People's Republic of China.

In order to enable the Commission to decide whether sampling is necessary and, if so, to select a sample, all exporters/producers, or representatives acting on their behalf, are hereby requested to make themselves known by contacting the Commission and providing the following information on their company or companies within the time limit set in paragraph 6(b)(i) of this notice:

- name, address, e-mail address, telephone, and fax, and/or telex numbers and contact person,
- the turnover in local currency and the volume in tonnes of the product concerned sold for export to the Community during the period 1 January 2002 to 31 December 2002,
- the turnover in local currency and the sales volume in tonnes for the product concerned on the domestic market during the period 1 January 2002 to 31 December 2002,
- whether the company intends to submit a claim for an individual margin or market economy status

(individual margins and market economy status can only be claimed by producers),

- the precise activities of the company with regard to the production of the product concerned,
- the production volume in tonnes of the product concerned, the production capacity and the investments in production capacity during the period 1 January 2002 to 31 December 2002,
- the names and the precise activities of all related companies ⁽¹⁾ involved in the production and/or selling (export and/or domestic) of the product concerned,
- any other relevant information that would assist the Commission in the selection of the sample,
- an indication of whether the company or companies agree to their inclusion in the sample, which implies replying to a questionnaire and accepting an on-the-spot investigation of their response,

In order to obtain the information it deems necessary for the selection of the sample of exporters/producers, the Commission will, in addition, contact the authorities of the exporting country, and any known associations of exporters/producers.

(ii) Sampling for importers

In order to enable the Commission to decide whether sampling is necessary and, if so, to select a sample, all importers, or representatives acting on their behalf, are hereby requested to make themselves known to the Commission and to provide the following information on their company or companies within the time limit set in paragraph 6 (b)(i) of this notice:

- name, address, e-mail address, telephone, and fax, and/or telex numbers and contact person,
- the total turnover in euro of the company during the period 1 January 2002 to 31 December 2002,
- the total number of employees,
- the precise activities of the company with regard to the product concerned and the volume in tonnes of the product concerned during the period 1 January 2002 to 31 December 2002,
- the volume in tonnes and value in euro of imports into and resales made in the Community market during the period 1 January 2002 to 31 December 2002, of the imported product concerned originating in the People's Republic of China,

⁽¹⁾ For guidance on the meaning of related companies, please refer to Article 143 of Commission Regulation (EEC) No 2454/93 concerning the implementation of the Community Customs Code (OJ L 253, 11.10.1993, p. 1).

- the names and the precise activities of all related companies ⁽¹⁾ involved in the production and/or selling of the product concerned,
- any other relevant information that would assist the Commission in the selection of the sample,
- an indication of whether the company or companies agree to their inclusion in the sample, which implies replying to a questionnaire and accepting an on-the-spot investigation of their response.

In order to obtain the information it deems necessary for the selection of the sample of importers, the Commission will, in addition, contact any known associations of importers.

(iii) Final selection of the samples

All interested parties wishing to submit any relevant information regarding the selection of the sample must do so within the time limit set in paragraph 6(b)(ii) of this notice.

The Commission intends to make the final selection of the samples after having consulted the parties concerned that have expressed their willingness to be included in the sample.

Companies included in the samples must reply to a questionnaire within the time limit set in paragraph 6(b)(iii) of this notice and must cooperate within the framework of the investigation.

If sufficient cooperation is not forthcoming, the Commission will base its findings, in accordance with Articles 17(4) and 18 of the Basic Regulation, on the facts available.

(b) *Questionnaires*

In order to obtain the information it deems necessary for its investigation, the Commission will send questionnaires to the Community industry and to any association of producers in the Community, to the sampled exporters/producers in the People's Republic of China to any association of exporters/producers in the People's Republic of China, to the sampled importers, to any association of importers named in the request or which cooperated in the investigation leading to the measures subject to the present review, and to the authorities of the exporting country concerned.

In any event, all parties should contact the Commission forthwith by fax in order to find out whether they are listed in the request and if necessary request a questionnaire within the time limit set in paragraph 6(a)(i), given that the time limit set in paragraph 6(a)(ii) of this notice applies to all interested parties.

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

All interested parties are hereby invited to make their views known, submit information other than questionnaire replies and to provide supporting evidence. This information and supporting evidence must reach the Commission within the time limit set in paragraph 6(a)(ii) of this notice.

Furthermore, the Commission may hear interested parties, provided that they make a request showing that there are particular reasons why they should be heard. This request must be made within the time limit set in paragraph 6(a)(iii) of this notice.

(d) *Selection of the market economy country*

In the previous investigation Brazil was used as an appropriate market economy country for the purpose of establishing normal value in respect of the People's Republic of China. The Commission envisages to use Brazil again for this purpose. Interested parties are hereby invited to comment on the appropriateness of this country within the specific time limit set in paragraph 6(c) of this notice.

(e) *Market economy status*

For those exporters/producers in the People's Republic of China which claim and provide sufficient evidence that they operate under market economy conditions, i.e. that they meet the criteria laid down in Article 2(7)(c) of the Basic Regulation, normal value will be determined in accordance with Article 2(7)(b) of the Basic Regulation. Exporters/producers intending to submit duly substantiated claims must do so within the specific time limit set in paragraph 6(d) of this notice. The Commission will send claim forms to all exporters/producers in the People's Republic of China who have either been included in the sample or who have requested an individual margin, as well as to the authorities of the People's Republic of China.

5.2. Procedure for the assessment of Community interest

In accordance with Article 21 of the Basic Regulation and in the event that a likelihood of a continuation of dumping and injury is confirmed, as well as a need to change the form of the measures, a decision will be reached as to whether the maintenance or the amendment of the existing anti-dumping measures would not be against the Community interest. For this reason the Community industry, importers, their representative associations, representative users and representative consumer organisations, provided that they prove that there is an objective link between their activity and the product concerned, may, within the general time limits set in paragraph 6(a)(ii) of this notice, make themselves known and provide the Commission with information. The parties which have acted in conformity with the precedent sentence may request a hearing, setting the particular reasons why they should be heard, within the time limit set in paragraph 6(a)(iii) of this notice. It should be noted that any information submitted pursuant to Article 21 will only be taken into account if supported by factual evidence at the time of submission.

⁽¹⁾ For guidance on the meaning of related companies, please refer to Article 143 of Commission Regulation (EEC) No 2454/93 concerning the implementation of the Community Customs Code (OJ L 253, 11.10.1993, p. 1).

6. Time limits

(a) General time limits

(i) For parties to request a questionnaire or other claim forms

All interested parties who did not cooperate in the investigation leading to the measures subject to the present review should request a questionnaire or other claim forms as soon as possible, but not later than 15 days after the publication of this notice in the *Official Journal of the European Union*.

(ii) For parties to make themselves known, to submit questionnaire replies and any other information

All interested parties, if their representations are to be taken into account during the investigation, must make themselves known by contacting the Commission, present their views and submit questionnaire replies or any other information within 40 days of the date of publication of this notice in the *Official Journal of the European Union*, unless otherwise specified. Attention is drawn to the fact that the exercise of most procedural rights set out in the Basic Regulation depends on the party's making itself known within the aforementioned period.

Companies selected in a sample must submit questionnaire replies within the time limit specified in paragraph 6(b)(iii) of this notice.

(iii) Hearings

All interested parties may also apply to be heard by the Commission within the same 40 day time limit.

(b) Specific time limit in respect of sampling

(i) The information specified in paragraph 5.1(a)(i) and (ii) should reach the Commission within 15 days of the date of publication of this notice in the *Official Journal of the European Union*, given that the Commission intends to consult parties concerned that have expressed their willingness to be included in the sample on its final selection within a period of 21 days of the publication of this notice in the *Official Journal of the European Union*.

(ii) All other information relevant for the selection of the sample as referred to in 5.1(a)(iii) must reach the Commission within a period of 21 days of the publication of this notice in the *Official Journal of the European Union*.

(iii) The questionnaire replies from sampled parties must reach the Commission within 37 days from the date of the notification of their inclusion in the sample.

(c) Specific time limit for the selection of the market economy country

Parties to the investigation may wish to comment on the appropriateness of Brazil which, as mentioned in paragraph 5.1(d) of this notice, is envisaged as a market-economy country for the purpose of establishing normal value in respect of the People's Republic of China. These comments must reach the Commission within 10 days of the date of publication of this notice in the *Official Journal of the European Union*.

(d) Specific time limit for submission of claims for market economy status

Duly substantiated claims for market economy status, as mentioned in paragraph 5.1(e) of this notice, must reach the Commission within 21 days of the date of the selection of any sample or as determined by the Commission.

7. Written submissions, questionnaire replies and correspondence

All submissions and requests made by interested parties must be made in writing (not in electronic format, unless otherwise specified), and must indicate the name, address, e-mail address, telephone and fax, and/or telex numbers of the interested party.

Commission address for correspondence:

European Commission
Directorate General for Trade
Directorate B
Office: J-79 5/16
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 otherwise does not provide the necessary information within the time limits, or significantly impedes the investigation, findings, affirmative or negative, may be made in accordance with Article 18 of the Basic Regulation, on the basis of the facts available.

Where it is found that any interested party has supplied false or misleading information, the information shall be disregarded and use may be made of the facts available.

Authorisation for State aid pursuant to Articles 87 and 88 of the EC Treaty**Cases where the Commission raises no objections**

(2003/C 36/04)

Date of adoption of the decision: 15.1.2003

The authentic text(s) of the decision, from which all confidential information has been removed, can be found at

Member State: Italyhttp://europa.eu.int/comm/secretariat_general/sgb/state_aids**Aid No:** N 139/02**Title:** Ministerial Decree of 13 February 2002 implementing Article 4 of Law No 499 of 23 December 1999**Objective:** To support the agricultural sector**Legal basis:** Decreto ministeriale del 13 febbraio 2002 di attuazione dell'articolo 4 della legge 23 dicembre 1999, n. 499**Budget:** EUR 154 937 069,69**Aid intensity or amount:** Variable, depending on the measure (some submeasures do not attract any State aid)**Duration:** One year

The authentic text(s) of the decision, from which all confidential information has been removed, can be found at

http://europa.eu.int/comm/secretariat_general/sgb/state_aids**Date of adoption of the decision:** 15.1.2003**Member State:** Finland**Aid No:** N 378/02**Title:** Amendment of the investment aid scheme N 189/2000**Objective:** According to point 12.1.3 of the aid measure N 189/2000 eligible investment costs include the purchase of sheep of high breeding quality registered in herd books, which could improve the production capacity of sheep herds. The Finnish authorities propose to extend the scope of the aid scheme to include aid for the purchase of bovine breeding animals. The purchases have to be either first purchases or purchases to improve the genetic quality of the stock**Legal basis:** Ålands landskapstyrelsens beslut**Budget:** The budget for the investment aid scheme has been estimated at EUR 1 093 mio/year. The exact budgetary impact of the proposed amendment of the aid scheme has not been communicated**Date of adoption of the decision:** 15.1.2003**Member State:** France**Aid No:** N 161/02**Title:** Aid for advertising measures for fresh and processed fruit and vegetables**Objective:** To promote the image of fruit products and stimulate sales**Budget:** EUR 5 million per year**Aid intensity or amount:** Maximum 50 % of expenditure**Duration:** Until 2006

The authentic text(s) of the decision, from which all confidential information has been removed, can be found at

http://europa.eu.int/comm/secretariat_general/sgb/state_aids

Date of adoption of the decision: 15.1.2003

Member State: Spain

Aid No: N 545/02

Title: Aid to rabbit-rearing

Objective: To improve the infrastructure of holdings in the rabbit-rearing sector through investment aid

Legal basis: Proyecto de orden sobre explotaciones cunícolas

Budget: EUR 660 000

Aid intensity or amount: Rebate of two percentage points (plus two percentage points where the aid is combined with regional aid) of the interest rate on loans and rebate of the commission for managing the guarantee. Ceiling of 12 % of the cost of the investment, ceiling of EUR 9 000 per holding

Duration: Three years

The authentic text(s) of the decision, from which all confidential information has been removed, can be found at

http://europa.eu.int/comm/secretariat_general/sgb/state_aids

Date of adoption of the decision: 15.1.2003

Member State: Italy (Toscana)

Aid No: N 739/02

Title: Amendment of Regional Law No 7/2002 on aids to livestock farmers for the disposal of BSE specified risk material

Objective: To compensate livestock farmers for the costs of collection and transport of fallen stock to disposal and incineration plants

Legal basis: DDL «Modifiche alla LR n. 7/2002: Interventi a favore degli allevatori in relazione allo smaltimento dei materiali a rischio specifico derivanti da encefalopatia spongiforme bovina»

Budget: Additional budget: EUR 206 000

Aid intensity or amount: 60 %

Duration: For animals that died between 31 December 2001 and 31 October 2002

The authentic text(s) of the decision, from which all confidential information has been removed, can be found at

http://europa.eu.int/comm/secretariat_general/sgb/state_aids

Date of adoption of the decision: 15.1.2003

Member State: Spain

Aid No: N 750/02

Title: Aid to the firm el Pozo Alimentación SA

Objective: To facilitate an investment by the firm el Pozo Alimentación SA

Legal basis: Ley 50/85, de 27 de diciembre de incentivos regionales para la corrección de desequilibrios económicos interterritoriales

Budget: The total amount of aid is EUR 7 891 718,03

Aid intensity or amount: 9 % of the cost of the investment

Duration: One-off

The authentic text(s) of the decision, from which all confidential information has been removed, can be found at

http://europa.eu.int/comm/secretariat_general/sgb/state_aids

Date of adoption of the decision: 15.1.2003

Member State: Germany (Mecklenburg-Vorpommern)

Aid No: N 776/02

Title: Restructuring aid for the agriculture sector

Objective: To aid agricultural undertakings in financial difficulty repay short-term loans and restore viability

Legal basis: Richtlinie für die Gewährung von öffentlichen Darlehen aus dem Landwirtschaftssondervermögen zur Existenzsicherung landwirtschaftlicher Unternehmen und gewerblicher Tierhaltungsunternehmen

Budget: 2,5 million euro a year

Aid intensity or amount: Gross aid intensity: 14,5 %

Duration: Two years

Other information: The German authorities have engaged to submit a yearly report on the operation of the scheme

The authentic text(s) of the decision, from which all confidential information has been removed, can be found at

http://europa.eu.int/comm/secretariat_general/sgb/state_aids

Date of adoption of the decision: 15.1.2003

Member State: Spain (Castile-Leon)

Aid No: NN 83/01 (ex N 166/01)

Title: Aid for the transport and destruction of carcasses

Objective: To set up a system for the collection, transport and destruction of animal carcasses

Legal basis: Orden de la Consejería de Agricultura y Ganadería de Castilla y León por la que se convocan ayudas para el establecimiento de un sistema de retirada, transporte y destrucción de cadáveres en Castilla y León

Budget: EUR 5 142 620 for 2001 and EUR 5 142 620 for 2002

Aid intensity or amount: Less than 100 % of the cost

Duration: Years 2001 and 2002

The authentic text(s) of the decision, from which all confidential information has been removed, can be found at

http://europa.eu.int/comm/secretariat_general/sgb/state_aids

Initiation of proceedings

(Case COMP/M.2947 — Verbund/Energie Allianz)

(2003/C 36/05)

(Text with EEA relevance)

On 20 December 2002, the Commission decided to initiate proceedings in the abovementioned case after finding that the notified concentration raises serious doubts as to its compatibility with the common market. The initiation of proceedings opens a second phase investigation with regard to the notified concentration. The decision is based on Article 6(1)(c) of Council Regulation (EEC) No 4064/89.

The Commission invites interested third parties to submit their observations on the proposed concentration.

In order to be taken fully into account in the procedure, observations should reach the Commission not later than 15 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 COMP/M.2947 — Verbund/Energie Allianz, to:

European Commission,
Directorate-General for Competition,
Directorate B — Merger Task Force,
J-70,
B-1049 Brussels.

Prior notification of a concentration
(Case COMP/M.3081 — Michelin/Viborg)

(2003/C 36/06)

(Text with EEA relevance)

1. On 6 February 2003 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 Eurodrive Services and Distribution NV (Eurodrive, Netherlands), belonging to the Michelin group (Compagnie Générale des Etablissements Michelin, France), acquires, within the meaning of Article 3(1)(b) of the Regulation, joint control of the whole of the tyre distribution and retreading business of Viborg Gruppen Holding A/S (Viborg, Denmark) by way of purchase of shares.

2. The business activities of the undertakings concerned are:

- Michelin: manufacture and supply of vehicle tyres,
- Eurodrive: distribution of vehicle tyres, retreading and maintenance services,
- Viborg: distribution of vehicle replacement tyres, tyre retreading services.

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 COMP/M.3081 — Michelin/Viborg, to:

European Commission,
Directorate-General for Competition,
Directorate B — Merger Task Force,
J-70,
B-1049 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.

Non-opposition to a notified concentration
(Case COMP/M.2917 — Wendel-KKR/Legrand)

(2003/C 36/07)

(Text with EEA relevance)

On 14 October 2002, 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 No 302M2917. CELEX is the computerised documentation system of European Community law.

For more information concerning subscriptions please contact:

EUR-OP,
Information, Marketing and Public Relations,
2, rue Mercier,
L-2985 Luxembourg.
Tel. (352) 29 29 427 18, fax (352) 29 29 427 09.

Non-opposition to a notified concentration
(Case COMP/M.3052 — ENI/Fortum Gas)

(2003/C 36/08)

(Text with EEA relevance)

On 23 January 2003, 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 No 303M3052. CELEX is the computerised documentation system of European Community law.

For more information concerning subscriptions please contact:

EUR-OP,
Information, Marketing and Public Relations,
2, rue Mercier,
L-2985 Luxembourg.
Tel. (352) 29 29 427 18, fax (352) 29 29 427 09.

Non-opposition to a notified concentration
(Case COMP/M.2881 — Koninklijke BAM NBM/HBG)

(2003/C 36/09)

(Text with EEA relevance)

On 3 September 2002 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 Dutch 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 'CNL' version of the CELEX database, under document No 302M2881. CELEX is the computerised documentation system of European Community law.

For more information concerning subscriptions please contact:

EUR-OP,
Information, Marketing and Public Relations,
2, rue Mercier,
L-2985 Luxembourg.
Tel. (352) 29 29 427 18, fax (352) 29 29 427 09.

III

(Notices)

COMMISSION

FOURTH CALL FOR PROPOSALS

for Asia Urbs

issued by the European Commission

(2003/C 36/10)

1. Publication reference

EuropeAid/115361/C/G.

— 6 months for a study,

— 24 months for a development project or an information-sharing project

2. Programme and financing source

Asia Urbs. Budget headings B7-3000/B7-3010 (South and South East Asia and China).

For details, see the 'Guidelines for applicants 2003' referred to in item 12.

3. Nature of activities, geographical area and project duration

a) Proposals are sought for co-financing for joint urban projects to enhance the cooperation between European and Asian local governments. Areas of activity comprise **urban management, urban socioeconomic development, urban environment and urban social infrastructure**. For further details see the Asia Urbs website

(http://europa.eu.int/comm/europeaid/projects/asia-urbs/index_en.htm).

Each activity should take place under one of the following components:

study: to help those who need to undertake such an exercise before formulating a development project;

development project: for applicants who want to propose a full development project;

information-sharing project: for applicants wishing to share best practices and technical information in urban development among Asia Urbs actors and others in the sector.

b) Geographical area: the European Union plus participating Asian countries, which are as follows: Bangladesh, Bhutan, Cambodia, China ⁽¹⁾, India, Indonesia, Lao People's Democratic Republic, Malaysia, Maldives, Nepal, Pakistan, Philippines, Sri Lanka, Thailand and Vietnam.

c) Maximum project duration:

4. Overall amount available for this call for proposals

EUR 10 million.

5. Maximum and minimum grant amounts

Maximum levels of co-financing and maximum and minimum amounts of grant for each programme component are as follows:

Studies

— Maximum level of co-financing: 65 %

— Maximum amount of grant: EUR 15 000

— Minimum amount of grant: EUR 10 000

Development projects

— Maximum level of co-financing: 65 %

— Maximum amount of grant: EUR 500 000

— Minimum amount of grant: EUR 250 000

Information-sharing projects

— Maximum level of co-financing: 65 %

— Maximum amount of grant: EUR 500 000

— Minimum amount of grant: EUR 250 000.

⁽¹⁾ Except Hong Kong and Macau.

6. Maximum number of grants to be awarded

40.

7. Eligibility: who may apply

An applicant must be a local government from the EU or one of the Asian eligible countries, which has established a partnership for the implementation of the project (see section 2.1.1 of the 'Guidelines for applicants 2003').

A proposal should be submitted by an applicant together with a minimum of two local government partners:

- (a) if the applicant derives from an Asian country/territory, it must have at least two local government partners from different EU Member States;
- (b) if the applicant derives from an EU Member State, it must have at least one local government partner from an Asian participant country/territory and one from a different EU Member State.

8. Provisional notification date of results of the award process

It is estimated that, under normal conditions, the time elapsing between the submission of an application and notification of the results of the award process is approximately three months.

It is envisaged that applicants submitting proposals during 2003 will be notified of the results as follows:

- for the 22 May 2003 deadline, notification during August 2003,
- for the 4 September 2003 deadline, notification during December 2003.

9. Award criteria

See section 2.3 of the 'Guidelines for applicants 2003'. Please note that applications will be judged separately on administrative compliance and eligibility, and on technical quality.

10. Application format and details to be provided

Applications must be submitted using the **standard application form** attached to the 'Guidelines for applicants 2003' mentioned in item 12, whose format and instructions must be strictly observed. For each application, **the applicant must supply** one signed original that contains a full set of documents as defined

in the guidelines, plus two electronic versions in the form of a diskette or CD-ROM in MS Word and MS Excel.

Regarding the selection of subcontractors, applicants' attention is drawn to the necessity of complying with the relevant EC rules. For profit-making organisations, this includes following the relevant EC contract award procedures. See section 2.1.2 of the 'Guidelines for applicants 2003', Contract award procedures (Annex IV to standard grant contract) and frequently asked questions (FAQs), which can be downloaded from the Internet websites below.

11. Deadline for applications

22 May 2003, 16.00 central european time (CET)

4 September 2003, 16.00 (CET)

Any application received after the first deadline will automatically be included in the next call deadline.

Any application received by the European Commission at the address indicated in the 'Guidelines for applicants 2003' after 16.00 (CET) on 4 September 2003, will not be considered.

12. Detailed information

Detailed information on this call for proposals is contained in the 'Guidelines for applicants 2003', which published together with this notice on the Internet website of EuropeAid:

http://europa.eu.int/comm/europeaid/index_en.htm

(specifically, <http://europa.eu.int/comm/europeaid/cgi/frame12.pl>).

Application details may also be downloaded from the Asia Urbs website at

http://europa.eu.int/comm/europeaid/projects/asia-urbs/index_en.htm

Any questions regarding this call for proposals should be sent by e-mail (including the publication reference of this call for proposals shown in item 1) to europeaid-asia-urbs@cec.eu.int

All applicants are encouraged to consult the above Internet web pages regularly before the deadlines for application since the European Commission will publish the most frequently asked questions (FAQs) and the corresponding replies.

CALL FOR PROPOSALS
for the Asia IT & C programme
issued by the European Commission
(2003/C 36/11)

1. Publication reference

EuropeAid/115327/C/G

2. Programme and Financing source

ALA Asia IT & C. Budget heading B7-3010 (South, South-East Asia and China).

3. Nature of activities, geographical area and project duration

- (a) Proposals are sought for co-financing for joint projects to enhance the transfer of information technology between Europe and Asia, and Asia and Europe. Areas of activity comprise agriculture, education, health, society, transport, tourism, intelligent manufacturing and electronic commerce. For further details see the Asia IT & C web site

(<http://europa.eu.int/comm/europeaid/projects/asia-itc>).

Each activity should take place under one of the following components.

1. Get-in-touch and keep-in-touch activities — supports the identification and linking of organisations in the form of task forces, workshops, seminars, and conferences to search, specify and assess compatible solutions for adaptation between European and Asian IT & C environments.

2. Short (university level) courses — supports courses and workshops, of a graduate or postgraduate standard, in either business or university contexts, to explore, transfer know-how and/or search for solutions around key IT & C issues.

3. Information society interconnectivity — supports operations to substantially improve, publicise and intensify direct communication connections and electronic traffic both between Europe and Asia, and within Asia. Organisations investing in the improvement of direct interconnectivity can be assisted by this instrument in order to facilitate the strengthening of the communications network between the continents. Operations, which are closely linked to such investments, will also be supported, as are those aiming to improve the quality, reliability and security of connections.

4. Liaise with European IT & C initiatives and programmes — supports the identification and

establishment of task forces, workshops and/or other events, which aim to facilitate and improve contacts, and/or the participation in, and transfer of know-how by Asian IT & C expertise to the development and implementation of existing European IT & C initiatives, for example under the Community research and technological development (RTD) framework programme.

5. Understanding European and Asian Regulatory and legislative organisation structures — supports studies, task forces, workshops, seminars, and/or conferences with the aim of improving the mutual understanding of European and Asian IT & C regulatory and legislative organisation structures, their capabilities and shortcomings, and the identification and definition of improvements that could be realised through the use of IT & C to achieve this goal.

6. Practical demonstration projects — supports demonstration of information technology and communications (IT & C) practices and techniques from either the European Union in Asia or viceversa. This programme component is seen as complementary to the preceding components, and prior activity in these components is recommended.

- (b) Geographical area: geographical area is the European Union plus participating Asian countries, which are as follows: Afghanistan, Bangladesh, Bhutan, Cambodia, China⁽¹⁾, East Timor, India, Indonesia, Lao People's Democratic Republic, Malaysia, Maldives, Nepal, Pakistan, Philippines, Sri Lanka, Thailand and Vietnam.

- (c) Maximum project duration: 36 months.

For details, see the 'Guidelines for Applicants 2003' referred to in item 12.

4. Overall amount available for this call for proposals

EUR 5 000 000

5. Maximum and minimum grant amounts

Maximum levels of co-financing and maximum and minimum amounts of grant for each programme component are as follows:

Get-in-touch and keep-in-touch activities

— Maximum level of co-financing: 50 %

⁽¹⁾ Except Hong Kong and Macau.

- Maximum amount of grants: EUR 200 000
- Minimum amount of grants: EUR 100 000

Short (university level) courses

- Maximum level of co-financing: 50 %
- Maximum amount of grants: EUR 200 000
- Minimum amount of grants: EUR 100 000

Information society interconnectivity

- Maximum level of co-financing: 50 %
- Maximum amount of grants: EUR 400 000
- Minimum amount of grants: EUR 200 000

Liaise with European IT & C Initiatives and Programmes

- Maximum level of co-financing: 80 %
- Maximum amount of grants: EUR 400 000
- Minimum amount of grants: EUR 200 000

Understanding European and Asian regulatory and legislative organisation structures

- Maximum level of co-financing: 75 %
- Maximum amount of grants: EUR 200 000
- Minimum amount of grants: EUR 100 000

Practical Demonstration Projects

- Maximum level of co-financing: 25 %
- Maximum amount of grants: EUR 400 000
- Minimum amount of grants: EUR 200 000

6. Maximum number of grants to be awarded

45

7. Eligibility: Who may apply?

Applicants must be national or regional authorities, public sector operators or non-profit making organisations from private sector or civil society (such as research centres, universities, professional associations or federations, NGOs) (see section 2.1.1 of the 'Guidelines for Applicants 2003 – Asia IT & C').

An applicant together with a minimum of two partners may submit a proposal:

- (a) if the applicant derives from an Asian participant country/territory, it must have two partners from two different EU Member States.
- (b) if the applicant derives from a EU Member State, it must have one partner from an Asian participant country/territory and one from a different EU Member State.

8. Provisional notification date of results of the award process

It is estimated that, under normal conditions, the time elapsing between the submission of an application and notification of the results of the award process is approximately four months.

It is envisaged that applicants submitting proposals for the present call will be notified of the results in September 2003.

9. Award criteria

See section 2.3 of the 'Guidelines for applicants' 2003. Please note that applications will be judged separately on administrative compliance and eligibility, and on technical quality.

10. Application format and details to be provided

Applications must be submitted using the **standard application form** attached to the guidelines for applicants mentioned in item 12, whose format and instructions must be strictly observed. For each application, **the applicant must supply one signed original**.

It is **mandatory** that **four (4) electronic copies** of the application are supplied.

11. Deadline for applications

16 May 2003, 16.00 central european time.

Any application received by the contracting authority after the deadline — Friday 16 May 2003 at 16.00 — will not be considered.

12. Detailed information

Detailed information on this call for proposals is contained in the 'Guidelines for applicants', which are published together with this notice on the EuropeAid website:

http://europa.eu.int/comm/europeaid/index_en.htm

and on:

<http://europa.eu.int/comm/europeaid/projects/asia-itc>

Any questions regarding this call for proposals should be sent by e-mail (including the publication reference of this call for proposals shown in item 1) to: europeaid-asia-itc@cec.eu.int

All applicants are encouraged to consult the above Internet web page regularly before the deadline for applications since the contracting authority will publish the most frequently asked questions and the corresponding replies.

CORRIGENDA**Corrigendum to the Court of Auditors' Annual Report concerning the financial year 2000 — Report on the activities financed from the general budget, together with the institutions' replies**

(Official Journal of the European Communities C 359, 15 December 2001)

(2003/C 36/12)

On page 71, Point 2.38 and footnote 24 (concerning the Specific appraisal in the context of the Statement of Assurance for the common agricultural policy) and the Commission's reply related to it are deleted.
