ISSN 1725-2555

Official Journal of the European Union

L 92

English edition

Legislation

Volume 50

3 April 2007

Contents

I *Acts adopted under the EC Treaty/Euratom Treaty whose publication is obligatory*

REGULATIONS

II *Acts adopted under the EC Treaty/Euratom Treaty whose publication is not obligatory*

DECISIONS

Commission

[1] Text with EEA relevance

(Continued overleaf)

EN

Acts whose titles are printed in light type are those relating to day-to-day management of agricultural matters, and are generally valid for a limited period.

The titles of all other acts are printed in bold type and preceded by an asterisk.

EN

I

(Acts adopted under the EC Treaty/Euratom Treaty whose publication is obligatory)

REGULATIONS

COMMISSION REGULATION (EC) No 369/2007

of 2 April 2007

establishing the standard import values for determining the entry price of certain fruit and vegetables

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Commission Regulation (EC) No 3223/94 of 21 December 1994 on detailed rules for the application of the import arrangements for fruit and vegetables [1], and in particular Article 4(1) thereof,

Whereas:

(1) Regulation (EC) No 3223/94 lays down, pursuant to the outcome of the Uruguay Round multilateral trade negotiations, the criteria whereby the Commission fixes the standard values for imports from third countries, in respect of the products and periods stipulated in the Annex thereto.

(2) In compliance with the above criteria, the standard import values must be fixed at the levels set out in the Annex to this Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

The standard import values referred to in Article 4 of Regulation (EC) No 3223/94 shall be fixed as indicated in the Annex hereto.

Article 2

This Regulation shall enter into force on 3 April 2007.

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

Done at Brussels, 2 April 2007.

For the Commission

Jean-Luc DEMARTY

Director-General for Agriculture and Rural Development

---

[1] OJ L 337, 24.12.1994, p. 66. Regulation as last amended by Regulation (EC) No 386/2005 (OJ L 62, 9.3.2005, p. 3).

ANNEX

to Commission Regulation of 2 April 2007 establishing the standard import values for determining the entry price of certain fruit and vegetables

(EUR/100 kg)

CN code	Third country code (1)	Standard import value
0702 00 00	IL	171,0
	MA	106,7
	SN	320,6
	TN	143,7
	TR	157,6
	ZZ	179,9
0707 00 05	JO	171,8
	MA	108,8
	TR	152,9
	ZZ	144,5
0709 90 70	MA	58,7
	TR	100,3
	ZZ	79,5
0709 90 80	EG	242,2
	IL	80,8
	ZZ	161,5
0805 10 20	CU	38,6
	EG	43,5
	IL	56,6
	MA	45,6
	TN	53,9
	TR	51,4
	ZZ	48,3
0805 50 10	IL	61,3
	TR	52,4
	ZZ	56,9
0808 10 80	AR	82,2
	BR	77,2
	CA	101,7
	CL	86,8
	CN	84,3
	NZ	121,8
	US	108,5
	UY	67,4
	ZA	82,0
	ZZ	90,2
0808 20 50	AR	71,8
	CL	90,0
	CN	54,2
	ZA	77,3
	ZZ	73,3

(1) Country nomenclature as fixed by Commission Regulation (EC) No 1833/2006 (OJ L 354, 14.12.2006, p. 19). Code 'ZZ' stands for 'of other origin'.

COMMISSION REGULATION (EC) No 370/2007

of 2 April 2007

amending Commission Regulation (EC) No 361/2007 fixing the import duties in the cereals sector applicable from 1 April 2007

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1784/2003 of 29 September 2003 on the common organisation of the market in cereals [1],

Having regard to Commission Regulation (EC) No 1249/96 of 28 June 1996 on rules of application (cereal sector import duties) for Council Regulation (EEC) No 1766/92 [2], and in particular Article 2(1) thereof,

Whereas:

(1) The import duties in the cereals sector applicable from 1 April 2007 were fixed by Commission Regulation (EC) No 361/2007 [3].

(2) As the average of the import duties calculated differs by more than EUR 5 a tonne from that fixed, a corresponding adjustment must be made to the import duties fixed by Regulation (EC) No 361/2007.

(3) Regulation (EC) No 361/2007 should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Annexes I and II to Regulation (EC) No 361/2007 are hereby replaced by the text in the Annex to this Regulation.

Article 2

This Regulation shall enter into force on 3 April 2007.

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

Done at Brussels, 2 April 2007.

For the Commission

Jean-Luc DEMARTY

Director-General for Agriculture and Rural Development

(1) OJ L 270, 29.9.2003, p. 78. Regulation as amended by Commission Regulation (EC) No 1154/2005 (OJ L 187, 19.7.2005, p. 11).

(2) OJ L 161, 29.6.1996, p. 125. Regulation as last amended by Regulation (EC) No 1110/2003 (OJ L 158, 27.6.2003, p. 12).

(3) OJ L 91, 31.3.2007, p. 3.

ANNEX

'ANNEX I

Import duties on the products referred to in Article 10(2) of Regulation (EC) No 1784/2003 applicable from 3 April 2007

CN code	Description	Import duties [1] (EUR/t)
1001 10 00	Durum wheat, high quality	0,00
	medium quality	0,00
	low quality	0,00
1001 90 91	Common wheat seed	0,00
ex 1001 90 99	High quality common wheat, other than for sowing	0,00
1002 00 00	Rye	0,00
1005 10 90	Maize seed other than hybrid	12,61
1005 90 00	Maize, other than seed [2]	12,61
1007 00 90	Grain sorghum other than hybrids for sowing	0,00

[1] For goods arriving in the Community via the Atlantic Ocean or via the Suez Canal the importer may benefit, under Article 2(4) of Regulation (EC) No 1249/96, from a reduction in the duty of:

— 3 EUR/t, where the port of unloading is on the Mediterranean Sea, or

— 2 EUR/t, where the port of unloading is in Denmark, Estonia, Ireland, Latvia, Lithuania, Poland, Finland, Sweden, the United Kingdom or the Atlantic coast of the Iberian peninsula.

[2] The importer may benefit from a flatrate reduction of EUR 24 per tonne where the conditions laid down in Article 2(5) of Regulation (EC) No 1249/96 are met.

ANNEX II

Factors for calculating the duties laid down in Annex I

30 March 2007

1. Averages over the reference period referred to in Article 2(2) of Regulation (EC) No 1249/96:

EUR/t

	Common wheat (*)	Maize	Durum wheat, high quality	Durum wheat, medium quality (**)	Durum wheat, low quality (***)	Barley
Exchange	Minneapolis	Chicago	—	—	—	—
Quotation	152,25	110,71	—	—	—	—
Fob price USA	—	—	180,60	170,60	150,60	152,43
Gulf of Mexico premium	26,80	7,02	—	—	—	—
Great Lakes premium	—	—	—	—	—	—

(*) Premium of 14 EUR/t incorporated (Article 4(3) of Regulation (EC) No 1249/96).
(**) Discount of 10 EUR/t (Article 4(3) of Regulation (EC) No 1249/96).
(***) Discount of 30 EUR/t (Article 4(3) of Regulation (EC) No 1249/96).

2. Averages over the reference period referred to in Article 2(2) of Regulation (EC) No 1249/96:

Freight costs: Gulf of Mexico–Rotterdam: 30,97 EUR/tonne

Freight costs: Great Lakes–Rotterdam: 31,35 EUR/tonne'

COMMISSION REGULATION (EC) No 371/2007

of 2 April 2007

amending Regulation (EC) No 950/2006 laying down detailed rules of application for the 2006/2007, 2007/2008 and 2008/2009 marketing years for the import and refining of sugar products under certain tariff quotas and preferential agreements

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 318/2006 of 20 February 2006 on the common organisation of the markets in the sugar sector [1], and in particular Article 40(1)(e)(iii),

Whereas:

(1) Article 6(1) of Commission Regulation (EC) No 1301/2006 of 31 August 2006 laying down common rules for the administration of import tariff quotas for agricultural products managed by a system of import licences [2] provides that applicants for import licence should not lodge more than one import licence application for the same quota order number in respect of an import tariff quota period. Regulation (EC) No 1301/2006 applies without prejudice to additional conditions or derogations which might be laid down by the sectoral regulations. In particular, in order to ensure fluid supply to the Community market, the intervals at which import licence applications are to be submitted provided for in Commission Regulation (EC) No 950/2006 [3], should be maintained, and it is therefore necessary to derogate from Article 6(1) of Regulation (EC) No 1301/2006 on this point.

(2) The experience gained in the initial months of applying Regulation (EC) No 950/2006 suggests that improvements should be made to the common management rules laid down by that Regulation.

(3) In accordance with Article 7(2) Regulation (EC) No 950/2006, where release for free circulation does not take place in the Member State which issued the import licence, the Member State of release for free circulation shall keep the original import licence. To allow the operator to use the remaining quantities of the import licences and to facilitate the release of the security of the import licence, only a copy of the import licence should be kept by that Member State.

(4) The communications of the Member States to the Commission specified in Article 8(b)(i) of Regulation (EC) No 950/2006 should also include the quantities imported in the form of white sugar.

(5) In accordance with Article 10(1)(b) of Regulation (EC) No 950/2006, in the period from 30 June to the end of the marketing year, any Community full-time refiner may submit applications for import licences for sugar for refining in all Member States within the limits of the quantities per Member State for which import licences for sugar for refining may be issued. In such cases the obligation under Article 4(2) second subparagraph of that Regulation to submit the application to the competent authorities of the Member State in which they are registered for VAT purposes should not apply.

(6) If sugar imported as sugar for refining is not refined within the period set in Article 4(4)(b) of Regulation (EC) No 950/2006, only the holder of the import licence shall pay an amount equal to EUR 500 per tonne for the quantities of sugar not refined. Therefore, the same penalty provided for in Article 11(3)(a) for the approved sugar producer should be deleted.

(7) In accordance with Council Regulation (EC) No 1894/2006 of 18 December 2006 concerning the implementation of the Agreement in the form of an Exchange of Letters between the European Community and Brazil relating to the modification of concessions in the schedules of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic in the course of accession to the European Community, amending and supplementing Annex I to Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff [4], the Community has undertaken to import from Brazil a tariff rate quota of 10 124 tonnes of raw cane sugar for refining at a rate of duty of EUR 98 per tonne.

[1] OJ L 58, 28.2.2006, p. 1. Regulation as last amended by Commission Regulation (EC) No 247/2007 (OJ L 69, 9.3.2007, p. 3).
[2] OJ L 238, 1.9.2006, p. 13. Regulation as last amended by Regulation (EC) No 289/2007 (OJ L 78, 17.3.2007, p. 17).
[3] OJ L 178, 1.7.2006, p. 1. Regulation as last amended by Regulation (EC) No 2031/2006 (OJ L 414, 30.12.2006, p. 43).
[4] OJ L 397, 30.12.2006, p. 1.

(8) That quota should be opened and administered in accordance with Regulation (EC) No 950/2006 as 'CXL Concessions sugar'. Since Article 24 of that Regulation opens the tariff quotas for CXL Concessions sugar on a marketing year basis, the annual tariff quota for raw cane sugar for refining originating in Brazil should be adjusted to take account of the fact that the marketing year 2006/2007 covers 15 months.

(9) Regulation (EC) No 950/2006 should therefore be amended accordingly.

(10) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Sugar,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 950/2006 is amended as follows:

1. in Article 4(2), the first subparagraph is replaced by the following:

'2. Notwithstanding Article 6(1) of Regulation (EC) No 1301/2006, Import licence applications shall be submitted each week, from Monday to Friday, starting on the date referred to in paragraph 5 of this Article and until the issue of licences is discontinued as referred to in the second subparagraph of Article 5(3) of this Regulation.';

2. Article 7(2) is replaced by the following:

'2. Where release for free circulation does not take place in the Member State which issued the import licence, the Member State of release for free circulation shall keep a copy of the import licence and, where appropriate, the supplementary document completed as provided for in Articles 22 and 23, and forward a copy to the Member State which issued the import licence. In such cases, the holder of the import licence shall retain the original.';

3. Article 8(b) is replaced by the following:

'(b) before 1 March and for the previous marketing year or the previous delivery period, as the case may be:

(i) the total quantity actually imported:

— in the form of sugar for refining, expressed in *tel quel* weight and in white sugar equivalent,

— in the form of sugar not intended for refining, expressed in *tel quel* weight and in white sugar equivalent,

— in the form of white sugar,

(ii) the quantity of sugar, by *tel quel* weight and in white sugar equivalent, that has actually been refined.';

4. in Article 10(1), the following subparagraph is added:

'For the applications submitted under point (b) of the first subparagraph and by way of derogation from Article 4(2) second subparagraph, applicants may submit their licence applications to the competent authorities of a Member State in which they are not registered for VAT purposes. In that case, the applicant submits his approval as a full-time refiner according to Article 7(1)(d) of Commission Regulation (EC) No 952/2006 (*).

(*) OJ L 178, 1.5.2006, p. 39.';

5. Article 11, paragraph 3 is replaced by the following:

'3. Approved sugar producers shall pay, before 1 June following the marketing year concerned, an amount equal to EUR 500 per tonne for the quantities of sugar for which they cannot provide proof acceptable to the Member State that the sugar referred to in paragraph 2(c) is not imported sugar not intended for refining or, if it is sugar for refining, that it has not been refined for exceptional technical reasons or due to a case of *force majeure*.';

6. in Article 24, paragraphs 1 and 2 are replaced by the following:

'1. For each marketing year, tariff quotas for a total of 106 925 tonnes of raw cane sugar for refining, falling within CN code 1701 11 10, shall be opened as CXL concessions sugar at a duty of EUR 98 per tonne.

However, for the 2006/2007 marketing year the quantity shall be 144 388 tonnes of raw cane sugar.

2. The quantities referred to in paragraph 1 shall be allocated by country of origin as follows:

— Cuba 58 969 tonnes,

— Brazil 34 054 tonnes,

— Australia 9 925 tonnes,

— other third countries 3 977 tonnes.

However, for the 2006/2007 marketing year the allocation by country of origin shall be:

— Cuba 73 711 tonnes,

— Brazil 47 630 tonnes,

— Australia 17 369 tonnes,

— other third countries 5 678 tonnes.'

Article 2

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

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

Done at Brussels, 2 April 2007.

For the Commission

Mariann FISCHER BOEL

Member of the Commission

COMMISSION REGULATION (EC) No 372/2007

of 2 April 2007

laying down transitional migration limits for plasticisers in gaskets in lids intended to come into contact with foods

(Text with EEA relevance)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Regulation (EC) No 1935/2004 of the European Parliament and of the Council of 27 October 2004 on materials and articles intended to come into contact with food and repealing Directives 80/590/EEC and 89/109/EEC ([1]), and in particular Article 5(1) thereof,

After consulting the European Food Safety Authority (the Authority),

Whereas:

(1) In 1999 the Scientific Committee for food has assigned to epoxidised soybean oil (ESBO) a tolerable daily intake (TDI) of 1 mg/kg body weight per day. This TDI is translated into a specific migration limit (SML) of 60 mg/kg food for plastic materials and articles in Commission Directive 2002/72/EC ([2]).

(2) Commission Directive 2007/19/EC of 30 March 2007 amending Directive 2002/72/EC relating to plastic materials and articles intended to come into contact with food ([3]) clarifies that gaskets in lids fall under the scope of Directive 2002/72/EC. It stipulates that Member States have to adopt measures by 1 April 2008 that allow free circulation of gaskets in lids if they comply with SML. Non-compliant gaskets in lids will be prohibited as from 1 June 2008.

(3) It appears necessary to regulate the placing on the market of those products pending the implementation of Directive 2007/19/EC.

(4) Indeed, recent data from Member States and Switzerland showed concentrations of ESBO in fatty food, such as sauces and vegetables or fish in oil, reaching up to 1 150 mg/kg. With such high values, the TDI may be exceeded for consumers.

(5) Recently business operators have shown an interest in using other plasticisers as substitutes for ESBO which either have a higher TDI or migrate to lesser extent. Therefore specific rules for these substitutes are also necessary.

(6) Moreover, the legal situation of these products is currently uncertain. Directive 2002/72/EC applies to materials and articles, and parts thereof, which consist exclusively of plastics or are composed of two or more layers consisting exclusively of plastics. Gaskets in metal lids could alternatively be regarded as a plastic part of a material or article and thus covered by Directive 2002/72/EC or as a plastic coating on a metal substrate, and thus not covered by Directive 2002/72/EC.

(7) As a consequence, Member States currently apply diverging rules that may pose a barrier to trade.

(8) It therefore appears proportionate to fix transitional SML for the sum of certain plasticisers used in gaskets in lids contacting fatty foods, so that the free circulation of those products is not endangered, the lids and foods that pose a significant risk are immediately excluded form the market and, at the same time, industry has sufficient time to finalise the development of gaskets that are compliant with the SML laid down in Directive 2002/72/EC as amended by Directive 2007/19/EC.

(9) The transitional SML should be set at a level ensuring that normally the TDI will not be exceeded, taking into account the average consumption of the foods concerned and the opinion issued by EFSA on 16 March 2006, which indicated that the level of plasticisers present in 90 % of the fatty food in glass jars is below 300 mg/kg food.

(10) The measures provided for in this Regulation are in accordance with the opinion of the Standing Committee on the Food Chain and Animal Health,

HAS ADOPTED THIS REGULATION:

Article 1

Lids containing plastic layers or plastic coatings, forming gaskets in these lids that together are composed of two or more layers of different types of materials may be placed on the market in the Community if they comply with the restrictions and specifications indicated in the Annex to this Regulation.

([1]) OJ L 338, 13.11.2004, p. 4.
([2]) OJ L 220, 15.8.2002, p. 18. Directive as last amended by Directive 2005/79/EC (OJ L 302, 19.11.2005, p. 35).
([3]) OJ L 91, 31.3.2007, p. 17.

Article 2

This Regulation shall enter into force on the 20th day following its publication in the *Official Journal of the European Union*.

This Regulation shall apply until 30 June 2008.

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

Done at Brussels, 2 April 2007.

For the Commission
Markos KYPRIANOU
Member of the Commission

ANNEX

Restrictions and specifications related to plasticisers used in gaskets in lids

Ref. No	CAS No	Name	Restrictions and/or specifications
(1)	(2)	(3)	(4)
88640	008013-07-8	Soybean oil, epoxidised (ESBO)	For materials and articles intended for or brought into contact with foods for which simulant D testing is required by Directive 85/572/EEC SML(T) ([1]) ([2]) = 300 mg/kg of food or food simulants or 50 mg/dm^2 of the total food contact surface of lid and sealed container. For materials and articles intended for or brought into contact with infant formulae and follow-on formulae as defined by Commission Directive 91/321/EEC on infant formulae and follow-on formulae and products according to Directive 96/5/EC on processed cereal-based foods and baby foods for infants and young children SML = 30 mg/kg of food or food simulant. For materials and articles intended for or brought into contact with all other types of foods SML(T) ([2]) = 60 mg/kg of food or food simulants or 10 mg/dm^2 of the total food contact surface of lid and sealed container.
30401	—	Acetylated mono- and diglycerides of fatty acids	For materials and articles intended for or brought into contact with foods for which simulant D testing is required by Directive 85/572/EEC SML(T) ([2]) = 300 mg/kg of food or food simulants or 50 mg/dm^2 of the total food contact surface of lid and sealed container. For materials and articles intended for or brought into contact with all other types of foods SML(T) ([2]) = 60 mg/kg of food or food simulants or 10 mg/dm^2 of the total food contact surface of lid and sealed container.
76815	—	Polyester of adipic acid with glycerol or pentaerythritol, esters with even numbered, unbranched C_{12}-C_{22} fatty acids	For materials and articles intended for or brought into contact with foods for which simulant D testing is required by Directive 85/572/EEC SML(T) ([2]) = 300 mg/kg of food or food simulants or 50 mg/dm^2 of the total food contact surface of lid and sealed container. For materials and articles intended for or brought into contact with all other types of foods SML(T) ([2]) = 60 mg/kg of food or food simulants or 10 mg/dm^2 of the total food contact surface of lid and sealed container.
93760	000077-90-7	Tri-n-butyl acetyl citrate	For materials and articles intended for or brought into contact with foods for which simulant D testing is required by Directive 85/572/EEC SML(T) ([2]) = 300 mg/kg of food or food simulants or 50 mg/dm^2 of the total food contact surface of lid and sealed container. For materials and articles intended for or brought into contact with all other types of foods SML(T) ([2]) = 60 mg/kg of food or food simulants or 10 mg/dm^2 of the total food contact surface of lid and sealed container.

(1)	(2)	(3)	(4)
56800	030899-62-8	Glycerol monolaurate diacetate	For materials and articles intended for or brought into contact with foods for which simulant D testing is required by Directive 85/572/EEC SML(T) ([2]) = 300 mg/kg of food or food simulants or 50 mg/dm^2 of the total food contact surface of lid and sealed container. For materials and articles intended for or brought into contact with all other types of foods SML(T) ([2]) = 60 mg/kg of food or food simulants or 10 mg/dm^2 of the total food contact surface of lid and sealed container.
30340	330198-91-9	12-(Acetoxy)stearic acid, 2,3-bis(acetoxy)-propyl ester	For materials and articles intended for or brought into contact with foods for which simulant D testing is required by Directive 85/572/EEC SML(T) ([2]) = 300 mg/kg of food or food simulants or 50 mg/dm^2 of the total food contact surface of lid and sealed container. For materials and articles intended for or brought into contact with all other types of foods SML(T) ([2]) = 60 mg/kg of food or food simulants or 10 mg/dm^2 of the total food contact surface of lid and sealed container.
76866	—	Polyesters of 1,2-propanediol and/or 1,3- and/or 1,4-butanediol and/or polypropyleneglycol with adipic acid, also end-capped with acetic acid or fatty acids C_{12}-C_{18} or n-octanol and/or n-decanol	SML = 30 mg/kg of food or food simulants or 5 mg/dm^2 of the total food contact surface of lid and sealed container.

([1]) 'SML' means specific migration limit.
([2]) SML(T) in this specific case means that the specific migration limit shall not be exceeded by the sum of the migration levels of the substances mentioned with reference numbers 88640, 30401, 76815, 93760, 56800 and 30340.

COMMISSION REGULATION (EC) No 373/2007

of 2 April 2007

amending and correcting Regulation (EC) No 795/2004 laying down detailed rules for the implementation of the single payment scheme provided for in Council Regulation (EC) No 1782/2003

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1782/2003 of 29 September 2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers and amending Regulations (EEC) No 2019/93, (EC) No 1452/2001, (EC) No 1453/2001, (EC) No 1454/2001, (EC) No 1868/94, (EC) No 1251/1999, (EC) No 1254/1999, (EC) No 1673/2000, (EEC) No 2358/71 and (EC) No 2529/2001 [1], and in particular the second sentence of Article 60(2) and Article 145(c) and (d) thereof,

Whereas:

(1) Commission Regulation (EC) No 795/2004 [2] introduces the implementing rules for the single payment scheme as from 2005. Experience of the administrative and operational implementation of that scheme at national level has shown that in certain respects further detailed rules are needed and in other respects the existing rules need to be clarified and adapted.

(2) Sugar cane occupies the land for five years or longer and yields repeated harvests so it could be considered permanent crops. According to Article 44(2) of Regulation (EC) No 1782/2003 areas under permanent crops are in general not eligible for the activation of payment entitlements. However, Article 3b(2) of Regulation (EC) No 795/2004 provides for the eligibility of permanent crops in the framework of the single payment scheme under the condition that the area is subject to an application for the aid for energy crops provided for in Article 88 of Regulation (EC) No 1782/2003.

(3) Regulation (EC) No 1782/2003 as amended by Council Regulation (EC) No 319/2006 [3] defines the rules for the de-coupled support and the integration of the support for sugar beet, cane and chicory into the single payment scheme. Therefore, areas under these crops should be eligible without the requirement of an application to the energy crops scheme. It is appropriate to exclude sugar cane from the permanent crop definition of Article 2 of Regulation (EC) No 795/2004 by adding it to the list of crops which are considered as multiannual crops for the purpose of Title III of Regulation (EC) No 1782/2003.

(4) In accordance with Article 52 of Regulation (EC) No 1782/2003 production of hemp for other uses than fibre will be allowed as a land use under the single payment scheme from 1 January 2007 onwards. The granting of payments should be made subject to the use of certified seeds of certain varieties. As a consequence, Article 29 of Regulation (EC) No 795/2004 should be adapted accordingly.

(5) An error was made in the wording of Article 30(5) of Regulation (EC) No 795/2004, which establishes the obligation for Member States to take the measures necessary to apply Article 29 of Regulation (EC) No 1782/2003 in the case of producers who, by means of abnormally low numbers of livestock units (LUs) during part of the year, artificially create the conditions required to respect the minimum agricultural activity. This obligation should apply when the abnormality refers to high numbers of livestock units (LUs). The above provision should therefore be corrected.

(6) Annex II to Regulation (EC) No 795/2004 has fixed the average number of hectares referred to in Article 60(2) of Regulation (EC) No 1782/2003 on the basis of the data communicated to the Commission by the Member States concerned. Malta and Slovenia have communicated the relevant data. It is therefore appropriate to fix also the number of hectares for those Member States.

(7) Since the integration of the support for sugar beet, cane and chicory into the single payment scheme is applicable as from 1 January 2006, it is appropriate to provide that the amended provision on eligibility of sugar cane areas to the single payment scheme applies retroactively from that date.

(8) Since Regulation (EC) No 795/2004 introduces the implementing rules for the single payment scheme as from 1 January 2005 the correction in Article 30(5) should be applicable as from that date.

---

[1] JO L 270, 21.10.2003, p. 1. Regulation as last amended by Regulation (EC) No 2013/2006 (JO L 384, 29.12.2006, p. 13).
[2] OJ L 141, 30.4.2004, p. 1. Regulation as last amended by Regulation (EC) No 1291/2006 (OJ L 236, 31.8.2006, p. 20).
[3] OJ L 58, 28.2.2006, p. 32.

(9) Regulation (EC) No 795/2004 should therefore be amended and corrected accordingly.

(10) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Direct Payments,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 795/2004 is amended as follows:

1. In the table in Article 2, point (d), the following line is added:

'1212 99 20	sugar cane'

2. In Article 29, the second sentence is replaced by the following:

'The seed shall be certified in accordance with Council Directive 2002/57/EC (*) and in particular Article 12 thereof.

(*) OJ L 193, 20.7.2002, p. 74.'

3. In Article 30, paragraph 5 is replaced by the following:

'5. Member States shall take the measures necessary to apply Article 29 of Regulation (EC) No 1782/2003 in the case of producers who, by means of abnormally high numbers of LUs during part of the year, artificially create the conditions required to respect the minimum agricultural activity.'

4. Annex II is replaced by the text in the Annex to this Regulation.

Article 2

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

Point 1 of Article 1 shall apply from 1 January 2006.

Point 2 of Article 1 shall apply from 1 January 2007.

Point 3 of Article 1 shall apply from 1 January 2005.

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

Done at Brussels, 2 April 2007.

For the Commission

Mariann FISCHER BOEL

Member of the Commission

ANNEX

'ANNEX II

Number of hectares referred to in Article 60(2) of Regulation (EC) No 1782/2003

Member State and Regions	Number of hectares
DENMARK	33 740
GERMANY	301 849
Baden-Württemberg	18 322
Bavaria	50 451
Brandenburg and Berlin	12 910
Hessen	12 200
Lower Saxony and Bremen	76 347
Mecklenburg-Western Pomerania	13 895
North Rhine-Westphalia	50 767
Rhineland-Palatinate	19 733
Saarland	369
Saxony	12 590
Saxony-Anhalt	14 893
Schleswig-Holstein and Hamburg	14 453
Thuringia	4 919
LUXEMBOURG	705
FINLAND	38 006
Region A	3 425
Region B-C1	23 152
Region C2-C4	11 429
MALTA	3 640
SLOVENIA	11 437
SWEDEN	
Region 1	9 193
Region 2	8 375
Region 3	17 448
Region 4	4 155
Region 5	4 051
UNITED KINGDOM	
England (other)	241 000
England (Moorland SDA)	10
England (Upland SDA)	190
Northern Ireland	8 304'

II

(Acts adopted under the EC Treaty/Euratom Treaty whose publication is not obligatory)

DECISIONS

COMMISSION

COMMISSION DECISION

of 29 March 2007

amending Decisions 2001/405/EC, 2002/255/EC, 2002/371/EC, 2004/669/EC, 2003/31/EC and 2000/45/EC in order to prolong the validity of the ecological criteria for the award of the Community eco-label to certain products

(notified under document number C(2007) 532)

(Text with EEA relevance)

(2007/207/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Regulation (EC) No 1980/2000 of the European Parliament and of the Council of 17 July 2000 on a revised Community eco-label award scheme [1], and in particular the second subparagraph of Article 6(1) thereof,

After consulting the European Union Eco-labelling Board,

Whereas:

(1) The product group definition and the ecological criteria set out in Commission Decision 2001/405/EC of 4 May 2001 establishing the ecological criteria for the award of the Community eco-label to tissue paper products [2] expires on 4 May 2007.

(2) Commission Decision 2002/255/EC of 25 March 2002 establishing the ecological criteria for the award of the Community eco-label to televisions [3] expires on 31 March 2007.

(3) Commission Decision 2002/371/EC of 15 May 2002 establishing the ecological criteria for the award of the Community eco-label to textile products and amending Decision 1999/178/EC [4] expires on 31 May 2007.

(4) Commission Decision 2004/669/EC of 6 April 2004 establishing revised ecological criteria for the award of the Community eco-label to refrigerators and amending Decision 2000/40/EC [5] expires on 31 May 2007.

(5) Commission Decision 2003/31/EC of 29 November 2002 establishing revised ecological criteria for the award of the Community eco-label to detergents for dish-washers and amending Decision 1999/427/EC [6] expires on 31 December 2007.

(6) Commission Decision 2000/45/EC of 17 December 1999 establishing the ecological criteria for the award of the Community eco-label to washing machines [7] expires on 30 November 2007.

(7) Pursuant to Regulation (EC) No 1980/2000 a timely review has been carried out of the ecological criteria, as well as of the related assessment and verification requirements, established by those Decisions.

[1] OJ L 237, 21.9.2000, p. 1.
[2] OJ L 142, 29.5.2001, p. 10. Decision as amended by Decision 2005/384/EC (OJ L 127, 20.5.2005, p. 20).
[3] OJ L 87, 4.4.2002, p. 53. Decision as amended by Decision 2005/384/EC.
[4] OJ L 133, 18.5.2002, p. 29.
[5] OJ L 306, 2.10.2004, p. 16.
[6] OJ L 9, 15.1.2003, p. 11.
[7] OJ L 16, 21.1.2000, p. 74. Decision as last amended by Decision 2005/384/EC.

(8) In the light of the review of those criteria and requirements, it is appropriate in all six cases to prolong the period of validity of the ecological criteria and the requirements for a period of one year.

(9) Since the review obligation pursuant to Regulation (EC) No 1980/2000 concerns only the ecological criteria and assessment and verification requirements, it is appropriate that Decisions 2001/405/EC, 2002/255/EC, 2002/371/EC, 2004/669/EC, 2003/31/EC and 2000/45/EC remain in effect.

(10) Decisions 2001/405/EC, 2002/255/EC, 2002/371/EC, 2004/669/EC, 2003/31/EC and 2000/45/EC should therefore be amended accordingly.

(11) The measures provided for in this Decision are in accordance with the opinion of the Committee instituted by Article 17 of Regulation (EC) No 1980/2000,

HAS ADOPTED THIS DECISION:

Article 1

Article 3 of Decision 2001/405/EC is replaced by the following:

'*Article 3*

The ecological criteria for the product group tissue paper, as well as the related assessment and verification requirements, shall be valid until 4 May 2008.'

Article 2

Article 4 of Decision 2002/255/EC is replaced by the following:

'*Article 4*

The ecological criteria for the product group televisions, as well as the related assessment and verification requirements, shall be valid until 31 March 2008.'

Article 3

Article 5 of Decision 2002/371/EC is replaced by the following:

'*Article 5*

The ecological criteria for the product group textile products, as well as the related assessment and verification requirements, shall be valid until 31 May 2008.'

Article 4

Article 5 of Decision 2004/669/EC is replaced by the following:

'*Article 5*

The ecological criteria for the product group refrigerators, as well as the related assessment and verification requirements, shall be valid until 31 May 2008.'

Article 5

Article 5 of Decision 2003/31/EC is replaced by the following:

'*Article 5*

The ecological criteria for the product group detergents for dishwashers, as well as the related assessment and verification requirements, shall be valid until 31 December 2008.'

Article 6

Article 3 of Decision 2000/45/EC is replaced by the following:

'*Article 3*

The ecological criteria for the product group washing machines, as well as the related assessment and verification requirements, shall be valid until 30 November 2008.'

Article 7

This Decision is addressed to the Member States.

Done at Brussels, 29 March 2007.

For the Commission

Stavros DIMAS

Member of the Commission

COMMISSION DECISION

of 30 March 2007

concerning a Community financial contribution towards a baseline survey on the prevalence of *Salmonella* in turkeys to be carried out in Bulgaria and in Romania

(notified under document number C(2007) 1401)

(Only the Bulgarian and Romanian texts are authentic)

(2007/208/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Decision 90/424/EEC of 26 June 1990 on expenditure in the veterinary field [1], and in particular Article 20 thereof,

Whereas:

(1) Decision 90/424/EEC provides for Community financial contributions towards specific veterinary measures. It also provides for the Community to undertake or assist the Member States in undertaking the technical and scientific measures necessary for the development of veterinary legislation and for the development of veterinary education or training.

(2) Regulation (EC) No 2160/2003 of the European Parliament and of the Council of 17 November 2003 on the control of *Salmonella* and other specified food-borne zoonotic agents [2], provides that a Community target is to be established for reducing the prevalence of *Salmonella* in populations of flocks of turkeys by the end of 2007.

(3) In order to set the Community target, comparable data on the prevalence of *Salmonella* in populations of turkeys in Bulgaria and in Romania need to be available. Such information is presently not available and a special survey should therefore be carried out to monitor the prevalence of *Salmonella* in turkeys over a suitable period in those Member States.

(4) A baseline study on *Salmonella* in turkey is to be carried out by the other Member States between October 2006 and September 2007 in accordance with Commission Decision 2006/662/EC of 29 September 2006 concerning a financial contribution from the Community towards a baseline survey on the prevalence of *Salmonella* in turkeys to be carried out in the Member States [3]. The same procedures should be used in the baseline studies in Bulgaria and in Romania. However, the period of the survey should be shortened in order to enable the analysis of the data of all Member States at the same time.

(5) The survey is to provide the technical information necessary for the development of Community veterinary legislation. Given the importance of collecting comparable data on the prevalence of *Salmonella* in turkeys in Bulgaria and in Romania, those Member States should be granted a Community financial contribution for implementing the specific requirements of the survey. It is therefore appropriate to reimburse 100 % of the costs incurred in the laboratory testing, subject to a ceiling. All other costs, such as those relating to sampling, travel and administration should not be eligible for any Community financial contribution.

(6) The financial contribution from the Community should be granted provided that the survey is carried out in accordance with Community law and subject to compliance with certain other specified conditions. The financial contribution should be granted in so far as the actions provided for are effectively carried out and provided that the authorities furnish all the necessary information within the time limits provided for.

(7) It is necessary to clarify the rate to be used for the conversion of payment applications submitted in national currencies as defined in Article 1(d) of Council Regulation (EC) No 2799/98 of 15 December 1998 establishing agrimonetary arrangements for the euro [4].

(8) The measures provided for in this Decision are in accordance with the opinion of the Standing Committee on the Food Chain and Animal Health,

HAS ADOPTED THIS DECISION:

Article 1

Subject matter and scope

1. A survey shall be carried out to assess the prevalence of *Salmonella* spp. in Bulgaria and in Romania in the following flocks of turkeys:

[1] OJ L 224, 18.8.1990, p. 19. Decision as last amended by Regulation (EC) No 1791/2006 (OJ L 363, 20.12.2006, p. 1).
[2] OJ L 325, 12.12.2003, p. 1. Regulation as last amended by Council Regulation (EC) No 1791/2006.
[3] OJ L 272, 3.10.2006, p. 22.
[4] OJ L 349, 24.12.1998, p. 1.

(a) flocks of fattening turkeys sampled within three weeks of the date of leaving the selected holding for slaughter;

(b) flocks of breeding turkeys within nine weeks before the date of depopulation of the flocks.

2. The survey on the *Salmonella* prevalence of the flocks referred to in paragraph 1 (the flocks) shall cover the period from 1 April 2007 to 30 September 2007.

3. For the purposes of this Decision, 'the competent authority' shall be the authority or authorities of a Member State as designated under Article 3 of Regulation (EC) No 2160/2003.

Article 2

Sampling frame

1. The sampling for the purpose of the survey shall be carried out on holdings containing at least 500 fattening turkeys or 250 breeding turkeys. On each selected holding of fattening turkeys, one flock of the appropriate age shall be sampled.

However, if the calculated number of flocks to be sampled as set out in the technical specifications is higher than the number of holdings available with at least the number of turkeys specified in the first subparagraph, in order to achieve that calculated number of flocks, up to four flocks may be sampled on the same holding. Where possible those additional flocks from a single holding shall be from different turkey houses and samples taken in different months.

If the number of flocks to be sampled is still not sufficient, more than four flocks may be sampled on the same holding, larger holdings being focused on.

If the number of flocks to be sampled is still not sufficient, flocks may be sampled on holdings with fewer turkeys than specified in the first subparagraph.

2. Sampling shall be performed by the competent authority or under its supervision.

Article 3

Detection of *Salmonella* spp. and serotyping of the relevant isolates

1. Detection of *Salmonella* spp and serotyping of the relevant isolates shall take place in national reference laboratories for *Salmonella* (NRL).

However, where a NRL does not have the capacity to perform all the analyses or if it is not the laboratory that performs detection routinely, the competent authorities may designate a limited number of other laboratories involved in official controls of *Salmonella* to perform the analyses.

Those laboratories shall have proven experience in using the required detection method, shall implement a quality-assurance system complying with ISO standard 17025, and shall be supervised by the NRL.

2. The detection of *Salmonella* spp. shall be performed in accordance with the method recommended by the Community reference laboratory for *Salmonella*.

3. Serotyping of the relevant isolates shall be performed according to the Kaufmann-White scheme.

Article 4

Collection of data, assessment and reporting

1. The competent authority shall collect and assess the results achieved pursuant to Article 3 of this Decision on the basis of the sampling framework referred to in Article 2 thereof, and shall report all necessary aggregated data and its assessment thereof to the Commission.

The Commission shall forward those results together with the national aggregated data and assessments done by the Member States to the European Food Safety authority, which shall examine them.

2. The national aggregated data and results referred to in paragraph 1 shall be made available publicly in a form that ensures confidentiality.

Article 5

Technical specifications

The tasks and activities referred to in Articles 2, 3 and 4 of this Decision shall be performed in conformity with the technical specifications SANCO/2083/2006 presented at the meeting of the Standing Committee on the Food Chain and Animal Health on 18 July 2006 as published on the Commission website http://europa.eu.int/comm/food/food/biosafety/salmonella/impl_reg_en.htm

Article 6

Community financial contribution

1. A Community financial contribution shall be granted to Bulgaria and Romania for the costs incurred by them for laboratory testing, i.e. for the bacteriological detection of *Salmonella* spp. and the serotyping of the relevant isolates.

2. The maximum Community financial contribution shall be:

(a) EUR 20 per test for bacteriological detection of *Salmonella* spp.;

(b) EUR 30 per test for serotyping of the relevant isolates.

However, the Community financial contribution shall not exceed the amounts set out in Annex I.

Article 7

Conditions for granting a Community financial contribution

1. The financial contribution provided for in Article 6 shall be granted to Bulgaria and to Romania provided that the survey is implemented in accordance with the relevant provisions of Community law, including the rules on competition and on the award of public contracts, and subject to compliance with the following conditions:

(a) the laws, regulations and administrative provisions required to implement the survey shall come into force by 1 April 2007 at the latest;

(b) a progress report covering the first three months of the survey shall be forwarded by 31 July 2007; the progress report should contain all information given in Chapter 6 Reporting of the technical specifications referred to in Article 5;

(c) a final report shall be forwarded by 31 October 2007 at the latest on the technical execution of the survey, together with supporting evidence for the costs incurred and the results attained during the period 1 April 2007 to 30 September 2007; the supporting documents concerning the costs incurred shall comprise at least the information set out in Annex II;

(d) the survey shall be implemented effectively.

2. An advance payment of 50 % of the total amount referred to in Annex I may be paid at the request of Bulgaria and of Romania.

3. Failure to comply with the time limits in provided for paragraph 1(c) shall entail a progressive reduction of the Community financial contribution to be paid, amounting to 25 % of the total amount by 15 November 2007, 50 % by 1 December 2007 and 100 % by 15 December 2007.

Article 8

Conversion rate for expenditure

For reasons of administrative efficiency all expenditure presented for a financial contribution by the Community should be expressed in euro. In accordance with Commission Regulation (EC) No 1913/2006 of 20 December 2006 laying down detailed rules for the application of the agrimonetary system for the euro in agriculture and amending certain regulations [1], the conversion rate for expenditure in a currency other than the euro should be the rate most recently set by the European Central Bank prior to the first day of the month in which the application is submitted by the Member State concerned.

Article 9

Application

This Decision shall apply from 1 April 2007.

Article 10

Addressees

This Decision is addressed to the Republic of Bulgaria and to Romania.

Done at Brussels, 30 March 2007.

For the Commission

Markos KYPRIANOU

Member of the Commission

---

(1) OJ L 365, 21.12.2006, p. 52.

ANNEX I

Maximum Community financial contribution to Bulgaria and Romania

(EUR)

Member State	Amount
Bulgaria	2 990
Romania	3 250

ANNEX II

Certified financial report on the implementation of a baseline survey on the prevalence of *Salmonella* spp. in flocks of turkeys

Reporting period: 1 April 2007 to 30 September 2007

Statement on costs incurred on the survey and eligible for Community financial contribution:

Reference number of Commission Decision providing Community financial contribution: ....

....

Costs incurred related to functions at/by	Number of tests	Total costs of testing incurred during reporting period (national currency)
Bacteriology for *Salmonella* spp.		
Serotyping *Salmonella* isolates		

Declaration by the beneficiary

We certify that

— the costs set out in the statement of costs are genuine and have been incurred in carrying out the tasks laid down in Commission Decision 2007/208/EC and were essential for the proper performance of those tasks;

— all supporting documents for those costs are available for audit purposes.

Date: ....

Person financially responsible: ....

Signature: ....

RECOMMENDATIONS

COUNCIL

COUNCIL RECOMMENDATION

of 27 March 2007

on the 2007 up-date of the broad guidelines for the economic policies of the Member States and the Community and on the implementation of Member States' employment policies

(2007/209/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 99(2) and Article 128(4) thereof,

Having regard to the recommendation from the Commission,

Having regard to the conclusions of the European Council on 8 and 9 March 2007,

Having regard to the opinion of the Employment Committee,

Whereas:

(1) The Spring 2005 European Council renewed the Lisbon Strategy by refocusing on growth and employment in Europe.

(2) The Council adopted in July 2005 a recommendation on the broad guidelines for the economic policies of the Member States and the Community (2005 to 2008) [1] and a decision on Guidelines for the employment policies of the Member States [2], which together form the 'Integrated guidelines for jobs and growth'.

(3) The Member States were invited to take the integrated guidelines for jobs and growth into account in their national reform programmes regarding economic and employment policies.

(4) All Member States submitted their national reform programmes (NRPs) by October 2005, which the Commission assessed and reported on in its contribution to the 2006 Spring European Council.

(5) The 2006 Spring European Council took note of these documents and identified four priority areas (R&D and innovation, business environment, employment opportunities and an integrated energy policy) within which it agreed a limited number of specific actions which it urged Member States to complete before the end of 2007.

(6) In accordance with the conclusions of the 2006 Spring European Council, the Member States have presented their annual reports on the implementation of the national reform programmes.

(7) These annual implementation reports have been analysed by the Commission, which has presented its findings in the 2007 Annual Progress Report [3].

(8) On the basis of this analysis, a number of recommendations should be issued. In order to pursue the Lisbon strategy for growth and jobs in a coherent and integrated manner, the country-specific recommendations concerning economic policies and employment policies should now be adopted in a single instrument. This approach reflects the integrated structure of the National Reform Programmes and the Implementation Reports, as well as the necessary consistency between the employment guidelines and the Article 99(2) broad economic policy guidelines, as underlined in Article 128(2), last sentence.

[1] OJ L 205, 6.8.2005, p. 28.

[2] OJ L 205, 6.8.2005, p. 21.

[3] COM(2006) 816, Part II.

(9) To fully implement the Lisbon strategy for growth and jobs, this recommendation should also contain specific recommendations to the Member States belonging to the euro area.

(10) The European Parliament has adopted a resolution regarding this Recommendation [1],

HEREBY RECOMMENDS that Member States should take action along the lines set out in the Annex and report on their follow up in their next annual progress reports on the implementation of their national reform programmes in the framework of the renewed Lisbon strategy for growth and jobs.

Done at Brussels, 27 March 2007.

For the Council
The President
P. STEINBRÜCK

---

[1] Opinion delivered on 15 February 2007 (not yet published in the Official Journal).

ANNEX

BELGIUM

1. In the light of the analysis presented in the Commission's 2007 Annual Progress Report — Part II — and based on the Integrated Guidelines for Jobs and Growth, the following conclusions are appropriate:

2. Belgium is making good progress in the implementation and reinforcement of its 2005-2008 National Reform Programme. While there is a certain risk for the sustainability of public finances in the context of an ageing population, overall the policy framework is appropriate. Despite moderate progress on R&D, Belgium is implementing the measures announced in the microeconomic field and reinforcing existing reforms to increase investment. The picture in the employment field is more mixed and steps are needed to achieve the EU-wide employment rate goals, in particular for older people. Belgium has launched a series of measures to respond to the commitments made by the 2006 Spring European Council.

3. Among the strengths of the Belgian National Reform Programme and its implementation are: the continued downward trend of the debt ratio; the stabilisation in R&D intensity after a decline in 2002-2003; the development of clusters and competitiveness poles; the improved record on the transposition of internal market directives; further measures in the field of better regulation and administrative simplification; the policy to promote business start-ups; the measures to improve the alternate learning system; and the formal recognition of acquired skills and the quality of the technical education system are welcome.

4. The policy areas in the Belgian National Reform Programme where challenges need to be tackled with the highest priority are: reducing the tax burden on labour and reducing regional disparities in unemployment and employment. Against this background Belgium is recommended to:

   — while continuing fiscal improvement, undertake further efforts to reduce the tax burden on labour towards the average of its neighbouring countries,, especially by reducing the tax wedge on low-skilled workers,

   — take further measures aimed at reducing regional disparities in unemployment and employment through a comprehensive economic strategy, including active labour market policies, reintegration and education policies.

5. In addition, it will be important for Belgium over the period of the National Reform Programme to focus on: ensuring the long-term sustainability of public finances; identifying further emission reduction policies and measures; improving competition in gas and electricity markets, including through independent and effective regulators and through additional measures concerning transmission and distribution operators; and increasing the employment rate for older workers and vulnerable groups, in particular by further tightening the eligibility criteria for early retirement schemes and by enhancing preventive (education, training) and active labour market policies.

CZECH REPUBLIC

1. In the light of the analysis presented in the Commission's 2007 Annual Progress Report — Part II — and based on the Integrated Guidelines for Jobs and Growth, the following conclusions are appropriate:

2. The Czech Republic is making limited progress in the implementation of its National Reform Programme: progress in several areas is not clearly spelled out, some reforms have been postponed, while others have not been set in motion. Yet the strong economic growth should facilitate reforms. There are certain risks in the macroeconomic area, particularly for medium-term budgetary consolidation and the long-term sustainability of public finances in the context of an ageing population. The Czech Republic is generally moving ahead relatively well in the micro-economic field. Although private R&D spending is developing favourably overall progress on R&D policies has been moderate. In the employment area more efforts are required to respond to the key challenge of improving labour market flexibility. Progress on meeting the commitments made at the 2006 Spring European Council has also been mixed.

3. Among the strengths of the implementation of the National Reform Programme are positive measures to increase the control and transparency of public finances; to improve regulation and the business environment; to reform curricula for primary and secondary education, to stimulate participation in tertiary education, to make work pay.

4. The policy areas in the Czech National Reform Programme where challenges need to be tackled with the highest priority are: the sustainability of public finances, since the 2007 budget anticipates a breach of the expenditure ceilings and an increased deficit; increasing the amount and effectiveness of public R&D expenditure; improving security and flexibility in the labour market; improving the efficiency and equity in education and training and increasing participation in lifelong learning. Against this background the Czech Republic is recommended to:

   — with a view to improving the long-term sustainability of public finances, take steps to implement reforms of the pension and health care systems, in particular on the basis of the 2005 all-party pensions report, and fix a timetable for their implementation,

   — strengthen efforts to improve collaboration between business, universities and public R&D institutions, while increasing the amount and effectiveness of public R&D investment,

   — further modernise employment protection, including legislation and tax and benefit systems, improve efficiency and equity in education and training especially in their responsiveness to labour market needs, provide incentives to invest in training, particularly for older workers and the low-skilled, and increase the diversification of tertiary education supply.

5. In addition, it will be important for the Czech Republic over the period of the National Reform Programme to focus on: improving the system for patenting and the protection of intellectual property rights; speeding up progress in the ICT area, including by implementing and monitoring the development of a fully enabling legal environment for e-Government; meet targets for reducing the administrative burden on enterprises; further developing access to finance for innovative companies; developing links between foreign-owned and domestic companies; introducing entrepreneurship education into the curricula; better integrating disadvantaged groups into the labour market; reducing regional employment disparities; reconciling work and family life; tackling the gender pay gap and implementing the active ageing strategy.

DENMARK

1. In the light of the analysis presented in the Commission's 2007 Annual Progress Report — Part II — and based on the Integrated Guidelines for Jobs and Growth, the following conclusions are appropriate:

2. Denmark is making very good progress in the implementation of its National Reform Programme and the 2006 Spring European Council conclusions. Denmark has with the June 2006 Welfare Agreement further strengthened its reform strategy in terms both of macroeconomic and employment policy and has made very good progress in reaching a national consensus on reforms. Denmark has also made progress on microeconomic policies, including in the area of competition.

3. Among the strengths of the Danish National Reform Programme and its implementation are: the comprehensive, integrated nature of the reform strategy, which is a benchmark for other Member States; the combination of a medium and long-term approach, reinforced by consistently taking into account stakeholder input; the 'flexicurity' based approach to the labour market; the overall macroeconomic strategy aimed at long-term fiscal sustainability, including expenditure restraint, fiscal surpluses and a rapid reduction of government debt; and the sound measures aimed at increasing labour supply in the long term, in particular the agreement to defer early retirement.

4. It will be important for Denmark over the period of the National Reform Programme to focus on: measures aimed at increasing labour supply over the medium term, up until 2015, including further initiatives to improve incentives to work and additional steps to integrate older workers and immigrants into the labour market; following through proposed reforms in competition law and ensuring that new competition powers are vigorously exercised by the relevant authorities; additional measures in energy interconnection supply, in order to improve the functioning of the electricity and gas markets; identifying further emission reduction policies and measures; and reinforce existing well-targeted measures to improve primary and secondary education and increase the number of students finalising upper-secondary or tertiary education, if the measures prove insufficient to reach the ambitious targets set.

GERMANY

1. In the light of the analysis presented in the Commission's 2007 Annual Progress Report — Part II — and based on the Integrated Guidelines for Jobs and Growth, the following conclusions are appropriate:

2. Germany is making good progress overall in the implementation of its National Reform Programme, and especially on the macro- and micro-economic key challenges and priority actions. It is moving forward more slowly in the field of employment. Germany is also responding reasonably well to the commitments made at the 2006 Spring European Council.

3. Strengths of the reforms in 2006 include the progress in the area of consolidation and sustainability of public finances, as well as the implementation of various better regulation measures, such as the establishment of an independent council at federal level for impact assessment (*Normenkontrollrat*) and the web-based information tool 'Startothek' for business start-ups. Other strengths are evident in the field of knowledge society (R&D and innovation), as well as in the higher visibility given to measures for the integration of older unemployed people.

4. The policy areas in the German National Reform Programme where challenges need to be tackled with the highest priority are: improving the long-term sustainability of public finances; improving competition, notably in regulated trades and professions and new broadband markets; and tackling structural unemployment. Against this background, it is recommended that Germany:

   — improves long-term sustainability of public finances by continuing fiscal consolidation, leading to debt reduction, and by implementing the health care reform with a view to keeping expenditure growth in check and strengthening efficiency in the health sector,

   — improves the framework for competition in product and services markets, notably by continuing to relax restrictive rules in regulated trades and professions and effectively regulating wholesale bitstream access,

   — tackles structural unemployment including by integrating the low-skilled into the labour market through better access to qualifications, pursuing the proposed tax-benefit reform and by providing more effective employment services for the long-term unemployed and enhance occupational integration of young people.

5. In addition, it will be important for Germany over the period of the National Reform Programme to focus on: improving public procurement procedures; improving the framework for competition in the rail sector, and in the gas and electricity networks, where competition is insufficient due to high concentration; speeding up business start-ups and facilitating hiring the first employee; building on existing measures to improve lifelong learning, including enhancing adults' vocational training; increasing the provision of childcare facilities.

ESTONIA

1. In the light of the analysis presented in the Commission's 2007 Annual Progress Report — Part II — and based on the Integrated Guidelines for Jobs and Growth, the following conclusions are appropriate:

2. Estonia is making very good progress with the implementation of measures responding to the country's key challenges of R&D and innovation and employment and to the four priority actions formulated by the 2006 Spring European Council. It also makes impressive efforts to ensure coherence between the National Reform Programme and cohesion policy and the Implementation Report can be considered a model in this regard.

3. Among the strengths of the Estonian National Reform Programme and its implementation are: the upgrading of several policy targets, which shows an appropriately ambitious approach; the establishment of the new Strategy Office to strengthen implementation, which is a good example for others; the successful macroeconomic policies proposed in the National Reform Programme on fiscal sustainability and on creating favourable conditions for employment growth; the considerable effort made to increase both public and private R&D expenditure and to improve the framework conditions for business R&D; measures to facilitate start-ups and financing of innovative SMEs; and progress on a broad range of environmental issues, notably ecological tax reform.

4. It will be important for Estonia over the period of the National Reform Programme to focus on, clearer prioritisation and improved interministerial cooperation for the effective use of R&D and innovation expenditure; reinforcing efforts to ensure that R&D results are translated into innovative services or products; encouraging closer cooperation between universities and enterprises; vigorously implementing the planned proactive competition policy; improving labour market flexibility through further progress in the renewal of labour laws; reinforcing active labour market policies and raising the skills level of the labour force further by reinforcing the reforms in education and lifelong learning.

GREECE

1. In the light of the analysis presented in the Commission's 2007 Annual Progress Report — Part II — and based on the Integrated Guidelines for Jobs and Growth, the following conclusions are appropriate:

2. Greece is making some progress in the implementation of its National Reform Programme, though it is more limited in respect of the microeconomic and employment aspects. Greece is moving ahead relatively strongly in the macro-economic area, whereas additional progress is needed with respect to microeconomic and employment reforms. Greece is partly responding to the commitments made by the 2006 Spring European Council. Regarding governance, better coordination among administrative levels could reinforce further the constructive cooperation, which has already been established with a wide range of stakeholders.

3. Among the strengths of the Greek National Reform Programme and its implementation is the good progress made on the consolidation of public finances. There are promising signs of progress on: improving public resource allocation; improving the business environment; R&D and innovation; ICT; women's participation in employment, total unemployment rates and education and training. The qualitative aspects of economic growth have been improved, with private investment as a leading contributor.

4. The policy areas in the Greek National Reform Programme where challenges need to be tackled with the highest priority are: improving the long-term sustainability of public finances by reforming the pension system; modernisation of the public administration; stronger measures to increase employment rates, tackle unemployment and undeclared work, modernise employment protection and promote labour mobility; and enhancing the quality and labour market relevance of education and training. Against this background, it is recommended that Greece:

— ensures the continuation of fiscal consolidation and debt reduction and fix a timetable for the implementation of pension reform with a view to improving long-term fiscal sustainability,

— modernises its public administration by building up effective regulatory, control and enforcement capacities, including through upgrading skills so as to also ensure effective use of Structural Funds,

— modernises employment protection including legislation, reduce the tax wedge on labour, and strengthen active labour policies to foster flexibility and security in the labour market and transform undeclared work into formal employment,

— pushes forward with reforms of the education system and increase investment in compulsory and higher education, accelerate the implementation of the reform of lifelong learning and improve quality and responsiveness to labour market needs, reduce early school leaving, and increase adult participation.

5. In addition, it will be important for Greece over the period of the National Reform Programme to focus on: accelerating efforts to set up a research and innovation strategy and to increase investment in R&D; improving the transposition of internal market directives; speeding up progress towards meeting the SME policy targets set by the 2006 Spring European Council; implementing policies to encourage women's participation in employment; and putting in place a consistent active ageing strategy.

SPAIN

1. In the light of the analysis presented in the Commission's 2007 Annual Progress Report — Part II — and based on the Integrated Guidelines for Jobs and Growth, the following conclusions are appropriate:

2. Spain is making good progress in the implementation of its National Reform Programme and the commitments agreed at the 2006 Spring European Council. Further implementation of new laws and measures across the seven key policy areas are now essential in order to increase employment and productivity and progress towards full GDP per capita convergence with EU-25.

3. Important strong points in the implementation and reinforcement of the Spanish National Reform Programme include: a quicker than targeted reduction of government debt; good progress on implementation of the R&D and innovation plan; the inclusion of entrepreneurship in national curricula at all education levels; progress within the Social Dialogue, as reflected in the comprehensive May 2006 tripartite agreement, and satisfactory progress towards the quantified objectives, in particular for female employment.

4. The policy areas in the Spanish National Reform Programme where challenges need to be tackled with the highest priority are: improving competition in electricity markets and further reducing segmentation in the labour market; and further improvements to education and training. Against this background, it is recommended that Spain:

   — takes further measures to increase competition in the energy sector, notably by improving cross-border interconnection capacity to ensure security of supply,

   — modernises employment protection, building on recent measures, including legislation to foster flexibility and security in the labour market; to counter segmentation; and to increase the attractiveness of part-time work,

   — continues its efforts to implement the new training model, which integrates occupational and vocational training, to provide a better response to labour market needs; and ensure the effective implementation of education reforms, also at regional level, to reduce early school leaving.

5. In addition, it will be important for Spain, over the period of the National Reform Programme, to focus on: the need to contain inflation in the medium-term; raising competition in professional services and retail markets; improving the regulatory framework; implementing environmental measures, in particular to reduce CO_2 emissions; raising skill levels and productivity and integrating immigrants into the labour market; increasing access to childcare, implementing the foreseen housing market measures so as to gradually reduce house price pressures in the medium-term; and pension and health care reforms which also impact favourably on long term fiscal sustainability.

FRANCE

1. In the light of the analysis presented in the Commission's 2007 Annual Progress Report — Part II — and based on the Integrated Guidelines for Jobs and Growth, the following conclusions are appropriate:

2. France is making some good progress on the implementation of its National Reform Programme and the actions agreed by the 2006 Spring European Council. Against the background of a buoyant economy, France is continuing with its budgetary consolidation drive while at the same time seeking to continue to increase its growth potential, notably through fresh commitments towards research and innovation. Its performance in relation to employment has improved but remains by and large mixed.

3. Among the strong points of the reforms undertaken, the establishment of competitiveness poles and of new structures for research and innovation appears particularly promising, as does the target for total expenditure on R&D of 3 % of GDP by 2010. The recent reform of the public finance regulatory framework ought to contribute decisively to better public spending management. The decline in unemployment, for the first time since 2001, is a positive development and the recent measures to help young job-seekers seem to be a step in the right direction. As regards the employment of older workers, first steps are being taken within the framework of a national action plan agreed in June 2006.

4. The policy areas in the French National Reform Programme where challenges need to be tackled with the highest priority are: sustaining the improvements in the public finance situation by ensuring that central government commitments are respected and monitoring developments in local funding and social security spending; the framework for competition in some network industries and some transport sectors; and implementation of an overall strategy both to ensure a more fluid labour market and to secure individual careers, as well as continued employment of older workers, notably by an improved access to lifelong learning. Against this background it is recommended that France:

— ensures the sustainability of its public finances taking into account the ageing of the population through continued budgetary consolidation and debt reduction. The meeting on pension systems scheduled for 2008 will have to hang on to the gains made following the introduction of the 2003 reform,

— improves the framework for competition in the gas, electricity and rail freight sectors,

— enhances lifelong learning and modernise employment protection to foster flexibility and security in the labour market and combat segmentation among contract types by making it easier to switch between fixed-term contracts and permanent contracts.

5. In addition, it will be important for France over the period of the National Reform Programme to focus on: strengthening competition in the regulated trades and professions; enhancing the policies of improving regulation and encouraging entrepreneurship, notably as regards support for the young businesses and promotion of the entrepreneurial spirit in society; and take further steps to increase labour supply.

IRELAND

1. In the light of the analysis presented in the Commission's 2007 Annual Progress Report — Part II — and based on the Integrated Guidelines for Jobs and Growth, the following conclusions are appropriate:

2. Ireland is making very good progress in the implementation of its National Reform Programme and of the commitments made by the 2006 Spring European Council. Furthermore, governance of the Growth and Jobs Strategy has gained political visibility, notably due to the recently concluded social partnership agreement, 'Towards 2016'.

3. Among the strengths of the Irish National Reform Programme and its implementation are: the recently adopted Science, Technology and Innovation Strategy 2007-2013 and the substantial increase of public investment in R&D; recognition of the need to prioritise public investment in infrastructure and other growth-promoting expenditure; measures to address early school leaving and enhance skills, such as the welcome commitment to develop by 2007 a long-term national skills strategy.

4. It will be important for Ireland over the period of the National Reform Programme to focus on: speeding up progress in formulating concrete measures to reform pension arrangements; further emission reduction measures; accelerating progress in increasing labour market participation, including by establishing a comprehensive childcare infrastructure, further developing the policy framework for labour market and social integration of migrants and by placing a particular emphasis on support to older and low-skilled workers. The intermediate level of R&D investment should be indicated for 2010 and developments in the housing market, which may affect medium-term growth prospects, should be carefully monitored.

ITALY

1. In the light of the analysis presented in the Commission's 2007 Annual Progress Report — Part II — and based on the Integrated Guidelines for Jobs and Growth, the following conclusions are appropriate:

2. Italy is making progress in the implementation of its National Reform Programme. Compared to last year's National Reform Programme, the Italian Implementation report presents a clearer strategy, covering all policy areas and the synergies between them and is thus more ambitious. Progress is most extensive in the microeconomic field. Strategies and measures proposed in the macro area are generally appropriate but implementation is crucial. Employment policy needs to be reinforced in certain key areas. Progress has been mixed on meeting the commitments agreed at the 2006 Spring European Council.

3. Among the strengths shown by the Italian Implementation Report are: measures to enhance competition in professional and other services; initiatives to expand the use of ICT; and measures to step up the coordination of action to improve the business environment.

4. The policy areas in the Italian National Reform Programme where challenges need to be tackled with the highest priority are: fiscal sustainability, where commitment needs to be translated into effective action; competition in product and services markets, where the vigorous implementation of proposed reforms will provide the basis for further progress; increasing formal employment and flexicurity in the labour market; and improving education and lifelong learning. Against this background it is recommended that Italy:

   — rigorously pursues fiscal consolidation so as to put the debt-to-GDP ratio on a declining path and fully implement the pension reforms with a view to improving the long-term sustainability of public finances,

   — pursues the implementation of recently announced reforms, and further progress in the liberalisation strategy, aiming at increasing competition in products and service markets,

   — reduces regional disparities in employment by tackling undeclared work, increasing childcare provision and ensuring the efficient operation of the employment services throughout the country,

   — develops a comprehensive lifelong learning strategy and improve quality and labour market relevance of education.

5. In addition, it will be important for Italy over the period of the National Reform Programme to focus on: R&D, where despite welcome policy developments in specific areas, the overall strategy has to be completed; effective measures to improve the sustainability of health care provision, while preserving quality and accessibility; sustainable use of resources, where implementation and subsequent further reinforcement of existing measures are essential; implementing plans to improve infrastructure; strengthening and fully implementing the system of impact assessment for proposed regulation.

CYPRUS

1. In the light of the analysis presented in the Commission's 2007 Annual Progress Report — Part II — and based on the Integrated Guidelines for Jobs and Growth, the following conclusions are appropriate:

2. Cyprus is making good progress in the implementation of its National Reform Programme, and of the four areas for priority action formulated by the 2006 Spring European Council. Overall, the implementation of the majority of measures seems to be proceeding as planned.

3. The strengths of the National Reform Programme and its implementation in 2006 include: progress in the field of fiscal consolidation; a new policy to develop a comprehensive research and innovation system; and the maintenance of a good overall employment performance supported by a broad range of active labour market measures.

4. The policy areas in the Cypriot National Reform Programme where challenges need to be tackled with the highest priority are: addressing ageing-related expenditure, where measures are not progressing; and further increasing labour market opportunities for young people. Against this background, it is recommended that Cyprus:

— takes steps to implement reforms of the pension and health care systems and sets a timetable for their implementation with a view to improving long-term sustainability,

— enhances lifelong learning, and further increase employment and training opportunities for young people by accelerating the reforms of the vocational, education, training and apprenticeship system.

5. In addition, it will be important for Cyprus over the period of the National Reform Programme to focus on: measures to encourage venture capital investments and to improve competition in the regulated trades and professions.

LATVIA

1. In the light of the analysis presented in the Commission's 2007 Annual Progress Report — Part II — and based on the Integrated Guidelines for Jobs and Growth, the following conclusions are appropriate:

2. Latvia is making progress in the implementation of its National Reform Programme, in particular in the microeconomic and employment areas. However, policy responses to address the macroeconomic key challenge are less comprehensive. With respect to the 2006 Spring European Council conclusions, progress is mixed. Regarding the governance of the Growth and Jobs Strategy, the process has gained political visibility since the adoption of the National Reform Programme and stakeholder involvement has improved.

3. Among the strengths of the Latvian National Reform Programme and its implementation are several measures taken to facilitate the start-up and financing of innovative SMEs, including the establishment of new guarantee and venture capital funds and developments in promoting a one-stop-shop to establish companies. Latvia has also implemented a set of measures that have successfully supported labour market performance.

4. The policy areas in the Latvian National Reform Programme where challenges need to be tackled with the highest priority are: more concrete measures to secure macroeconomic stability and prevent the overheating of the economy; further development of the R&D strategy to improve prioritisation and increase private sector involvement; and stronger measures to increase labour supply and strengthen the skills of the labour force. Against this background, it is recommended that Latvia:

— maintains economic and budgetary sustainability by pursuing a more restrictive fiscal policy, so as to contribute to the prevention of overheating and a careful prioritisation of expenditure,

— makes faster progress in the implementation of the research and innovation policy reforms, in order to meet effectively the ambitious targets set out in its National Reform Programme. This concerns especially policies to stimulate partnerships between research and education institutions and businesses,

— intensifies efforts to increase labour supply and productivity by improving regional mobility, enhancing the responsiveness of education and training systems to labour market needs and putting in place a lifelong learning system.

5. In addition, it will be important for Latvia over the period of the National Reform Programme to focus on: faster progress on establishing a single contact point for the administrative formalities involved in hiring the first employee; promoting entrepreneurship education; pursuing active labour market policies; and improving access to childcare.

LITHUANIA

1. In the light of the analysis presented in the Commission's 2007 Annual Progress Report — Part II — and based on the Integrated Guidelines for Jobs and Growth, the following conclusions are appropriate:

2. Lithuania is making good progress in the implementation of the National Reform Programme, in most of the main policy areas across the macro, micro and employment sectors. However, with many important measures at the conceptual stage, there remains much to do in terms of implementation. Progress has been moderate on fulfilling the commitments agreed at the 2006 Spring European Council.

3. Among the strengths of the Lithuanian National Reform Programme and its implementation are: the pension, health and tax reforms; measures to upgrade road and rail infrastructure; the adoption of the updated national energy strategy; the reinforcement of active labour market policy, notably the new job rotation measures; and steps to modernise initial education and training.

4. The policy areas in the Lithuanian National Reform Programme where challenges need to be tackled with the highest priority are: reinforcing measures aimed at increasing investment in R&D, which do not so far appear sufficient to reach the ambitious target set; placing a stronger emphasis on measures to promote labour mobility; and taking additional steps to increase participation in lifelong learning, especially by older workers. Against this background, it is recommended that Lithuania:

   — continues its efforts to strengthen its R&D system and to reach its ambitious target for overall investment in R&D, by raising public expenditure and fostering private sector investment in this area,

   — intensifies efforts to increase the supply of skilled labour by improving regional mobility of labour and by promoting lifelong learning, with a special focus on the participation of older workers.

5. In addition, it will be important for Lithuania over the period of the National Reform Programme to focus on: improving macroeconomic stability and containing inflation; increasing foreign direct investment; facilitating business start-ups; environmental protection; improving youth employability; expanding entrepreneurship education; increasing the availability of childcare; and strengthening occupational health and safety.

LUXEMBOURG

1. In the light of the analysis presented in the Commission's 2007 Annual Progress Report — Part II — and based on the Integrated Guidelines for Jobs and Growth, the following conclusions are appropriate:

2. Luxembourg is making very good progress on implementation of its National Reform Programme and of the actions agreed by the 2006 Spring European Council, but there is still room for improvement regarding the weaknesses identified in 2005. The macroeconomic measures adopted hold out the prospect of fiscal consolidation and lower inflation. A promising set of measures are now being implemented at the microeconomic level. Greater efforts are required, however, to implement a system to monitor and assess annual progress, and a number of measures need to be introduced, for instance to assist business start-ups and SMEs. Despite encouraging reforms on the employment front, no new initiative has been announced to raise the level of employment among older workers, and major reforms to improve the education system have yet to materialise.

3. Among the strengths of the drafting, implementation and reinforcement of the National Reform Programme is the agreement between the government and the social partners on a system designed to curb the inflationary trends observed since 2002 by temporarily suspending the indexation of wages and benefits. The same tripartite agreement organises a system of assistance for businesses that promotes ways of keeping workers in employment where there is a danger of redundancy. Luxembourg can also pride itself on the major expansion in childcare facilities. The priority accorded to R&D is also to be applauded. Last but not least, a comprehensive set of measures have been taken to guarantee sustainable development, and the energy strategy is a step in the right direction.

4. It will also be important for Luxembourg over the period of the National Reform Programme to focus on: a strategy for further increasing the employment rate among older workers; a detailed strategy aimed in particular at further reforming the current early retirement systems; further efforts are also needed to reduce dropout rates, especially in secondary education, and to remove the artificial barriers between different types of education; the impact on youth unemployment of the measures recently adopted for young people needs to be monitored very closely; and in order to render the economic environment more attractive, greater support is needed for competitive markets, for the transposition of EU directives and for SMEs.

HUNGARY

1. In the light of the analysis presented in the Commission's 2007 Annual Progress Report — Part II — and based on the Integrated Guidelines for Jobs and Growth, the following conclusions are appropriate:

2. Hungary has made limited progress in the implementation of its National Reform Programme. However, it should be noted that in October 2006 Hungary submitted a revised National Reform Programme. After major budgetary slippages, the government has had to significantly review its fiscal adjustment path. Some reforms have been implemented in both the employment and microeconomic policy areas. But much more remains to be done in those fields as well as in improving macroeconomic stability. Limited progress has been made towards meeting the commitments made at the 2006 Spring European Council.

3. Among the strengths of the National Reform Programme and its implementation are: recently adopted corrective measures, including both revenue increases and to an increasing extent expenditure cuts, aiming to reduce the deficit; the reform of the unemployment benefit system; initial steps towards the integration of the employment and social services systems; and the lifting of restrictions to market entry in certain areas, in particular the retail pharmaceutical sector.

4. The policy areas in the Hungarian National Reform Programme where challenges need to be tackled with the highest priority are: implementing the planned budgetary consolidation strategy and laying the foundations for the long-term sustainability of public finances, currently at high risk; reinforcing active labour market policies; increasing incentives to work; improving the quality of education and training and making it more responsive to labour market needs. Against this background, it is recommended that Hungary:

   — continues to implement the necessary measures to ensure a credible reduction of the government deficit and of gross debt ratios, with increased reliance on the expenditure side, including through the establishment of more thorough and comprehensive expenditure rules,

   — reforms the public administration, health care, pension and education systems with a view to ensuring long-term fiscal sustainability and improve economic efficiency. This should include steps to further limit early retirement, reduce the number of new recipients of disability pensions and further restructure health care,

   — reinforces active labour market policies, introduce further incentives to work and to remain on the labour market and complete the establishment of an integrated employment and social services system,

   — ensures access to high quality education and training for all, upgrade skills levels, and increase responsiveness of education and training systems to labour market needs, especially through the provision of a sufficient number of technology and science graduates.

5. In addition, it will be important for Hungary over the period of the National Reform Programme to focus on: reform of the public research system; reducing and redirecting State aids; developing a more coherent strategy for R&D, innovation and ICT; further reductions of the administrative burden on enterprises; improving the labour market situation of the disadvantaged; transforming undeclared work into formal employment; reducing persistent regional disparities in employment; and implementing the Hungarian lifelong learning strategy.

MALTA

1. In the light of the analysis presented in the Commission's 2007 Annual Progress Report — Part II — and based on the Integrated Guidelines for Jobs and Growth, the following conclusions are appropriate:

2. Malta is making good progress in the implementation of its National Reform Programme. It also addresses most of the commitments made by the 2006 Spring European Council. Implementation is advancing strongly in the area of fiscal sustainability, considered by the authorities to be a crucial element for achieving more growth and jobs and adopting the euro. The implementation efforts in the microeconomic and employment area are more moderate.

3. Among the strengths of the Maltese National Reform Programme and its implementation are: the recently announced tax reforms; the ongoing development of essential R&D and innovation strategies; a new scheme to foster entrepreneurial skills; and a promising set of comprehensive initiatives in the field of training.

4. The policy areas in the National Reform Programme where challenges need to be tackled with the highest priority are: improving competition in several sectors, including professional services; reduction and redirection of State aids; and boosting investment in R&D; and improve labour supply. Against this background, it is recommended that Malta:

   — takes further measures, following the ongoing review, including reinforcing the competition authority, to strengthen competition, notably in professional services; reduce State aids and redirect them towards horizontal objectives, especially R&D,

   — steps up efforts to attract more people into the labour market, particularly women, intensify efforts to tackle undeclared work and take further action on the benefit system to make working more attractive.

5. In addition, it will be important for Malta over the period of the National Reform Programme to focus on: implementing and reinforcing delayed measures on health care reform; introducing systematic impact assessment and speeding up progress towards simplification of regulations; measuring R&D expenditure more accurately; connecting Malta to Europe's energy networks; building on results achieved in raising educational attainment and reducing early school leaving; and increasing the employment rate of older workers, in which using early retirement schemes to downsize the public sector should be avoided.

THE NETHERLANDS

1. In the light of the analysis presented in the Commission's 2007 Annual Progress Report — Part II — and based on the Integrated Guidelines for Jobs and Growth, the following conclusions are appropriate:

2. The Netherlands is making good progress with the implementation of its National Reform Programme. While there are certain risks in the macro area, notably with regard to potential wage inflation, household indebtedness, and the tightening of the labour market, overall the policy framework is appropriate. The Netherlands is generally moving ahead significantly in the microeconomic field. However, whilst policies to foster R&D and innovation have been put in place much remains to be done given the ambitious R&D target set by the government. The overall picture in the employment field is also positive, with high employment rates for most groups but labour supply should be improved further, notably for women, disadvantaged groups, and older workers. The Netherlands is reinforcing its National Reform Programme to respond to the commitments made by the 2006 Spring European Council but further steps will be needed especially to create a single public administration point for the recruitment of the first employee.

3. Among the strengths of the Dutch National Reform Programme and its implementation are: the measures to boost competition; the application of the Standard Cost Model for measuring administrative burdens and the scheme for innovation vouchers, both of which being widely taken up by other Member States; measures on reforming pensions, health insurance and disability schemes; and reforms aimed at raising educational attainment, expanding lifelong learning and creating better links between education and the labour market.

4. The policy area in the Dutch National Reform Programme where challenges need to be addressed with the highest priority is in improving labour supply. Against this background, it is recommended that the Netherlands:

   — takes further measures to improve labour supply, notably of older workers, women and disadvantaged groups.

5. In addition, it will be important for the Netherlands over the period of the National Reform Programme to focus on: measures to increase private sector R&D expenditure; create a single public administration point for the recruitment of the first employee In addition, if existing measures do not over time succeed in significantly raising overall hours worked in the economy, further incentives will need to be considered.

AUSTRIA

1. In the light of the analysis presented in the Commission's 2007 Annual Progress Report — Part II — and based on the Integrated Guidelines for Jobs and Growth, the following conclusions are appropriate:

2. Austria is making good progress in the implementation of its National Reform Programme, especially in the micro-economic area, where a substantial range of measures has been implemented across the board except on competition in services. Macroeconomic stability is strong, though additional impetus will be necessary to continue addressing risks to the long-term sustainability of public finances. Progress has also been generally good on employment policy, although more needs to be done in some areas. Austria's response to the conclusions of the 2006 Spring European Council is adequate overall.

3. Among the most promising areas of reform undertaken by Austria and which could inspire others are its good record in using renewable energy sources. Another area is Austria's efforts to reduce SMEs' administrative costs. Furthermore, Austria is making progress with regard to the 3 % R&D target, with particularly promising models for science/industry cooperation.

4. The policy areas in the Austrian National Reform Programme where challenges need to be tackled with the highest priority are increasing labour supply from older workers and improving the skills of disadvantaged young people. Against this background Austria is recommended to:

   — improve incentives for older workers to continue working, notably by implementing a comprehensive lifelong learning strategy with a particular focus on job-related training and reforming tax benefits systems; and enhance the conditions for the education of vulnerable youth.

5. In addition, it will be important for Austria over the period of the National Reform Programme to focus on: achieving the target of a balanced budget in 2008; increasing competition in services; strengthening the entrepreneurial culture; identifying further emission reduction policies and measures; and tackling the gender segregation of the labour market, including by improving the availability of childcare.

POLAND

1. In the light of the analysis presented in the Commission's 2007 Annual Progress Report — Part II — and based on the Integrated Guidelines for Jobs and Growth, the following conclusions are appropriate:

2. Poland is making limited progress in the implementation of its National Reform Programme. There are signs that Poland is beginning to move ahead strongly in the microeconomic area, even though implementation of many measures is still in the early stages. There is a need for a more vigorous implementation of employment reforms. Public finance reforms are delayed, although Poland has planned steps in the right direction. There is a limited policy response to the commitments made by the 2006 Spring European Council.

3. Among the most promising reforms being undertaken by Poland are simplifications to the tax system, the development of an explicit Better Regulation strategy and steps to increase SME access to finance.

4. The policy areas in the Polish National Reform Programme where challenges need to be tackled with the highest priority are: fiscal consolidation; improving competition in network industries; increasing the quantity and quality of R&D; making active labour market policies more extensive and more effective; and improving human capital and incentives to work. Against this background, Poland is recommended to:

   — pursue its action to continue fiscal consolidation and supplement the nominal State budget deficit 'anchor' (deficit ceiling) with further mechanisms to enhance control over expenditure,

   — improve the framework for competition in network industries, including through a review of the role of regulators,

   — pursue the reform of the public research sector with a view to R&D and innovation being boosted, and improving the framework for private sector R&D, thereby maximising the benefits from Foreign Direct Investment,

   — complete the reform of public employment services in order to increase the level and efficiency of active labour market policy, especially for older persons and youth; lower the tax burden on labour and review benefit systems to improve work incentives, develop policies to increase adult participation in lifelong learning and to modernise education and training systems in view of labour market needs.

5. In addition, it will be important for Poland over the period of the National Reform Programme to focus on: upgrading transport infrastructure; improving environmental protection; further reducing and redirecting State aids; ensuring an effective framework for competition in the financial sector; vigorously continuing the process of the liberalization of energy markets; speeding-up the business registration process; and ensuring that cohesion policy instruments underpin the structural measures highlighted in the Implementation Report, with a view to contributing to boosting growth, competitiveness, employment and social cohesion. A firm and realistic target for overall investment in R&D by 2010 should be set.

PORTUGAL

1. In the light of the analysis presented in the Commission's 2007 Annual Progress Report — Part II — and based on the Integrated Guidelines for Jobs and Growth, the following conclusions are appropriate:

2. Portugal is making good progress on implementing the measures in the National Reform Programme, especially in the macro- and microeconomic areas. On employment related policies, there has also been progress, especially on reforming education and training, in the framework of the New Opportunities Programme but the important area of the adaptability of the labour market and flexicurity is not yet being fully addressed. Progress towards meeting the commitments made at the 2006 Spring European is generally good. Considerable further efforts across all policy areas will be necessary to fully achieve the objectives of the programme, given their welcome ambition and Portugal's point of departure.

3. Important strong points of the reform process in Portugal include the extensive reforms launched to the public administration, the measures to facilitate business start-ups within an hour, the adjustment of old-age pension schemes and comprehensive consolidation measures in health care and the measures to improve the young and adults qualification levels. Efforts to reinforce R&D have been strengthened and dovetailed into a coherent strategy through the ambitious Technological Plan. Extensive reforms are also being implemented in the education and training sector in particular with measures to increase literacy levels of the young and rationalise the national school network and strengthen the national vocational training system.

4. The policy areas in the Portuguese National Reform Programme where challenges need to be tackled with the highest priority are: improving educational attainment and lifelong learning; improving the adaptability of the labour market and addressing segmentation. These issues must be addressed in the context of further progress with the administrative reform and keeping rising spending on social transfers under control. Against this background Portugal is recommended to:

— in the context of the ongoing correction of fiscal imbalances and public administration reform, redirect public spending towards uses more supportive to potential growth, while maintaining firm control over public expenditure overall,

— implement measures to strongly improve the education attainment levels of the young, and develop a vocational training system that is relevant to labour market needs and based on the recent proposal to establish a 'National Qualifications Framework',

— pursue the modernisation of employment protection, including legislation to foster flexibility and security to reduce the high levels of labour market segmentation.

5. In addition, it will be important for Portugal over the period of the National Reform Programme to focus on: ensuring that the promising Technological Plan is fully implemented, the linkages between research and industry consolidated and the involvement of the private sector strengthened; ensuring effective competition in energy and financial services markets; reducing emissions; reducing the deficit in transposing EU legislation into national law; and addressing the factors undermining social cohesion.

SLOVENIA

1. In the light of the analysis presented in the Commission's 2007 Annual Progress Report — Part II — and based on the Integrated Guidelines for Jobs and Growth, the following conclusions are appropriate:

2. Slovenia is making good progress in the implementation of its National Reform Programme. Slovenia is taking appropriate measures in some key areas such as entrepreneurship and better regulation. It has launched most of the major reforms of employment policies, benefiting from relatively favourable macroeconomic growth conditions. Some measures have been adopted with regard to public expenditure reform aiming at its reduction. The same is true in the microeconomic field of progress in enhancing the innovation and competition framework. With respect to the labour market, progress on the implementation of the active ageing strategy and on the removal of barriers to youth employment has not so far been rapid enough. Progress in implementing the commitments made at the 2006 Spring European Council is moderate.

3. The strengths of the National Reform Programme and its implementation include: the fiscal reform efforts; the various measures to promote entrepreneurship; the ongoing restructuring of State funds into portfolio investors; the decreasing share of State aid in GDP; and the progress towards the full liberalisation of energy markets and the creation of a second player in the market.

4. The policy areas in the Slovenian National Reform Programme where challenges need to be tackled with the highest priority are: improving long-term fiscal sustainability and increasing the employment rate of older workers; and strengthening the activation and prevention aspects of employment policy, currently slow in responding to the fast changing conditions on the labour market. Against this background, it is recommended that Slovenia:

— takes further steps to strengthen the reform of the pension system and promote active ageing, with a view to increasing the employment rate of older workers and improving long-term sustainability,

— enhances employment services in light of the move towards more flexible contractual arrangements and the already increased conditionality of benefits, giving high priority to offering services at an earlier stage of unemployment.

5. In addition, it will be important for Slovenia over the period of the National Reform Programme to focus on: setting concrete and realistic targets for investment in R&D; strengthening the role of the new Office for Growth and of the Slovenian Technology Agency; strengthening the enforcement of the legal framework for protecting intellectual property rights; improving competition, notably in regulated trades and professional services, and enhancing the effectiveness of the Competition Protection Office; better promotion of environmental technologies and energy efficiency; shortening start-up times for businesses and reducing related costs; reducing the segmentation and integrating young people in the labour market; strengthening the link between the education system and the labour market.

SLOVAKIA

1. In the light of the analysis presented in the Commission's 2007 Annual Progress Report — Part II — and based on the Integrated Guidelines for Jobs and Growth, the following conclusions are appropriate:

2. Slovakia is making progress in the implementation of its National Reform Programme. However, important challenges and the need for further measures remain, particularly in the microeconomic and employment fields. Progress has been mixed in meeting the commitments made at the 2006 Spring European Council.

3. Among the strengths of the National Reform Programme and its implementation are: policies to improve the business environment and create an information society are now beginning to pay off; employment growth has been strengthened by new tax incentives, mobility measures and some improvement in the service offered to certain disadvantaged groups; and progress in the reform of tertiary education alongside new measures to support ICT use and the integration of disadvantaged children into education system.

4. The policy areas in the Slovak National Reform Programme where challenges need to be tackled with the highest priority are: within the context of fiscal consolidation, redirecting more resources to R&D, innovation and education and developing clear strategies and priorities in these areas; reinforcing action on improving skills and lifelong learning; and additional efforts to reduce long-term unemployment, especially among vulnerable groups including the Roma minority. Against this background, it is recommended that Slovakia:

   — reallocates expenditure towards R&D and education and complete the development of a coherent national R&D and innovation strategy, with strong interconnections between research institutions and business,

   — adopts a lifelong learning strategy covering development in all systems and levels of education and training that addresses the needs of the labour market and individuals and improves qualification levels and skills, and complement the reform of tertiary education with reform of primary and secondary education,

   — develops a comprehensive approach to tackling long-term unemployment, notably by developing targeted active labour market policies for the most vulnerable groups.

5. In addition, it will be important for Slovakia over the period of the National Reform Programme to focus on: continued efforts on ICT policies, especially on broadband infrastructure; improvements in the better regulation system; addressing the gender pay gap; and developing an active ageing strategy to increase employment of older workers.

FINLAND

1. In the light of the analysis presented in the Commission's 2007 Annual Progress Report — Part II — and based on the Integrated Guidelines for Jobs and Growth, the following conclusions are appropriate:

2. Finland is making very good progress in the implementation of its National Reform Programme. Finland is also generally responding well to the commitments made by the 2006 Spring European Council. Progress has been made in particular on the business environment for SMEs.

3. Among the many strengths of the Finnish National Reform Programme and its implementation are: further action to postpone retirement, complementing the already extensive action to strengthen sustainability of public finances and to prepare Finland for the effects of an ageing population; a range of important measures to further improve Finland's excellent knowledge base.

4. It will be important for Finland over the period of the National Reform Programme to focus on: implementing reforms to improve competition and productivity in some service sectors simplifying recruitment procedures for businesses; encouraging local wage bargaining systems; and addressing bottlenecks in the labour market, with a particular view to tackling high structural unemployment, especially unemployment of low skilled workers, including young people.

SWEDEN

1. In the light of the analysis presented in the Commission's 2007 Annual Progress Report — Part II — and based on the Integrated Guidelines for Jobs and Growth, the following conclusions are appropriate:

2. Sweden is making very good progress in the implementation of its National Reform Programme which has been revised by the new government. It addresses most of the commitments made by the 2006 Spring European Council. The stability oriented macroeconomic framework is appropriate and performs well. A strong effort is being made to strengthen incentives to work. Additional measures are needed to enhance competition in services.

3. Among the strengths of the Swedish National Reform Programme and its implementation are: the progress made on increasing public investment in R&D and in bringing forward measures to encourage innovation; the vigorous approach to encouraging entrepreneurship; Sweden's performance on encouraging the sustainable use of energy, which is among the best in the EU; progress in increasing labour supply; measures to make it simpler and more profitable to run a business by phasing out taxes and reducing administrative burdens; and proposals to enhance incentives to work, notably changes in labour taxation and benefit systems.

4. It will be important for Sweden over the period of the National Reform Programme to focus on: taking further regulatory measures to increase competition, notably in services; implementing rapidly planned improvements to the impact assessment system; taking a more coherent approach to better regulation, strengthening its strategy to increase labour supply and hours worked, including through the implementation of proposals to increase incentives to work, as well as stronger measures to increase the employment rate of immigrants and young people and to reintegrate people on sickness-related schemes.

UNITED KINGDOM

1. In the light of the analysis presented in the Commission's 2007 Annual Progress Report — Part II — and based on the Integrated Guidelines for Jobs and Growth, the following conclusions are appropriate:

2. The UK is making good progress in the implementation of its National Reform Programme and of the commitments made by the 2006 Spring European Council. Solid progress has been made in all policy areas, particularly in microeconomic and employment policy. In macroeconomic policy, fiscal consolidation has begun and plans for further fiscal consolidation are in place and should be implemented; and, plans for pension reform have been drawn up, with draft legislation already tabled in Parliament. The UK has made greater efforts to involve stakeholders.

3. The particularly strong points in the UK reform implementation are in encouraging entrepreneurship, promoting better regulation, and undertaking welfare reforms. Many other successful reforms have already taken place, such as energy market opening, increasing investment in transport infrastructure, and in introducing charging policies, for example the London road transport congestion charge. The UK has also undertaken innovative reforms to improve the quality of public expenditure that are still in the course of implementation.

4. The policy areas in the UK National Reform Programme where challenges remain which need to be tackled with the highest priority are: improving basic and intermediate skills compared with other economies; and taking further measures to tackle disadvantage and exclusion in the labour market. Against this background, it is recommended that the UK:

— increase basic and intermediate skills, which is addressed by the recent Leitch review of skills, in order to raise productivity, and further improve employment prospects for the most disadvantaged.

5. In addition, it will be important for the UK over the period of the National Reform Programme to focus on: ensuring that the current proposals on pension reform are effectively implemented; progressively increasing housing supply to reduce house price pressures in the medium-term; implementing its science and innovation strategy, the intermediate level and quality of R&D investment should be indicated for 2010 and measures should be taken to further strengthen investment incentives and to increase private sector engagement; and further improve access to childcare.

EURO AREA MEMBER STATES

1. In light of the analysis presented above and based on the Integrated Guidelines for Growth and Jobs, it is concluded that:

2. The Implementation Reports of the Member States of the euro area show that progress is being made overall, reflecting substantive action in many countries. With the euro area growing in line with its potential, positive developments in the labour markets as reflected in a falling unemployment rate and an increase in employment, and a number of reforms under way, the outlook for a prolonged economic upturn has improved significantly. To some extent, this improved economic situation is due to past structural reforms. This momentum should be used to press ahead with vigour the implementation of the reform and budgetary consolidation strategies. Closer economic and financial interdependence generated by having a single currency makes it necessary for its Member States to implement ambitious policies which, in addition to aiming at raising growth potential, also include measures that ensure the smooth functioning of adjustment in monetary union. In this context, effective economic policy coordination is necessary at euro area level. It would also help to promote policy action in Member States aiming to achieve fiscal discipline and structural reforms. This is necessary to increase the growth potential of the economy, enhance the euro area's resilience to asymmetric shocks and thereby preserve price stability while promoting economic dynamism in the euro area.

3. Among the strengths of the implementation of the National Reform Programmes of euro area Member States is that promising reforms are being undertaken or are planned to increase labour utilisation and labour productivity, boost R&D and innovation, develop human capital, and create a more attractive business environment, notably via policies to increase competition and further improve regulation. Putting National Reform Programmes in a consistent and ambitious overall policy framework could give them further strength.

4. Building upon the policy conclusions identified for each individual euro area Member State based on their National Reform Programmes, action for all euro area countries is needed most urgently in policy areas that would improve the functioning of EMU and contribute to address persistent divergences in inflation, competitiveness and growth. On the budgetary side, while progress is being made to reduce deficits, some countries need to accelerate the pace of structural budgetary consolidation and continue reforming pension and health care systems in order to address the budgetary impact of ageing populations. Furthermore, the quality of public finances should be improved, in particular with the intention of enhancing productivity and innovation, thereby contributing to economic growth and fiscal sustainability. To ensure more dynamic and efficient internal adjustment mechanisms in EMU, markets should be made to function better, through enhanced competition and liberalisation, namely to ensure better mobility of production factors, a rapid adaptation of prices and wages to shocks, and stronger trade integration. It is essential to foster innovation and productivity growth. Within a monetary union, a firm commitment to stability-conducive wage developments is also important to secure competitiveness and employment over the medium and longer term. The regular review of the functioning of price and (public and private) wage setting must therefore be continued. More attention must be paid to labour mobility in the euro area countries. Both financial and product markets have a key role to play in smoothing internal adjustment. The forthcoming Internal Market Review will be of particular importance for the euro area, as well as a rapid implementation of the Services Directive and full implementation of the Financial Services Action Plan. Improvements in competition in the services markets would further contribute to smoothen adjustment in EMU.

Against this background, the euroarea Member States are recommended to, together with their specific country recommendations:

— make use of the favourable cyclical conditions to aim at or pursue ambitious budgetary consolidation towards their medium-term objectives in line with the Stability and Growth Pact, hence striving to achieve an annual structural adjustment of at least 0,5 % of GDP as a benchmark,

— improve the quality of public finance by reviewing public expenditures and taxation, with the intention to enhance productivity and innovation, thereby contributing to economic growth and fiscal sustainability,

— effectively implement measures that improve competition, especially in services, and step up measures that promote the full integration of financial markets and the competition in retail financial services,

— improve flexibility and security on labour markets, inter alia, by better aligning wage and productivity developments, balancing employment protection and security in the market and enacting measures to promote labour mobility across borders and between occupations.

5. In view of the spillovers and synergies arising from national policies and local developments within the monetary union, euro area Member States should aim at an effective policy coordination, especially in the context of the Eurogroup and, where appropriate and in line with earlier agreements, in international forums. This would significantly contribute to successfully addressing policy challenges within the euro area and in the global economy. Euro area Member States are invited to take into account these recommendations in their national policies. The Eurogroup will regularly review their implementation.