

TUESDAY, 25 SEPTEMBER 2007

IN THE CHAIR: MR MARTÍNEZ MARTÍNEZ

Vice-President

1. Opening of the sitting

(The sitting was opened at 9 a.m.)

2. Documents received: see Minutes

3. Decision on urgent procedure

Proposal for a Council Regulation derogating from Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers, as regards set aside for year 2008 (COM(2007)0523 - C6-0302/2007 - 2007/0194(CNS))

Neil Parish (PPE-DE). – Mr President, yesterday my committee had an extraordinary meeting in order to examine the Commission proposal and the request to treat this proposal as urgent. My committee agreed that the request for urgent procedure should be approved. It was approved unanimously. The Commission is proposing to set a 0% rate of compulsory set-aside for 2008. This proposal must be adopted as soon as possible – that is, before the end of this month – in order to allow farmers to take their decisions for growing crops on set-aside land in 2008. The land concerned must be brought back to production because a poor 2008 harvest combined with 10% set-aside will expose the internal market to potential serious risks.

The cereal market at the beginning of the marketing year 2007/08 is characterised by historically high prices both at Community and world level. The 2007 harvest will probably remain close to last year's level and will lead to further reductions in the EU of private cereal stocks by the end of the 2007/08 marketing year. At global level, closing stocks in 2007/08 are expected to fall to an historically low level, especially in major exporting countries. In this context, a normal 2008 harvest will trend yields, and the proposed derogation for set-aside in 2008 in the European Union would allow for a partial rebuilding of the private stocks, so I ask for urgency.

(Parliament agreed to urgent procedure)⁽¹⁾

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Martin Schulz (PSE). – (DE) Mr President, I refer to yesterday's plenary session and the one-minute speeches that took place at the start of the plenary session. During those one-minute speeches there was an incident. A Polish Member (I do not know which Group he belongs to) criticised our President in an improper manner in this House. I defended the President of our House, as I thought was necessary. I had the impression that many colleagues in this House saw things the way I did. As a result my fellow Member, Markus Ferber, later threw a comment in my direction, the gist of which meant that I assume the right in this House to make comments on everything, which is definitely not the case. I regret that I do not have the right to do this, but I do not comment on everything. As a result I insulted Mr Ferber in the generally fevered situation with two German expressions, which I would not like to repeat here and which are not true either. I therefore take it back, expressing my regret and would be grateful if you would convey to my fellow Member, Mr Ferber, that he should accept my apology and that I otherwise regard him as a very amusing fellow Member.

(Applause)

President. – Mr Schulz, we shall include your comments in the record of proceedings and take note of them.

⁽¹⁾ For further details: see Minutes.

4. Restructuring of the sugar industry - Common organisation of the markets in the sugar sector (debate)

President. – The next item is the joint debate on

- the report by Katerina Batzeli, on behalf of the Committee on Agriculture and Rural Development on the restructuring of the sugar industry (COM(2007)0227 - C6-0176/2007 - 2007/0085(CNS)), and

- the report by Katerina Batzeli, on behalf of the Committee on Agriculture and Rural Development, on the common organisation of the markets in the sugar sector (COM(2007)0227 - C6-0177/2007 - 2007/0086(CNS)).

Mariann Fischer Boel, Member of the Commission. – Mr President, let me start by thanking Ms Batzeli and the members of the Committee on Agriculture and Rural Development for all the work they have carried out on this proposal. I will now start to place the proposal into its context.

As you know, the restructuring fund did not fulfil our expectations during the second year of the restructuring period, after actually quite a promising first year.

As you might remember, we were expecting about 1.5 million tonnes of quota to be renounced in the first year and more than 3 million tonnes in the second year. In reality, the total renunciation in the first two years amounted to only 2.2 million tonnes against an expected 4.5 million tonnes.

I am still convinced that the restructuring fund is a good instrument as such, which should be strengthened and improved, taking into account the experiences that we have had up to now.

Concerning the proposal we are to discuss today, let me make it clear that we are not in a process of renegotiating the sugar reform from 2005. In light of the insufficient take-up under the restructuring fund over the first two years of its operation, the objective is to make a success out of it for the last two years. Otherwise the final uncompensated cut of the quotas will kick in in 2010.

This proposal aims to make a very attractive offer to those undertakings and to those growers that want to give up quota production in the marketing year 2008/09, while in principle keeping unchanged the conditions for the last year of the restructuring period. For the first time, growers will be able to trigger the restructuring process, but only up to a limit of 10% of the quota belonging to an undertaking. The percentage of the restructuring aid reserved for growers will be fixed at 10% and this payment will be then supplemented by a top-up of EUR 237.5 per tonne of sugar quota and this sums up altogether to EUR 300 per tonne.

I think this is a very interesting offer for the growers and I do not see any need to go further. That is why I will not be in a position to support the amendments in the report on the restructuring fund that asks for changes in the amounts paid, for example 6, 7 and 12, or in the percentage that goes to the farmers: namely, amendment 8.

An element of retroactivity will ensure that those undertakings and those sugar beet producers who have already taken part in the restructuring scheme up till now have not been or will not be disadvantaged by having done so.

As requested in amendment 9, the eligibility of inulin syrup producers and chicory growers for retroactive payments will be explicitly mentioned in the final text. Moreover, undertakings that will be restructured in the marketing or growing year 2008/09 could be exempted from the restructuring levy applied to the quantity subject to the 2007/08 preventive withdrawal, provided that they renounce their quota accordingly. And, last but not least, as an additional incentive for undertakings, their individual restructuring effort will be taken into account in case of an obligatory final quota cut.

In order to make it easier to reach a market balance during the restructuring period, it is proposed to make the preventive withdrawal a permanent tool, not only during the restructuring period, exactly as is proposed by Ms Batzeli in her report.

The proposed draft regulations aim to create a secure environment and to remove existing blockages from the system. All these improvements should make the fund a success in the third year, without changing the common market organisation for sugar on the basis of the reform that we agreed in 2005. The measures proposed are balanced to create strong incentives for all parties that are involved in the restructuring process.

I want to thank you for your good cooperation, which makes it possible for us to adhere to the tight schedule that we have to work under and to have this much more efficient system in place for the marketing year 2008/09. I am aware that the fund must be improved to achieve its aim and, if this is not possible, I am quite sure that there will be no winners. There will only be losers and, therefore, I have been very grateful for the support that I have met from the Agriculture Committee and the Members.

Katerina Batzeli (PSE), rapporteur. – (EL) Mr President, Commissioner, allow me first of all to remind you that in its original opinion on the Common Market Organisation (CMO) in sugar the European Parliament pointed out that the Commission's proposals ought to contribute to the essential viability of the new system and to the safeguarding of the sugar beet growers, the workers in sugar mills and areas of production, all of which will be affected by the elimination of quotas. This was our political commitment and agreement, based on which we gave our consent to the Commission.

However, the final decisions by the Council in 2005 on the review of the sugar sector could not meet these high expectations. The sector is particularly important for the equalisation of the arable crops market, the supply of European sugar and bio-ethanol factories, as well as the advancement of a new framework of policies for the modification of other CMOs under review within the context of the new CAP. The Council's decisions have seemed doomed from the outset to a short life and marginalisation because they were no more than a patchwork of national demands and complex mechanisms.

This decision and the way it is implemented at national level mean that the reduction in production to date has been no more than 2.2 million tonnes, whereas the target is approximately 6 million tonnes by 2010. I should like remind you that for any kind of reduced production after 2010 the producing regions, workers and producers will not receive any compensation from the Restructuring Fund, which is totally self-funded.

Such, then, were the important political issues occupying us in the Committee on Agriculture and Rural Development when we had to decide on the report with which you are acquainted.

Commissioner, in the Agriculture Committee we made significant improvements for the unimpeded implementation at national level of Community decisions. We did not seek radically to review the sugar CMO, and, in any case, you indicate this in your text. We did not seek to propose a multi-speed review since in many regions such as Ireland sugar production has already been reduced in part or totally abandoned.

In addition, we have considered the existing budgetary savings amounting to approximately EUR 3 million. If this money is not used, it will not be ploughed back into the sector but will fund other projects or will be paid back.

Finally, in light of the principle of proportionality and equality with regard to sugar beet growers, we must all agree with the principle of the retroactivity of the measures proposed in order not to create a climate of injustice for producers, mills and regions that have already joined the new system.

I should also like to point out that the ineffectiveness of the large degree of the Member States' flexibility and subsidiarity worries us. This flexibility has become an unofficial nationalisation of the measures: the Member States have been free to implement the new CMO as they please, bending to the pressures exerted on them by collective bodies and regional authorities. The way the Member States treat the concept and policy of flexibility ought to be a matter of concern for us in future reviews, as should the issue of how this policy is to be used within the framework of health check decisions.

Commissioner, we must now move from political questions to technical issues, which will also decide the course of the CMO review. With regard to the amendment of Regulation No 318/2006, we consider that what is required is a fairer application of the final linear quota reductions by 2010. If a straight reduction in quotas is considered necessary in 2010, our committee believes that this reduction should be conducted in two stages. During the first stage there should be a linear cut of 13.5%. During the second stage the Commission's proposal should be implemented; accordingly, the Member States and those undertakings which have renounced quotas during the restructuring regime would be exempted. The exemption will be in line with the efforts made at national level.

However, I should like to point out to the Commission and the Council, not attending the debate here today, that we must bear in mind the reduced contribution of undertakings, which have either voluntarily reduced their quotas by participating in the restructuring regime or participated in the preventative withdrawal mechanism. We propose a broader and more long-term use of preventative withdrawal, thus assisting smoother adaptation of the sector to future challenges. Since the subject of preventative withdrawal has

hitherto not been found in the compromise at Council level, I should like to include it, Commissioner, if you agree.

As for the amendment of Regulation No 320/2006 on the restructuring regime, which is in any case the central aspect of the reform, my report proposes:

- firstly, to increase to EUR 260 per tonne the lump sum of EUR 237 per tonne which the producers will receive. We insist on this, despite your disagreement, Commissioner, because we believe that it is a significant incentive for producers to move to the concept of a 10% voluntary renunciation;
- secondly, to increase to 50% the single compensation amount for producers from restructuring aid, which is currently fixed at 10%. This increase is a political commitment by the European Parliament; it shows that the subsidies ought to go mainly to the producers. The message more political than financial;
- thirdly, the compensation paid to undertakings for the production of bio-ethanol should be raised from 35% to 100%, since, in our view, a significant incentive should be given to contribute to the renewable energy sources sector;
- fourthly, and of particular importance for the regions, is the maintenance of aid for diversification in the regions where mills have closed: it should remain at EUR 109.5 per tonne of reduced sugar production until the 2009-2010 period. Commissioner, we seek partly to improve funding in order to reduce the impact on the regions as well as to provide additional incentives. The review is intended not to amend some general provisions but to strengthen incentives;
- fifthly, the renunciation of 10% of quotas should apply first of all to small or less competitive producers;
- sixthly, restructuring aid must be increased for partial abandonment, from EUR 218.75 to EUR 625 for the 2008-2009 period. I have to admit that the rapporteur's position is particularly significant in supporting issues of this sort.

I should like to point out as rapporteur that certain proposals of the Agriculture Committee ought to be re-examined to get things in proportion. For this reason, I believe we ought to take into account funding from the Restructuring Fund and also additional funding from the European Agricultural Guidance and Guarantee Fund.

As rapporteur, I should therefore, like to endorse Amendments 27 to 30, which introduce three fundamental principles:

- firstly, a retroactive measure, because producers, undertakings and regions which have complied progressively from the start of the new CMO cannot be penalised;
- secondly, the amount of aid must be reasonable and acceptable to all sides (and not EUR 625 for one year);
- thirdly, it is important to increase retroactively and until the end of the transitional period the amount of aid given to mills for partial abandonment of production.

In closing, allow me to express a note of warning. Negotiations the Commission is holding with the ACP countries within the framework of the EPA are ongoing. The Commission seems ready to abolish both the safety clauses with regard to the total quantities of sugar importable into the Community by each partner country and the minimum price clause for imported sugar. In addition, it is also proposed that access to the Community market should be liberalised in a similar way for the sixteen Sugar Protocol countries.

Commissioner, I believe that we are called upon to do important work here. Such decisions outside the institutional framework should be invalid: they would invalidate the political and institutional role played by the European Parliament.

László Surján (PPE-DE), draftsman of the opinion of the Committee on Budgets. – (HU) Thank you for the opportunity to speak, Mr President. The Committee on Budgets fundamentally supports the proposal. Let me also personally congratulate the rapporteur. It is a very difficult task under any circumstances to try to persuade growers in a given sector to cut back their production. Nor does it cast us in a very good light in the eyes of European citizens to be giving support and funding to this sort of thing.

Nevertheless, if it becomes necessary to intervene in such a way and, moreover, it has no greater impact on the overall budget of the European Union than the present arrangements, then it is appropriate that it should

be better targeted and that some compensation and support should go to those who are genuinely taking action on this issue on the production side, as is happening in the present case.

It is a major problem, however, that there are cases where countries have already renounced some of their quotas, only to find that the regulations have subsequently changed. The report proposes ways of resolving this and I ask Parliament to support these in this form. Thank you for your kind attention.

Albert Deß, *on behalf of the PPE-DE Group*. – (DE) Mr President, Commissioner, ladies and gentlemen, I would like to give a brief review of the last reform. Many sugar beet growers are asking why a reform of this market regulation, which has stood the test of time over decades, is necessary at all. There are two main reasons why this reform was and is necessary. Firstly, it was decided a few years ago, in the wake of the arms initiative, that as from 2009 everything except arms may be supplied to Europe from the poorest countries. The sugar sector is also affected by this.

The second reason is that there is a WTO decision and we have to remove surpluses. This means that we have to take more than 6 million tonnes of sugar out of production. Commissioner, we put forward proposals to Parliament in 2005 and you have just said that the restructuring fund did not fulfil our expectations. Today I would like to say here that if the Commission and Council had followed Parliament's proposals more closely in 2005, greater volumes of sugar would probably have been renounced voluntarily.

We now have the opportunity to make corrections so that incentives are improved. I can only ask the Commission and Council to follow the proposals. I would like to thank the rapporteur, Mrs Batzeli, for the report she has submitted. The Agriculture Committee has largely followed these proposals – with minor corrections – and I am convinced that if the Commission follows these proposals, incentives will be increased to such an extent that much larger volumes of sugar will be renounced voluntarily. I should like to state, Commissioner, that there are many members of the Agriculture Committee who have listened closely to the sugar beet producers. If the requirements set out here are met, I believe that this reform will be successful.

Csaba Sándor Tabajdi, *on behalf of the PSE Group*. – (HU) Mrs Fischer Boel, I think Katerina Batzeli's report and Surján László's opinion are technically sound and politically very correct. Restoring balance in the market is important, and we are still a long way from being able to achieve a market balance by 2010 with regard to European sugar production and sugar beet cultivation.

I do not envy the Commission or Parliament, because it is not easy to create order and equilibrium in a distorted, excessively complicated and oversubsidised system. This sector, after all, was the beloved child of the CAP (Common Agricultural Policy) compared to other, less favoured sectors.

I fully agree on the need for counterbalancing. If we implement the additional 10% reduction, there will still be a surplus of 2.1 million tonnes in the system, and if we do not manage to deal with this by 2010 we will need to make a further reduction of 14%.

I believe it is unfair, and I would ask the Commissioner and the Commission to weigh this carefully, that those countries which have made major reductions, namely Italy, Portugal and Finland, will still have to make a further reduction of 10% along with all the others. This is not fair.

I also agree that we should do more to protect the interests of small and medium-sized growers, because the 'first-come-first-served' rule puts them at an informational disadvantage compared with the multinationals. In Hungary one factory in five has closed down. The best sugar manufacturer has ceased operating, but neither the manufacturer nor the growers have come off badly. The only thing not covered adequately in the earlier regulation was compensation to employees, I mean compensation to the employees of the sugar manufacturer.

Lastly, I think it is very important that undertakings should not have to pay the restructuring levy if they reduce their quota. There is a demand to this effect. I ask Mrs Fischer Boel to support this, as it would encourage further reductions and help restore a balance in the market. Once again, helping small and medium-sized growers is therefore very important because this has a major social impact on European sugar beet growers. Thank you for your attention.

Andrzej Tomasz Zapałowski, *on behalf of the UEN group*. – (PL) Mr President, the reform of the sugar production sector in its existing shape is unacceptable. It strikes primarily at beet producers and sugar factory workers. The exceptional activity shown by European concerns in buying up sugar factories in Eastern Europe prior to their accession to the EU gives rise to the suspicion that this reform was already being planned back then, with vast sums in compensation for the owners of sugar factories who will be shutting them down.

In the new Member States, during the accession period farmers invested huge sums in upgrading their farms, including beet production. Two years on it has turned out that production needs to be restricted, while the main beneficiary of the compensation for giving up sugar production will be the new owners of the sugar factories. It is estimated that in Poland alone around ten factories will be closed.

The proposed adjustments, which allocate higher sums from the restructuring fund to growers, are good. My doubts, though, arise from the support for producers who have been buying sugar factories over the last few years, because could it not just be that they have been buying them with a view to closing them profitably?

Friedrich-Wilhelm Graefe zu Baringdorf, *on behalf of the Verts/ALE Group*. – (DE) Mr President, Commissioner, the sugar market regulation is not a showpiece of the Commission and Council! Mr Deß has already said that if you had listened a little more to Parliament's proposals, some of the glitches would not have occurred.

When we have an instrument like the quota, we must use it and not threaten it for 2010, and then we must make flat-rate or staggered reductions and provide compensation for these. Your way of doing this through pricing came to grief because you then increased the quota by a million tonnes in one go by converting C sugar into quota sugar. Furthermore, financing by consumers by means of pricing has meant that the sugar industry has had no interest in restructuring. Export subsidies have not been radically reduced. This too would have been required.

The errors should be specified and they are not being corrected now either. The restructuring fund and restructuring aid are essentially discontinuations. The regions, trade unions and growers are against them. No diversification has been adopted, as Parliament demanded, in order to safeguard the regions' socio-ecological development. Nor are all these errors now being corrected. We are therefore remedying the wrong symptoms.

Another important point is that you now want to limit restructuring aid going to growers to 10%. It used to be that countries could fix a higher price. We are putting forward another proposal here and I hope that Parliament will implement it this time with the referral instrument, because you have not honoured the promises you made to us at the last vote, but have now gone back on them.

Diamanto Manolakou, *on behalf of the GUE/NGL Group*. – (EL) Mr President, the new sugar sector regulation adopted in 2006 and already being implemented is a bitter pill and it has claimed its first victims.

We, of course, voted against it and were right to do so: sugar mills have closed and many sugar beet growers have ended up unemployed. They receive paltry compensation which is intended to stifle their opposition and protests.

In my country, Greece, sugar beet cultivation used to guarantee that the people were self-sufficient in sugar; it provided many workers and farmers with work and injected economic life into neglected regions. Today, two out of five factories have closed, production has fallen by 50%, unemployment in the sector has risen, farmers have been made destitute and whole regions have been devastated.

The amendments proposed today are aimed at fully implementing the new regulation. There is to be no let up in the diminishing rate of production, fixed at a shortfall of 2.2 million tonnes and increasing to a planned shortfall of 6 million tonnes.

This means an even greater impact than we have already seen. The winners will be the food industrialists, who will import cheap sugar; the losers will be sugar industry workers, since more mills will close and further numbers of small and medium-sized sugar beet producers will be wiped out.

We oppose this and we will vote against the additional arrangements: they are hastening the completion of the basic regulation and are yet another criminal ploy in the campaign against the European sugar industry and its workers.

Hélène Goudin, *on behalf of the IND/DEM Group*. – (SV) Mr President, the European sugar industry is on life-support. The respirator, now the EU, each year gives millions of euros in direct aid and intervention to European sugar growers. EU taxpayers are financing an antiquated system which has seen its day. Unfortunately the Committee's proposals mean higher costs and a slower rate of reform, the direct opposite of adjustment to the market which this uncompetitive sector so badly needs.

Sugar-producing countries outside the EU must be given access to the internal market without restrictions. International trade based on fairer conditions is a means for less developed countries to compete on the global market. Liberalisation of the sugar industry would also benefit European consumers. They would avoid having to finance an artificial system of support for producers through their taxes, *and* they would see lower prices in the shops. This would benefit everyone.

Jean-Claude Martinez, *on behalf of the ITS Group*. – (FR) Mr President, Commissioner, the common market organisation for sugar worked. It was cheap and offered access to our market to ACP countries.

However, during the WTO negotiations, Thailand, Australia and particularly Brazil insisted on a sugar monopoly. At the same time, to win allies during the Doha Round, Pascal Lamy, who was at the time European Commissioner for Trade, offered to abolish customs duty for the 49 least developed countries with the 'Everything but arms' programme. In 2009-2010, Europe will begin to see imports of sugar in theory from poor countries, but which was produced with Kuwaiti, Saudi or other capital, in the Sudan or elsewhere.

European beet growers and sugar producers in outermost regions must therefore be sacrificed for the benefit of Brazil and other countries, hence the 2006 reform. The same applies to cereals and milk. Soon it will apply to wine. Our producers will disappear, which in Europe is what we call 'restructuring'.

Of course, we pay cereal growers to stop growing crops: we call it 'restructuring aid', like the set-aside payment or the grubbing-up premium.

However, 18 months after this aid programme began, it is not working. Commissioner, you are giving us the same old speech about grain mountains and milk lakes. You are saying that in 2007-2008, there will be a 4 million tonne surplus, hence the two proposals today for a regulation to obtain the abandonment, apparently, of almost 4 million tonnes of sugar. We are increasing financial incentives and annual withdrawals, and additional payments and subsidies. Of course, this aid will stop after 2010 and our farmers will be wiped out, just like the ACP producers, not to mention workers. The only winners will be importers.

These **Malthusian policies** have been applied to cereals since 1993. At 9 o'clock, Mr Parish told us that there was a wheat shortage, that prices were rocketing and that set-aside needed to be abandoned. So there is some hope at least: in 2011, there will be a new regulation telling us that there is a sugar shortage and that we need to start growing it again!

Jana Bobošíková (NI). – (CS) Ladies and gentlemen, as a Member of this Parliament for the Czech Republic where the sugar market has already been restructured, I cannot agree with the proposed changes. They are inappropriate and unfair.

It is becoming clear that the reform does not result in a series of economically uncompetitive companies. It produces a disproportionate situation from which only the big European sugar companies profit, with no benefit whatsoever to consumers and growers.

I cannot explain to the citizens how a number of countries have not renounced their sugar quotas at all or have done so only on a very small scale while the rest of us are now supposed to pay them more money for breaking a commitment.

First and foremost, I absolutely do not agree with increasing the aid in cases of partial restructuring to the level of full restructuring aid. Secondly, increasing the amount of restructuring aid to beet growers and contracted suppliers of machinery from 10% to 50% is totally unjustified. Thirdly, I do not support an increase of additional payments to producers or any increase of temporary restructuring aid; nor do I support an increase in additional payments to suppliers. Fourthly, the proposal to treat the dismantling of facilities that took place last year as having taken place this financial year and in the course of the following years is, in my opinion, completely absurd.

On the contrary, ladies and gentlemen, the key issue for me is taking into account the full amount of quotas renounced during the whole restructuring period. I certainly do not support the move to allow the quotas renounced by companies from the financial year 2008–2009 to be taken into account.

I believe that unless the Commission intends to modify its purely bureaucratic and highly unfair method of managing the sugar reform, the best thing to do would be to abolish sugar quotas as quickly as possible and liberalise the sugar market.

Kyösti Virrankoski, *on behalf of the ALDE Group*. – (FI) Mr President, the EU's sugar policy is in a strange situation. Sugar quotas have been reduced by 2.2 million tonnes but at the same time the Commission has been selling millions of tonnes of new quotas. The net reduction is therefore just a million tonnes, whilst the target was six times that figure.

At the same time, the big producer countries have only increased their production. For example, Germany has increased its production from what was around 240 000 tonnes a year and France from what was 350 000 tonnes a year. It is primarily just the small countries that have reduced their production. Of the biggest countries only Italy has reduced its production significantly. The result of this has been that the small countries and those countries which are poorer off in terms of their natural conditions have had to reduce their sugar production.

At the same time again, more than EUR 3 billion – three thousand million euros – has accumulated in the restructuring fund, of which perhaps around EUR 2 000 remains unspent at present. This money has mainly come from consumers, because consumer prices have fallen more slowly than producer prices, and this difference has accrued in the Fund. On the other hand, it has also come from farmers, whose producer prices have gone down. This money has been and is being paid mainly to the industry, in the form of a massive amount of compensation to the tune of EUR 730 per tonne, while at the same time just around 10%, at best 20%, of this cash goes on changing the industrial structure and tearing down factories.

The entire sugar policy is a warning example of what can happen when we start implementing agricultural policy on industry's terms. The industry is being paid huge amounts in compensation and we are getting very little in return. It is to be hoped that in the future agricultural policy will be practised as agricultural and not industrial policy.

We should focus special attention on the importance of solidarity. It should also be taken into consideration because all countries, including those which have reduced their sugar production, still have to pay prices for sugar which are higher than global market prices, although they are simply not allowed to produce it because the industry has decided against it.

In the same way, in the future we will need to ensure that we do not start applying any similar kind of system to other areas of agricultural production.

Neil Parish (PPE-DE). – Mr President, I should like to thank Ms Batzeli very much for her report. I should also like to thank Mr Deß very much for shadowing this report for the PPE-DE Group.

I think it was Margaret Thatcher who once said 'you can't buck the markets', and the problem with the whole sugar regime is that it is exactly what we have tried to do over the years.

I commend the Commissioner and what she is doing, because it is a very complex situation and one that we need to sort out. We need to take more sugar out of the system and we need to make Europe much more competitive in sugar production. The whole thrust of CAP reform now is to give support to farmers for environmental reasons, but also very much to push them in the direction of producing for the market place.

I think that the reform of sugar this year is perhaps going to be easier than in previous years, for the simple reason that we have now seen cereal prices three times what they were last year. Therefore, some sugar producers will perhaps decide that they will take the money in the restructuring and that they can grow cereals or oilseed rape and they can make a good living from that. Because, whatever we do with sugar, we have to be sure, as I said, that we move in the direction of reducing the amount produced in Europe – but we must still allow the farmers to have a living from the land.

We also have to consider not only balancing sugar production in the European Union, but the fact that there are ACP countries from which we import sugar. In my own country, the United Kingdom, Tate & Lyle imports over one million tonnes of sugar. It is very concerned to make sure that it can get access to this sugar at the same time as we are reducing and reforming the sugar regime. I would ask the Commissioner to look sympathetically at that side of the argument as well.

María Isabel Salinas García (PSE). – (ES) Mr President, Commissioner, almost two years ago a legislative package was adopted for the reform of the sugar sector, with the aim of adapting it to a globalised market that really left few opportunities for our farmers.

As you well remember, Commissioner, it was a traumatic reform on which it was difficult to reach an agreement in Parliament. Now it seems that the objectives of reducing quotas are not being achieved; that

is why the Commission is putting forward this new proposal aimed at redressing the situation before it is too late.

We think that in principle, the Commission's proposal is positive, as to a certain extent it gives farmers the opportunity to take the initiative to renounce. However, in certain aspects, Commissioner, we also think that it is inadequate and that it may produce undesirable effects in some countries such as Spain.

I would therefore like to highlight two points that I think are very important. Firstly, I would like to stress the importance of the amendments tabled by the Socialist Group, and I would like to thank our rapporteur, Katerina Batzeli for her work, on the need, in some cases, to extend additional aid for withdrawal for farmers to the 2009-2010 marketing year. We think that this change is vital so that the measure does not fall short and the expectations of producers are fulfilled.

Secondly, I would like to draw attention to the amendment that was adopted in committee in my name, which comes to plenary as Amendment 11, on deeming full dismantling to have taken place where facilities have been converted to bioethanol production. This measure has two purposes: on the one hand, it encourages renunciation, as it gives a way into other markets for these facilities and, on the other hand, it promotes a sector such as biofuels at a time when there is so much talk of the need to increase supply.

Commissioner, this reform has already been traumatic for many countries, such as mine; I think that there should be money and opportunities to maintain income for farmers who wish to renounce, but above all, for farmers who wish to continue.

Janusz Wojciechowski (UEN). – (PL) Mr President, the reform of the sugar market is one of those reforms whose sense is very hard to explain to farmers in the European Union, including farmers in my country, Poland. The administrative and financial pressure to cut back sugar production from 18 to 12 million tonnes is not convincingly justified. There is talk of a need for solidarity with farmers on other continents, though it is clear that this is not about their interests: it is not about farmers' interests so much as the global interests of large concerns. In the name of these interests, the European Union, under the auspices of successive 'reforms', is gradually disposing of its agriculture and setting forth down the very hazardous road of making itself dependent on food supplies from outside. This policy is leading to a loss of security in food supplies, a security that is of great importance to future generations. My fear is that it will not be long before everyone, and not just farmers, will regret these irresponsible reforms which are going on today, the harmful consequences of which we shall all soon recognise.

Ilda Figueiredo (GUE/NGL). – (PT) As is well known, we are very critical of this reform of the sugar sector. We always uphold food sovereignty and we therefore think it is unacceptable that a country such as Portugal, with only one sugar factory in Coruche and one small factory in São Miguel, in the Azores, which scarcely managed to supply half the country's consumption needs, should be confronted with the obligation to reduce its quota for sugar produced from sugar beet.

It is clear what the consequences will be: farmers and undertakings will abandon production, thus creating more unemployment and adversely affecting the development of rural areas. It is therefore essential – as thousands of small and medium-scale farmers asserted on the streets of Porto on 17 September whilst the Agriculture Council was meeting in Portugal – to change policy in order to take account of the specific situation in each Member State and their own production and consumption needs, securing farmers' incomes and the development of rural areas. That is what we are once again proposing to the Commissioner.

Kathy Sinnott (IND/DEM). – Mr President, before I begin can I remind everyone that it is not a question of beet or grain. In Ireland, beet was grown in a mutually beneficial rotation with wheat.

Commissioner, sugar restructuring in Ireland was a disaster. It was handled badly by the company Greencore and our Minister for Agriculture. Many of my constituents have suffered and social displacement is widespread, which is why the least we can do is go back and compensate these people.

Our hope of having a rational biofuels industry that was integrated, rather than competing with food production, was set back by years, if not destroyed. When I approached the Commission to try to head off disaster, I was told that the scheme was set and that to tamper with it, even for a good reason, would unravel the whole thing. But now we are tinkering with the scheme. Is it not possible at this stage of adjustment to do something about the mess left behind in Ireland?

Ioannis Gklavakis (PPE-DE). – (EL) Mr President, Commissioner, Mrs Batzeli and Mr Deß, we all know that the proposed amendments to the regulation on the CMO in sugar aim to make participation in the Community

sugar industry more attractive under the restructuring regime so as to achieve the target of reducing Community sugar production. Allow me to make three observations about this.

Firstly, the Commission's approach is positive. This is particularly the case with its proposal to give even retroactively increased support to beneficiaries who have already complied with Regulation No 318/2006, allowing them to feel that they have not been unjustly treated despite contributing first to the restructuring of the sector;

Secondly, it has been made perfectly clear, I believe, that if the desired reduced level of production is not reached, future measures for a linear reduction will apply only to those Member States which have not made an effort to attain this target. On the other hand, the regulation will take into account the countries which have made significant reductions and whose industrial units still remaining have now reached critical levels. It is particularly important for countries such as mine to be certain that this position will not be forgotten when we discuss the future of the CMO in sugar for the post-2010 period;

Thirdly, I should like to raise the matter of bioethanol. Let us take this opportunity to examine seriously the possibility that perhaps in the end our enthusiasm for bioethanol will evaporate, and maybe many of the factories producing it will not be viable. What will the future hold for the workers in this industry, and what will happen to the farmers? Shall we once again have to cope with an army of unemployed?

Gábor Harangozó (PSE). – (HU) Thank you, Mr President. Commissioner, ladies and gentlemen. Regrettably, the restructuring of the sugar market has not brought the results we had hoped for. In modifying the restructuring scheme, it must be taken into account that some Member States have renounced a substantial portion of their quota. Hungary has abandoned 27% of its quota, whilst the average for the European Union as a whole is just 10.5%.

When determining the final quota reductions, therefore, I am in favour of taking into account the scale of production in each Member State. It would be inappropriate if the same reduction was prescribed for all Member States of the European Union at the same time since production characteristics differ in each country.

Moreover, modification of the restructuring scheme should not impact negatively on Member States that have already implemented a higher-than-average quota reduction. For this reason I oppose taking beet and isoglucose quotas together when calculating the ratio of the quota renounced to the initial quota. Meanwhile, the maximum amount of restructuring aid should also be granted in instances where facilities are not dismantled but converted to alternative uses such as biomass or bioethanol production. Thank you for your attention.

Zdzisław Zbigniew Podkański (UEN). – (PL) Mr President, the fact that, as part of the reform of the sugar market, sugar supply has fallen by 0.2 million tonnes in the last two years, an amount that differs considerably from the proposed level, should come as no surprise to anyone. This outcome was foreseen by Polish MEPs, as witnessed by our speeches both before the Committee on Agriculture and Rural Development and in the plenary of the European Parliament.

The failure to achieve the intended aims indicates that adequate motivation and incentives, including opportunities for beet growers to take up other production, were not put in place. This was acknowledged by the Committee on Agriculture and Rural Development when they proposed, among other things, raising the amount of aid set aside for growers and entities providing services from 10% to 50% of the aid allocated to a sugar factory business, and raising the extra payment for growers for the marketing year 2008-2009 from EUR 237.50 to EUR 260 per tonne of the quota which was being renounced.

It also needs pointing out that the Commission is currently not implementing the principles of the reform, the aim of which is to maintain production in the most competitive regions. The proposed changes do nothing to counter the problems, let alone resolve them; they are making the situation worse.

IN THE CHAIR: MECHTILD ROTHE

Vice-President

Carmen Fraga Estévez (PPE-DE). – (ES) Madam President, thank you very much to the Commissioner for being here. I think that the Commissioner, the rapporteur and many of the speakers have highlighted the problems that there have been with implementing the 2005 sugar reform, and the fact that abandonment of production has suffered delays leaving it far short of the objective of 6 million tonnes provided for in the reform.

I therefore believe that we all welcome the proposal that the Commission is now putting forward, which will give a new impetus to abandonment. The sector, too, mainly the beet production sector, is very pleased that the restructuring process is being speeded up given that, as the Commissioner also said, otherwise there will be an across-the-board cut in quotas in 2010, with no aid funds to compensate for those cuts.

I think that the amendment I tabled on behalf of the Group of the European People's Party (Christian Democrats) and European Democrats is in line with this philosophy and this new proposal. I am referring to Amendment 31, which calls for a report evaluating the reform and, if necessary, proposals to extend this aid fund by one year during the 2010-2011 marketing year. It was initially planned for a period of four years, to compensate, as I said, for this initial delay in implementing the reform.

This is something that has been called for by producers, and I think that it should be supported, especially given that the fund is financed solely by the sector, and therefore has no financial impact on the Community budget.

I ask, Commissioner, for this amendment to be approved by the Commission, and of course also my fellow Members.

Finally, I would just like to thank Mrs Batzelli for her work, her reports, and the improvements she has proposed, with the support of the entire Committee on Agriculture, and for the proposal presented by the Commission.

Libor Rouček (PSE). – (CS) Ladies and gentlemen, there is no doubt that far-reaching reforms are needed in the sugar industry in the European Union to enable it to remain successful in the future. Reducing production is an essential component of these reforms. However, this reduction should focus primarily on companies that are uncompetitive; unfortunately, the reality is often different.

For example, in my home country, the Czech Republic, the sugar factories that were new, effective and prosperous were closed and quotas were renounced on behalf of supranational producers. Of course this had a very negative impact on domestic growers and consumers.

I would therefore like to appeal to the Commission to take competitiveness principles into account, to a greater extent than before, when implementing the necessary reforms in the sugar industry, and to pay much more attention to the development of the biofuels sector. I think that biofuels offer new opportunities to sugar beet growers and represent the future.

Zbigniew Krzysztof Kuźmiuk (UEN). – (PL) Madam President, Commissioner, the reform of the sugar market which was begun in 2005 is not achieving the anticipated results, despite huge financial outlay. Despite large financial incentives, amounting to EUR 730 per tonne of reduction in sugar production, in the Community as a whole sugar production has fallen by barely 1.1 million tonnes, instead of the anticipated 6 million. The next set of changes to the functioning of the sugar market proposed by the Commission are not only failing to improve the situation, they are actually making it worse, as they are not consistent with the main principle of the reform, in other words sustaining sugar production in the most competitive regions.

What I think is needed is, firstly, to create conditions for stable development for the most competitive sugar producers in the Community, to enable EU production to compete on an increasingly open world market.

Secondly, we need to draw maximum advantage from sugar's export potential within the framework of the limit agreed with the World Trade Organisation.

And finally, thirdly, if these solutions fail to produce a marked improvement in the sugar market, it will be necessary to reduce production, but using a linear factor that is the same for all Member States.

Vladimír Železný (IND/DEM). – (CS) Madam President, I represent a country that invented the sugar cube. High-quality sugar was something we used to be proud of but the European Union ruthlessly took this pride away from us.

If Regulation (EC) No 320/2006 is implemented, the Czech Republic will be penalised for its appropriate behaviour towards foreign investors from the original EU countries that it has allowed to take over the sugar industry in the country. This Regulation is an inappropriate attempt to satisfy the interests of the big European sugar refining companies, while the interests of the countries that are the traditional growers and producers are being ignored.

It is therefore necessary, as the amendment by Mr Fajmon and others suggests, to enable Member States to scrap provisions a) and b) and leave it to the individual Member States to determine how to deal with the critical situation that would arise if the quota fell by 20% or more. Otherwise, the Czech Republic might, absurdly, become an importer of the traditional product it has been making for centuries.

One day, when our grandchildren are making a list of reasons why the Czech Republic should leave the European Union, the sugar policy and the regulations we are now debating will be at the top of the list.

Ville Itälä (PPE-DE). – (FI) Madam President, Commissioner, I understand very well that sugar quotas need to be cut further and I am in favour of it. I also understand, in the light of the figures we have, that the previous reform did not succeed.

This issue, however, is how this future reform is to be implemented. It should be fair to all Member States, and if we consider it from the viewpoint of my country, Finland, for example, there were two sugar factories in the country, and the previous cut in quotas, a reduction in practice of 40%, led to one of them shutting down. If there were to be another cut of 13% under this reform, that would mean in the worst case scenario that all sugar production would end in Finland, because both factories would have had to close.

This is obviously an unfair situation for Finnish sugar growers and Finnish industry. That is why I support the amendment which my colleague, Mr Fajmon, has tabled and which states that this proposal should not apply in any way to Member States whose quotas have already been cut by more than 20% unless they themselves then decide otherwise.

I would hope that the Commissioner also understands the situation small countries are in. In Finland, while we are now discussing the subject of cuts in aid to the south of the country under Article 141 of the Accession Treaty, the rural population's belief in the European Union is very weak. There needs to be some glimmer of hope, and above all these reforms have to be carried out fairly, so that all Member States get treated the same way.

Mariann Fischer Boel, Member of the Commission. – Madam President, first of all I would like to thank all of you for all your valuable comments. I think that we see the complexity of this issue from the comments delivered here today. I would just like to make a few comments.

First of all, I am convinced that what is now proposed – which I would describe as a big carrot for the sector – will work. The carrot is quite attractive because we now give farmers the possibility of getting 10% of the restructuring fund, and the restructuring fund for the year 2008/09 is EUR 625. EUR 62.5 plus the top-up that we pay from the restructuring money – EUR 237.5 – comes to EUR 300 per tonne that the farmers send back to the Commission.

What I consider the most important thing is that, for the first time, farmers can trigger the restructuring fund. This has not been possible before. Previously it was only the industry. Now farmers can say 'I want to leave and I want my EUR 300 per tonne, and I get the compensation for the reduction in prices on top of that'. And that is not a one-off payment: that continues.

I completely agree with Mr Parish. I think that the alternative to sugar beet production is much more attractive now than it has been for decades, with the cereal prices, with the oil-seed prices. Therefore, I presume that farmers will make their calculations and look at the bottom line of the most attractive way of arranging their future production.

I mentioned retroactivity the first time that I spoke. Retroactivity is there so that those who have delivered from the very beginning will not be punished; they will be compensated. It is for beet growers, for inulin syrup producers and for chicory growers. So there is no difference between the various types of beet production.

So I am confident, and I am very thankful for the quick reaction from Parliament, which I hope will allow us to find a political agreement in the Council tomorrow so we can send a clear signal to the sector, to the beet growers, so they can start planning their next production season.

I am quite sure that this will be to the benefit of the whole sector because, as was also mentioned here today, the alternative to not using this possibility will be a linear cut with no compensation. So I am quite sure that lots of calculations will take place on the various farms and areas where this may be attractive, to deliver the tonnes that we need to find the right balance in our sugar sector.

Once again, thank you very much – especially to the rapporteur, Ms Batzeli – for all the work done on this difficult dossier.

President. – The debate is closed.

The voting will take place today.

Written statements (Article 142)

Béla Glattfelder (PPE-DE), in writing. – (HU) Madam President, in its current review of the sugar reforms, the European Commission is requiring European farmers and the European sugar industry to make yet further unreasonable sacrifices in the name of restoring a balance in the sugar market. In my opinion on the European Parliament's report drafted on behalf of the Committee on International Trade some time ago, I pointed out that it would not be possible to achieve the desired balance in the European sugar market as long as there is no legislation providing for effective import protection. In its report, the European Parliament also put forward proposals to the European Commission and the Council of Agriculture Ministers to limit imports of sugar from third countries. In the end the legislature did not incorporate these proposals into the final document.

I agree with the tabled amendment to the present proposal suggesting that Member States that have already renounced at least 20% of their quota should not have to implement further quota reductions. This would be equitable and just towards countries that have already made a serious effort to implement the sugar reforms.

At the same time, however, I think it is important that a review of the sugar reforms should also include measures to make the sugar industry more competitive. With this in mind, I have tabled an amendment giving Member States discretion to decide first to make it possible for smaller, less competitive sugar beet growers to renounce the right to transport beet. This is a significant advantage for smaller, less well-informed growers, but at the same time it will help the European sugar industry to become more competitive internationally too.

Mairead McGuinness (PPE-DE), in writing. – It is regrettable that the Commission has returned within such a short period of time with a second sugar restructuring package for Parliament to vote on. The initial package resulted in the demise of the Irish sugar industry, to the detriment of the country, farmers and growers.

Unfortunately, to date the compensation package has not filtered fully down to either farmers or contractors.

I disagree with the Commission's attempt to limit the compensation paid to growers and contractors to just 10% in the current package – allocating the remaining 90% to processors seems excessive.

In the initial restructuring scheme a minimum of 10% was allocated to growers and contractors, with Member States being given the flexibility to decide on the precise share out but with this package the Commission is very fixed in how compensation should be allocated.

It is clear that increased levels of restructuring aid are needed to reach the Commissions targets. I welcome that increased level of restructuring aid will be paid to those who have already quit beet production.

I would urge that the compensation payments due to Irish farmers and contractors be paid out as a matter of urgency – this saga has gone on for too long.

Witold Tomczak (IND/DEM), in writing. – (PL) Mr President, the rules of the common agricultural policy have been being flagrantly violated in many markets in the industry for some time now. The sugar market is just one more disreputable example of this. The reform of this market adopted barely two years ago contained unfair solutions for the new Member States, as it gave preference to a few old Member States which generate surpluses in the so-called B quotas that are costly to the taxpayer. One of the aims of the reform was to improve competitiveness in the sector. Those who were supposed to remain in the market were those who were most competitive. The revision that is currently being proposed is aimed at punishing those who are most competitive. After all, that is what the introduction of new factors and the increased compensation with retroactive effect will achieve. Is there any logic to be discerned in what is going on here?

When the interests of the old EU are challenged, principles go out of the window. Solidarity or an equal chance to compete no longer means a thing.

This is true of the entire agricultural sector in which the richer countries get the larger subsidies. All attempts to do away with discrimination against the poorer new Member States run up against the disarming sincerity of representatives of the older States – you are right, they say, but we are not going to open up ‘Pandora’s box’. But now, looking at the sugar sector, the arrangement that was signed up to not very long ago can be changed! Just because it is affecting the interests of the older Member States and the big concerns.

5. Dangerous toys manufactured in China (debate)

President. – The next item is the Commission statement on dangerous toys manufactured in China.

Two Commissioners will speak.

Günter Verheugen, Vice-President of the Commission. – (DE) Madam President, ladies and gentlemen. Toys are not like any other product. They are designed for the most vulnerable consumer group of all and it is therefore perfectly clear that we must have the highest standards for toys where children’s safety is concerned. A whole range of very grave issues have rightly been raised here in connection with the latest recall campaigns of an American manufacturer, which has recalled faulty products from the market at its own initiative.

First of all I would like to say that both cases concerned here involve products not licensed under European law for the European market. Toys with lead paint have, of course, been banned in Europe for a long time, unlike in the United States of America. Toys with magnetic parts or other dangerous parts which could become loose have also been banned, of course, for a long time in Europe. What we have here, therefore, is not a problem of applicable law (although I will be coming to applicable law, an area in which something has to be changed, later), but it is a problem of the implementation and observance of the applicable law.

Products we deal with every day cannot be one hundred per cent safe. The best legislator in the world cannot guarantee that no defects will occur in production. The best legislator in the world cannot guarantee that supply chains now organised on a global basis will not encounter a problem at any point. Nor can the best legislator in the world prevent trade with criminal or fraudulent intent.

I would remind you of the case in which three people died in Greece after using a faulty steam iron. This iron not only had the European CE marking, but also a specific German safety symbol. Nevertheless the appliance was not safe, probably because it was counterfeit. No legislator in the world can do anything to stop this. That is the responsibility of the manufacturer and it is the responsibility of those who have to ensure that manufacturers comply with the existing rules. These are the market surveillance authorities of the Member States. There is no European market surveillance system. This comes under the sole responsibility of the Member States.

I would like to point out to you that we are in fact having to deal with a problem here that is very closely connected with economic globalisation. Today this means we have to deal with worldwide supply chains. We have to deal with companies operating under pressure of costs, meaning that they are constantly putting their suppliers under pressure of costs, thereby contributing to prices constantly being reduced. There is a very great risk that this will come at the expense of safety at some point.

This is the reason why we are constantly saying that the more international and more extensive the supply chain becomes, the greater the responsibility of companies to ensure that the existing regulations are observed at each individual stage of the supply chain. This was not the case, for example, in the case of lead paint on toys produced by the American manufacturer. A Chinese supplier supplied a paint here which it should not have supplied. These is the truth of the case.

Corporate responsibility is foremost. Companies are responsible for their product complying with the current European rules. Then comes the responsibility of the Member States. They have to ensure that market surveillance works. And then it is up to us as European legislators. We have to ensure that our legislation is kept up-to-date and possible risks are identified in good time and incorporated into the legislation.

This is why the Commission began a thorough review of the existing Toy Safety Directive more than two years ago. The Toy Safety Directive is one of the oldest directives resulting from the ‘new approach’. It is clear that the toy market has changed dramatically in the last 20 years and this new directive will therefore pick up on a whole range of recently recognised risks and hazards and will ensure, with very strict rules – on the use of chemical substances in toys, for instance – that dangers are avoided. The directive will be brought before the legislator by the end of this year.

At the beginning of this year, we had already put before you an entire package of measures for strengthening market surveillance for improving protection of the CE marking. Let me say something about the CE marking at this point. The CE marking means that the manufacturer (whether a European manufacturer or a manufacturer outside Europe wanting to sell in Europe) provides an absolute guarantee that its product is fully compliant with the rules in force in Europe. The manufacturer guarantees this with the CE marking. That is what the CE marking means.

In a whole range of cases, the manufacturer is not allowed to use the CE symbol on the basis of a self-declaration and his own proof, but must be certified by a third body, namely whenever there may be a risk to users due to the product not working properly. Certification by a third body is now mandatory in all such cases. The way these bodies, which we call Conformity Assessment Bodies, operate can be significantly improved. We have put forward the appropriate proposals and they are available to you as the European legislator.

In relation to toys, a decision now has to be made about a very difficult issue for the Commission and for you as legislator: do we want to move to having each individual toy coming onto the market certified by a third body or do we want to leave it that the manufacturers provide the guarantee by using the CE marking and therefore also assume liability – to which I must also add that the manufacturers have to be able to prove at any time and with full documentation, according to the rules in force today, that they have been using the CE marking lawfully? Or do we perhaps want to take a third way by defining certain types of toy in the new Toy Safety Directive, where we stipulate certification by a third body?

I do not want to hide the fact that I have great sympathy for this latter solution. I would like to give you an example: what do we do with all the toys containing chips? When children put them in their mouths, chips are a dangerous item. There must therefore be a guarantee that these toy parts can under no circumstances pose a threat to children. If we do not want to take Game Boys away from children – I do not believe that anyone intends to do this – the only possibility would then be to make certification by a third body mandatory at this point. The Commission's ideas are along these lines and I also expect to get some impression from this debate of Parliament's thinking on this issue.

The final point I would like to mention is a request to manufacturers and consumer organisations. Manufacturers need to be aware of the fact that the pressure of costs, as great as it still is, does not absolve them of the responsibility for a full inspection of every individual part of their production process and their supply chain. The more international production and supply chains become, the greater the responsibility of companies active on the market.

Furthermore, consumer organisations would accomplish a great feat if they were to create an awareness that cheap is not always the same as good. This is not just a question of safety, but also one of quality, because how often have you seen – even with toys the child opens under the Christmas tree – how a child plays with it just once before it is broken. It might have been cheap, but it was not good! Cheap does not always mean good, nor does cheap always mean safe. This means the consumer needs to be aware that the price of a product has a direct bearing on the quality and safety of a product. In relation to the low-price ideology, which is spreading in at least some Member States, this is a subject that gives me increasing cause for concern.

I can say in conclusion that European law today is in any case better than what we see in other parts of the world, that it can be improved and is being improved and that wherever toys are involved, the strictest standards of all are being applied and must be applied.

Meglena Kuneva, *Member of the Commission*. – Madam President, it is really an honour and pleasure for me to stand here with Vice-President Verheugen to address Parliament on the critical issue of dangerous products and product safety. The Commission is united, as you see, in tackling this issue and happy to give you its position from two complementary points of view.

Our open society and our open economy offer citizens choices that were unaffordable and/or unimaginable only a generation ago. This is major progress, but it comes with a challenge, as we have seen in recent months. I refer, of course, to concerns about the safety of products and, in particular, children's toys. Citizens need to know that their safety is underpinned by sound rules, efficient and vigorous authorities and responsible business.

I will start this brief exposé with a few words about law and its enforcement, because it is crucial. I believe that the current regulatory framework for consumer product safety in the EU is fundamentally sound and will be reinforced by the pending Commission proposal on the New Approach Directives. I refer in particular

to the General Product Safety Directive with its RAPEX system referring to a fundamentally sound framework. We already have the legal framework to deal with dangerous products made in China or anywhere else. The challenge of ensuring an internal market of safe goods lies primarily in the effective enforcement of the present legal framework, and, if we read the directive again carefully, this enforcement power belongs to the Member States. The Member States' market surveillance authorities and customs controls have a duty to ensure that dangerous products are not placed on the market, or are withdrawn or recalled. The Member States must have in place effective, proportionate and dissuasive penalties for infringements, and it is written in Article 7 of the General Product Safety Directive that it is really the responsibility of the Member States.

Of course, enforcement by public authorities is only complementary to businesses respecting their legal and ethical obligations, as Commissioner Verheugen stated just minutes ago. It is the responsibility of manufacturers, importers and distributors to make sure that they place only safe products on the market and take necessary measures where they become aware of a risk to consumer safety.

Just a few words about recent product recalls, which, of course, are our major concern. On the issue of these recent dangerous product recalls, the Commission would be more worried by silence than by activity, and transparency builds trust. That is why I can only encourage the national authorities to enhance their surveillance and to inform the Commission about dangerous goods and not just to keep silent for one reason or another, such as not wanting to bother people before Christmas or just trying to tackle the problem in silence.

Of course, questions remain. Are operators notifying problems sufficiently quickly, and are their internal audits up to scratch? How can we ensure earlier and more effective intervention by the market surveillance authorities and better monitoring of product recalls? Nevertheless, the recent recalls have shown that improvements can and should be made on the entire product supply chain, encompassing, amongst other things, product design, suppliers of contractor management, manufacturing process controls and finished product testing.

I would like to talk for a while on relations with China and the United States. The Commission also questions whether China is doing enough. During my recent visit to China, my main message was that Europe does not and will not compromise on consumer safety. I stressed that and obtained the commitment of the Chinese authorities on specific progress targets. There is no argument from the market which could compete with the safety of products and the safety of people's lives. I stand prepared to bring them to task should they fail to deliver. In October, I expect the report from the Chinese authorities, and I am really doing everything possible to assure them that I will not hesitate to take measures if they fail to deliver.

Constructive cooperation with China has already produced results – withdrawn export licences of certain substandard products. I have to say that I spent four days in China and, within these four days, there were recalls of the licences of the two biggest toy manufacturers. This puts Europe well ahead in comparison with other developed countries facing similar issues. As you know, on 16 September, the working group established by the US President issued a report with quite similar measures to those Europe has already taken on board to secure the safety of goods. We are also in contact with the US consumer product safety authorities and policy makers with a view to mutually reinforcing our messages to the Chinese Government. I have already talked with the chairwoman of the Committee on the Internal Market and Consumer Protection (IMCO), Ms McCarthy, about the results from their visit to the United States. Next week, when I am in the US, I will check how we could cooperate. The aim is to give a crystal clear signal to the Chinese. Adequate safety guarantees will not work as a bargaining chip in relations with one or another economic block; they are a *sine qua non* for access to either.

I would like to conclude with the next steps which we envisage. The Commission is committed to making every effort to ensure that toys sold for the Christmas season will not lead to unpleasant surprises, and this commitment is very clear. Maybe we need a kind of Christmas pact with producers, with importers, with all the authorities in the Member States, which should ensure vigorous implementation, and consumer organisations. The Commission will update Parliament regularly on developments, in particular on the conclusion of the stocktaking exercise reviewing the strengths and weaknesses of the consumer product safety mechanism currently in place in mid-November, and following the forthcoming EU-China Summit at the end of November. At the beginning of next month, on the third, there will be a gathering of all the national authorities in Brussels at which we will compare our views on how the directives on safety are implemented everywhere. We have already had extensive talks with all the toy makers, including Mattel, involving the sharing of practices. As I recently informed the IMCO Committee, this is no time for knee-jerk reactions. Together with Vice-President Verheugen and a number of fellow Commissioners, we will ensure

the necessary, proportionate and appropriate response to the issues that have surfaced with regard to public confidence in the governance of global product safety.

Although Commissioner Verheugen was really quite exhaustive in his exposé, let me say that as regards revision of the so-called New Approach Package, taking special care of the health and safety of European citizens requires us to preserve the specific and successful system established by the General Product Safety Directive. By the end of this year, we will produce the first of the reports we are obliged to produce every three years according to the directive, and you will see that this mechanism is really an effective one based on community, solidarity and proportionality. I am convinced of your view as well in asking to put safety before one-size-fits-all streamlining and to consider favourably the draft regulation as originally proposed by the Commission.

We need also to be aware that this is not happening for the first time. If you compare how we have been through all the unpleasant events which happen on the market regarding food safety, we can really enhance our institutional comparison and do our best on product safety because in this globalised world we cannot just be an island. We need to exercise our control and to assure European citizens that the attention from Community authorities is the same everywhere and complements the efforts of the Member States.

Malcolm Harbour, *on behalf of the PPE-DE Group*. – Madam President, there is a Japanese saying (and I emphasise ‘Japanese’ rather than ‘Chinese’ in the context of this question): ‘A problem is a mountain of treasures’.

I think Mattel’s problem has really focused attention on the important work that we do in this House, particularly my fellow members of the Committee on the Internal Market and Consumer Protection, on what is traditionally seen as rather a dry subject, one that concerns product regulation, market surveillance and conformity assessment. Well, the public know why it is important now and I hope they will continue to focus on it.

I want to thank the two Commissioners for coming here today, but perhaps remind them first of all that an oral question was tabled, which they have, I think, anticipated and have covered most of our questions, but I also think we are a bit ahead of them. You will see the resolution tomorrow that we will vote on, which takes a broad view about product, and particularly toy, safety in the global context.

There are a number of points addressed to both Commissioners. I am pleased that Commissioner Verheugen has confirmed to us that the Toys Directive will be here towards the end of the year, something that we have been asking for. I am pleased he has lifted the lid a bit on some of the thinking, but we invite him to perhaps share a bit more of that with us. We have not been entirely clear which direction he is going in. He is talking, perhaps, about some differentiated standards for particular areas. I would merely caution him about that. I am not entirely convinced, for example, that a toy containing a microchip is any more dangerous than a bicycle, but I let him ponder on that.

Let me just emphasise some of the points that we want to look at. First of all, the big disappointment this morning is that there is no one from the Council here. And they have a crucial role to play, as we know, in product conformity and assessment.

Secondly, I agree with the assessment of both Commissioners that the manufacturers and producers have to bear the brunt of the responsibility for managing a supply chain where they do quality checks and they ensure that they are producing consistently high standards of product.

Finally, I think consumers are entitled to more and better information. I cannot understand why we are so reluctant to tell consumers where products are made. The Council is sitting on a proposal in selected areas at the moment. I think that the toy industry must really look seriously at a proper toy safety mark that it develops and manages itself so that consumers really have that assurance that, when they come to buy toys this Christmas, they will have safe, good quality toys.

Evelyne Gebhardt, *on behalf of the PSE Group*. – (DE) Madam President, I think that we in the European Union have to all intents and purposes achieved very high safety standards for products. I agree with Mr Verheugen when he says that we can never achieve 100% safety, but our aim in Europe must be to have the highest possible level of safety and we have not yet achieved that target. We still have a great deal to do to make this target a reality. These recall campaigns (it is not just Mattel, there have also been others in recent months) have shown that there is a very great need for action in the European Union to guarantee that product safety is at the highest possible level.

Three months before Christmas we are, of course, keeping a close eye on toys that need to be especially safe. Our children are our future; therefore we have to pay particular attention to their safety. Hence we are already very annoyed that it is taking the European Commission so long to revise the Toys Directive. I hope that it is true that this directive will have been revised by the end of this year, or even before the end of this year, so that we can actually bring it completely up to date. I am also very anxious about which proposals will be forthcoming because this has always been very unclear to date.

There is one further point that is quite important, namely the implementation of this law. The Commissioners have also been addressing it and that, too, is a problem. On Monday I had the opportunity to go to a certification institute and to have a look and inquire as to what the problems are. One very clear problem that was highlighted is that the CE marking does not contain what it actually promises. We need to work on this and hence we are demanding that there should also be additional safety labelling, particularly for toys, so that safety can also be guaranteed.

It is not enough for inspections to be carried out when the products are already in the shops; they must be made beforehand. We need these inspections beforehand and they must also be compulsory wherever necessary and this is very particularly the case with toys.

A third and final point: the RAPEX system needs to be improved. When we look at the figures, we see that activity in this area varies considerably from one Member State to the next. I think that we have to appeal to the Member States here to improve and promote this system so that we are able actually to carry out the necessary product recalls as well as ban products.

Toine Manders, *on behalf of the ALDE Group*. – (NL) Madam President, I am pleased that there are in fact two commissioners here. This is evidence of a dynamic approach to the recent problem concerning Mattel. This problem is of course twofold, which is now also evidenced by the fact that it is less serious when it relates to China, and by the fact that Mattel too has made an error. As I said, this problem is twofold. I believe, first of all – and here I would like to reiterate Clinton's words – that politicians must think first and act later. These were the words of President Clinton during an election meeting last year, during which he also said that we must not immediately become stressed when a button is pushed, as in the case of toys. I too am guilty of this on occasion. When something happens, we politicians become stressed and immediately want more stringent measures and stricter regulations. I believe that we must think first, before we take action. Fortunately, this is what we did with our resolution.

This brings me to the second item, that is to say why the Mattel problem also has a positive consequence; in particular, we are going to expressly consider the importance of a CE marking, a quality mark that indicates safety, and the way in which we can improve that mark.

I fully agree with what Commissioner Verheugen says about the fact that 100% safety and security can never be achieved; however – following on now from Mrs Gebhardt – we must nevertheless strive to achieve 100% safety. If a product bears the CE marking, this raises the issue of 100% liability, which is of course of great importance to the consumer. If the CE marking is present, then the consumer knows that if something should go wrong with the product he or she has purchased, he or she will always have recourse to the manufacturer or importer.

The resolution on which we will be voting tomorrow, Madam President, relates to this matter in particular. I feel that we have prepared an excellent resolution; the supervision – and here I am in complete agreement with Commissioner Kuneva, who says that we do not need more legislation, but rather that we must regulate existing legislation more effectively and efficiently – is open to improvement. We cannot leave it to the individual Member States to exercise control in third countries. I believe that a coordinated European approach in cooperation with the Member States is essential in order to achieve this and I hope that the Commission will make efforts to establish this.

Subsequently, Madam President, it must also be clear to consumers which marks exist. We have the CE marking and, in the resolution, we are also calling for a toy safety marking, at the very least as a replacement for all existing national markings. The aim is not to establish a selection of markings, as a result of which the consumer would no longer be able to see the forest for the trees and would therefore no longer be able to make a clear choice, as I feel that by doing so, we would be overshooting the goal. Things must become clearer, with fewer, but improved regulations. I believe that this is of the utmost importance. Subsequently, I hope that we can introduce these markings on a voluntary basis, as the market will enforce it. If we are going to create obligations, we as an authority must carry out monitoring and I think that the market, the consumer, will opt above all for safety and a clear marking. If this were to happen, my group and I would be

entirely satisfied with the decision. We look forward to the revision of the Toys Directive, which you have already mentioned.

Hiltrud Breyer, *on behalf of the Verts/ALE Group*. – (DE) Madam President, inspections and a forest of new symbols – this completely misses the heart of the problem! Inspections are good, laws are even better! We do not need more pseudo-safety, or more pseudo-political action for the sake of action, but better laws and better standards. CMR substances, carcinogenic, mutagenic or reprotoxic substances have still not been removed from children's toys. Toys should not become toxic traps for children. Poison does not belong in children's hands, even in minute quantities.

Mr Verheugen, I find it intolerable how you absolve your own failure by scolding producers and consumers. We know that the legal basis, the Toys Directive, has not offered children any protection from toxic toys for years. The Commission knows this. You can glean from your own report of 2004 that you get a resounding slap in the face there. It states in black and white that the Toys Directive has failed. We have been sending reminders on the revision of the directive since 2001 and they have repeatedly been shelved. It is not true to say that lead is banned in toys. Lead per se is simply not banned under the Toys Directive! Or can the Commission explain to us perhaps why it has not initiated any legal product recall campaign, and why it was a voluntary product recall campaign by the toy manufacturers?

We should no longer therefore be leading the consumer to believe that we have got the problem under control. We need better protection. This must quite clearly mean that we have to change the foundation and replace absent standards with clear laws and bans. It is downright absurd that carcinogenic substances are allowed to get into the hands of children. Better controls are therefore of no help to us at all here. Right now, then, we have to tighten up the laws and then carry out better controls. We should not have our children poisoned while they play!

Eva-Britt Svensson, *on behalf of the GUE/NGL Group*. – (SV) Madam President, in the debate on the recall of the toys in question it has often been said that responsibility for the fact that dangerous toys are on the market rests with the country of manufacture, in this case China. I regret that the discussion has not focused more on the responsibility borne by the firms which outsource production to countries such as China, in this case Mattel. I do not want to single out this particular company for criticism since a great many firms outsource production. They do so because they want to keep prices as low as possible. They want to increase profits.

But we must devote much more discussion to the responsibility incumbent on such companies. They endeavour to keep costs as low as possible while at the same time taking no responsibility either for consumer safety or for the employees who work with these dangerous products. We must put pressure on companies to make them understand that as consumers we demand safe products that we can trust. We also demand that products be manufactured in decent working conditions without risks to the health and safety of employees.

It is of course especially tragic when it is children who are hurt by dangerous products. Clearly we must join together to ensure that this is stopped.

Bastiaan Belder, *on behalf of the IND/DEM Group*. – (NL) Madam President, the European Union and China are major mutual trading partners. This means that China may be called to account for the quality of products supplied. The European Union cannot resign itself to unsafe clothing or unsafe toys. The Union should never allow its economic interests in China to take precedence over the interests of the European consumer. This debate once again shows that the European consumer is served not only with low prices, but much more so with quality and safety, as Commissioner Verheugen also indicated. This is all the more so, when the safety of children is at issue.

In this debate, I want to look not only at the importers, but most certainly also at the Chinese manufacturers. Safety does not become an issue only if products reach Europe. Consideration for safety must form a guiding principle at as early a stage as possible within the production chain. After all, safety is not a luxury or a nice extra, not here and not in China either. I call upon the Council and the Commission to convey this message to our Chinese trading partners in a clear and vigorous manner, and Commissioner Kuneva's words in particular give me full confidence that this will in fact be done; I wish her much perseverance in this difficult task.

Luca Romagnoli, *on behalf of the ITS Group*. – (IT) Madam President, ladies and gentlemen, China knew and still knows about the dangers of many of its products, not just toys. China has on many occasions assured

us that the vast majority of its exports conform to European standards, but consumers have little faith in Chinese products.

The 2006 Commission report on dangerous products highlights an increase in dangerous infringements, by toys, hairdryers and lighters. Toys are, in fact, the products with the highest number of irregularities, and China is the country of origin with the most infringements. Commissioner Kuneva has warned that if China does not respond to the EU's demands, the next step will be to ban the import of some Chinese products.

I believe that we ought to strengthen customs barriers because the EU should protect not only consumers, not only its industry, it should not only support free competition by means of equal market access opportunities, but it should also take action on social and environmental grounds as regards the highly speculative output of Chinese industry.

We need controls not only on the final quality of the product, but also a clear mark of origin and checks, before the distribution of Chinese products is permitted within the internal market, on the safety standards and conditions under which the products are made in their places of origin; otherwise, the institutions will remain complicit in environmental disasters, social exploitation and unfair competition by Chinese industry.

Jim Allister (NI). – Madam President, it is indisputably right that Mattel should have recalled these dangerous toys. But a number of pertinent issues arise.

Firstly, for all our consumer protection laws, it was not the EU or any EU agency which picked up on the danger, but rather the parent US manufacturer. Does that not tell us something important about the efficiency and the reliability of our own protections?

Secondly, we impose on our own indigenous industry, in all spheres, severe standards and demands, ranging from health and safety through to CO₂ emission. Yet we throw open our doors to Chinese goods which are the product of woeful production conditions, fall far short of what we require of our own factories and come from plants which belch out emissions as if there was no tomorrow. Little wonder we have driven so much manufacturing to the Far East! But, what I ask is, with what net global gain? In fairness to both the workers and the consumers of Europe, it is time we brought some sense and order to our approach. If we had not decimated our own manufacturing industry by punitive regulation, then maybe now we would not be so dependent on China and its shoddy goods.

Marianne Thyssen (PPE-DE). – (NL) Madam President, Commissioners, the recent recall campaign by a toy manufacturer acted as an alarm bell, and rightly so. It is now up to us to deal with this problem in a rational and well-considered manner. If, after many years of effort to achieve a high degree of consumer protection, also with regard to product safety, we are still sometimes confronted with situations in which non-compliant goods are produced, imported and introduced onto the market, that is of course not an ideal situation. Perhaps, however, it is not entirely possible to prevent this from happening. Yet despite this, European citizens and European consumers can expect us to continue to deliver maximum effort in order to put a check on this.

In the case constituting the immediate cause for this debate, the products in question are toys from China. In spite of this, I would like to make an appeal to the effect that we do not restrict ourselves to this – not to the fact that they come from China, because unsafe goods enter the market from other countries too. In some instances, they are also manufactured by us. It is better to come to effective agreements than to initiate protectionist campaigns. Nor must we focus solely upon toys, even though one in four products in which a defect is identified is in fact a toy. We must ensure that product safety is guaranteed on a general level. We do not need to devise a new approach as such; rather, we must close the gaps in the existing system. We are working to achieve this with the proposals from the Internal Market Package for Goods. I would like to make it clear to everyone that these proposals were drawn up with the aim of enabling the internal market to operate more effectively. We always incorporate a high degree of protection for the consumer as an objective in these proposals and it now appears that this is actually the case. The internal market and consumer protection are therefore not conflicting issues, but rather are entirely congruous and this is a path that we must continue to follow.

I have just one question for the Commission, Madam President: in our joint resolution, we are calling for an assessment to be carried out in order to examine whether a voluntary safety marking is available in addition to the CE marking. I would like to ask the Commissioners what their response to this is.

Erika Mann (PSE). – (DE) Madam President, Commissioners, ladies and gentlemen, I have been enjoying myself inserting ‘toys’ and ‘China’ into Google. I would recommend you all do this, too. You will then get entire lists of suppliers, the Chinese supply industry and producers and see all that you can buy there. 80% of the toys from China end up on the Commission’s website and vice-versa. The European market imports 80% of its toys from China. If you look at these two figures together, you can imagine the scope of what we are dealing with here.

Of course, you have to see that on the one hand we are now in a context internationally where the world economy is becoming interlinked and European industry and jobs are naturally dependent on supplies from China. On the other hand, it must also be said that world-wide networking of this kind in industry only works when there is trust. This trust is based on certain aspects that also have to be maintained.

Trust grows when there is fair competition. Fair competition is achieved when there is assurance from the Chinese, and also from the producers and the supply industry, that they are actually able, and have the know-how, to carry out all the necessary checks for exporting their products to Europe according to the criteria of the European market.

However, trust grows, of course, and fair competition can be generated only when the producers, and specifically the Chinese government in this case, guarantee that the environmental, social and worker standards that we have will also be gradually introduced to the same extent by the Chinese, as otherwise we shall have conditions of unfair competition.

Unfair competition always has an impact on this country’s ability to make checks. We can see this because all the data show that most of the problems we have with dangerous toys from China do not necessarily come from producers of the major brands, but from those who are involved in unsafe supply chains. This monitoring operation therefore needs to be considerably developed by the Chinese.

Honourable Commissioners, we too must put our house in order, of course, and I believe much still lies in disarray in Europe. I would not like to repeat what my fellow Members have already addressed, but instead list a few points concerning the Committee on International Trade and particularly the responsibility of European importers to introduce border checks and the need to initiate legal product recall campaigns and the issue of when to resort to import bans and import restrictions as a whole and under what conditions. We will soon be having difficulty – at least in certain sectors, such as the textile sector – as the safeguards we currently have are expiring. We shall then have additional problems at least in that sector.

Frédérique Ries (ALDE). – (FR) Madam President, what should we learn from the Mattel affair? I must make an initial observation, a digression certainly, but it is important, as has already been said. If this trade saga has a happy ending, it is partly due to the sense of responsibility of the directors of this company, who took the necessary decisions: a mass recall and effective communication.

Secondly, I would like to congratulate Commissioner Kuneva, who has lived up to our expectations by calling for effective use of the RAPEX system, which of course could still be refined further, and by sending a firm message to the Chinese authorities.

Thirdly, I would like to express my frustration. In reality, the Mattel affair is almost the story of a predictable failure: that of surveillance in the European Union of CE marked products, in this case toys, but they are not the only products affected. In 2004, during the debate on the directive on the eco-design of products, I and others here this morning – I see Karin Scheele, Peter Liese, Claude Turmes – criticised the presence on the European market of other dangerous products carrying the CE label.

Our joint resolution certainly contains interesting possibilities: the revision of the existing directives, enhanced cooperation – with China in this case – more resources allocated to customs authorities and national surveillance authorities. The two Commissioners here today stressed this essential point. I wish someone from the Council had been here this morning: we needed them to be here.

To conclude, if Europe wishes to protect the health and safety of consumers, it must track down and convict fraudsters, as it has done, but also ban the marketing of consumer products containing dangerous substances such as CMR substances and endocrine disruptors.

IN THE CHAIR: MR BIELAN*Vice-President*

Heide Rühle (Verts/ALE). – (DE) Mr President, I welcome the importance the Commission is attaching to this subject today. The fact that two Commissioners have taken the floor clearly shows that finally even the Commission understands that we have to act here. However, doubts remain as to the statements when reference is made in the first instance to the responsibility of the Member States and manufacturers. Certainly the Member States bear a good proportion of responsibility and market surveillance has been scaled back in recent years in many Member States. This is the wrong response to the challenges of globalisation. Nevertheless, this alone is not enough.

Revision of the Toy Safety Directive is urgently needed. When we recognise that this recall campaign is now the fourth since November 2006, it raises questions, for instance: who is actually following up these recall campaigns? What are the sanctions in the Member States and the law on importer and producer liability achieving? We urgently need a revision of the Toy Safety Directive, which also does real justice to the new challenges. This directive is not a response to these new challenges.

We have to address subjects such as the law on collective action. Mr Verheugen, you have rightly addressed the fact that we have to make clear to consumers that quality is also important and that prices and quality have to reflect this. But then I also ask myself, of course, why consumers no longer have opportunities within their grasp, under a European law on collective action for example, for insisting that something should also be changed here in relation to costs?

I would like to delve further into the subject of CE marking. We have discussed this at length and across the board and are familiar with the failings and limitations of this CE marking. I think it is wrong when it is suggested to consumers that CE marking is a clear signal that the product is safe. CE marking is primarily a statement that this label complies with European directives. It may relate to certain parts of a product, it may relate to a whole product, but it does not reveal anything as a whole about the safety of the product. We have a flaw here, which needs to be removed from the new Toy Safety Directive as a matter of urgency.

Kyriacos Triantaphyllides (GUE/NGL). – (EL) Mr President, 65% of toys imported into the European Union are made in China. In August one particular US toy company recalled approximately 18 million China-made toys from around the world.

The problem is the high levels of lead in the paints used in these toys. This raises the serious question of what sort of future we want for our children. In their desperate efforts to cut back production costs, multinationals are ignoring the cost being imposed on public health.

Mrs Kuneva, the Commissioner, has stated that she intends to revise the legislation on toys. I congratulate her on such an initiative but, at the same time, regret the fact that the Commission is being called on yet again to close the door after the horse has bolted instead of preventing such unfortunate incidents.

Andreas Mölzer (ITS). – (DE) Mr President, when we hear about toxic substances in babies' bibs, children's clothing and toys, or even of self-igniting batteries, it is clear that our system of controls is not working properly. Nearly all European manufacturers have at least part of their products produced in China or other low-cost countries where cheaper products are used in order to make more profit, despite higher raw material prices and salaries. It is, of course, the importers' responsibility to ensure compliance with the legal requirements and this depends therefore on their standards and controls.

We have a dangerous problem of mentality when responsibility is shifted onto producers with a few words, and manufacturers would rather pay fines than initiate recall campaigns. This is where, in my view, the EU should start, perhaps by increasing fines so that they become more punishing, if information is not being passed on immediately and products recalled. In addition, CE marking must in my view become more than pure self-regulation by the industry.

Robert Sturdy (PPE-DE). – Mr President, we live and work in a global market economy, and we cannot expect to put in place legislation which interferes with that. Commissioner Kuneva, I have nothing to say to what you have said. I agree totally with everything you have said – my congratulations; just make sure that it is implemented.

As far as Commissioner Verheugen is concerned, I am sorry to say that the buck does stop somewhere, and it is all very well for the Commission to continue to pass the responsibility on to Member States, or whatever,

but in actual fact you have to implement the legislation that is put in place by this Parliament. I believe, therefore, that it is the responsibility of your department to ensure that the products that come into the European Union are at least as safe as the products that we produce within the European Union. I say to Ms Breyer, a member of the Committee on the Environment, Public Health and Food Safety, who quite rightly talks about legislation: there is little point in putting in place legislation in the European Union if all we do is import products which do not meet the same standards that we are putting forward within the European Union. We have put in place, for example, legislation on barometers. How many children eat barometers? And yet we stopped barometer production. About 10 minutes ago, we stopped the production of sugar in the European Union, and say we have to support Tate & Lyle, which imports it. We have things like foot-and-mouth and blue tongue coming into the European Union because we live in a global market, and yet we are not enforcing the legislation at the port of import sufficiently to ensure the safety of the products.

We do live in a global market, and the last thing I want is to see legislation that is trade defensive. We have to accept the fact that products are going to come in from the rest of the world, but they must be of the same standard. I want to ensure the safety of my constituents – the children, the grandchildren of the people that have elected me – when they go to buy their Christmas toys to ensure and guarantee that they are not going to die from some lead paint.

I leave you with one last thought. As a farmer, I have seen the effects of lead paint that cattle have licked off, that has been there for years, and it just kills them in a very slow and nasty way. Ensure and guarantee, Commissioner, that my children, my grandchildren and those of my constituents are safe.

Anna Hedh (PSE). – (SV) Mr President, as a parent of young children myself, I find this matter highly relevant. To be honest, I do not always think about what chemicals a toy contains or what standard of safety it conforms to when I buy toys for my children. For me, it goes without saying that the toys I buy in Sweden, Brussels or Strasbourg are safe. Perhaps you think I am naive, but I am not alone. When I raided my daughter's toy box three weeks ago and pulled out one thing and another, I asked some neighbours along my street what they thought about this when they bought toys. They all said that, as long as the items were sold in toy shops and had a CE label, they felt quite confident.

So our consumers are lulled into a false sense of security. It is now our responsibility to ensure that that sense of security does not continue to be false. I therefore appeal to the Commission to review the Toy Safety Directive as soon as possible. What can have higher priority than our children? Amongst other things, we must ensure that toys do not contain carcinogens. We must introduce a ban on all carcinogenic and other toxic substances. Many such substances accumulate in the body. Children who are exposed to them will have them in their bodies for the rest of their lives. This responsibility cannot be left to parents. We do not have the expertise. Who would buy a toy knowing that it contained carcinogens?

We must modify and strengthen the CE labelling system. Consumers today believe that the CE mark means that a product is safe, but if that is to be the case we must have a well developed system of market surveillance and a uniform testing system. We must also ensure that retailers and suppliers of unsafe products are made to bear full liability. I also welcome a review of the RAPEX system. Having talked to Swedish consumer advisers, I understand that this is a very important tool and that it is used on a routine basis. However, it is not complete until all EU countries make use of and contribute to the system to the full extent.

Finally I want to stress once again that our consumers must be given priority, for without safe and secure consumers we shall not have a flourishing internal market.

Danutė Budreikaitė (ALDE). – (LT) Mr President, ladies and gentlemen, by creating an internal market, the EU, primarily and most efficiently, is implementing the free movement of goods. The EU is implementing the New Approach Directives in order to protect consumers. The Toy Safety Directive is one of them. EU manufacturers are responsible for the safety of the goods they produce. Are importers responsible for the safety of goods?

The situation in the European and global toy markets differs greatly. Only last August, the US toy manufacturer Mattel recalled almost 19 million toys manufactured in China. Mattel toys are sold in the EU too. In 2006 half of all products sold in the EU that were deemed hazardous to health were manufactured in China.

The same safety requirements should be applicable not only to EU manufacturers, but also to exporters in non-EU countries intending to sell their products in the EU internal market. I believe that manufacturers that transfer production from the EU to China can do much to influence this issue and they must take full

responsibility. They cannot simply make use of the cheap labour force in China, but should also be honest with their consumers – the citizens of their countries.

I would encourage the Commission to review the Toy Safety Directive as soon as possible, to introduce clear toy safety criteria and CE marking control and to protect our children from dangerous toys brought onto the EU market.

Furthermore, on the subject of the certification of institutions, I believe it should be compulsory for manufacturers and importers to lose their production certification if the products they place on the market are recognised as unsafe, that is, when confidence is lost.

Carl Schlyter (Verts/ALE). – (SV) Mr President, we buy toys for our children so that they can have fun and be stimulated in their development. Without exception, parents expect society to protect children, but current legislation makes it possible for us to put toxic bombs in our children's hands. Mr Verheugen says that lead is banned in toys, but the truth is that the law permits an intake of 0.7 microgram per day. However, the law leaves industry to set the standard for how safety is to be achieved, and that is where protection for our children stops.

The standard says that the 1985 toxicity data are sufficient. The Commission's own experts want an update. The standard says that the entire daily intake can be imputed to toys. The experts say a maximum of 10%, which would mean a requirement ten times more stringent. The standard assumes that no child swallows more than 8 milligrams from a toy. The experts think that is absurd. The standard only requires one toy per category to be tested, not every product. The experts think that is absurd.

The Commission's own experts regard the protection as a disaster, and this is only the beginning. Thirty-four aromas which are *banned* in cosmetics are permitted in toys. Carcinogens, mutagens and reproduction toxins which are *banned* in cosmetics are permitted in toys. Allergens are also permitted in toys. The Commission has known about the problem for ten years. Now we want legislation, a law which protects our children both on paper and in reality. Why do the toys industry and the governments get the documents but Parliament does not?

Françoise Grossetête (PPE-DE). – (FR) Mr President, 65% of the toys distributed in Europe, sold in Europe, are made in China, and the presence of our two Commissioners shows just how important this problem is. This is not only a safety issue but also a health issue affecting a specific consumer group, namely our children. When very young children are involved, the problem is even more serious.

We cannot compromise on safety, especially when the products concerned are intended for small children. I especially worry about the failure of Member States to carry out the necessary controls.

We know that many products made in China are dangerous, but it does not just concern toys, it also concerns textiles and now vehicles. Therefore, this is a huge problem and the European Commission must properly address this issue.

This is why I am in favour of raising safety standards – the famous CE safety mark – so that we can reduce the risk of dangerous substances being present in products that come from China. I am mainly thinking of chemicals, which we have discussed a great deal.

It is a question of corporate responsibility, although Mattel showed that it accepted responsibility. The responsibility of Member States is even more important: it is even more important because I am deeply concerned about what will happen with Internet sales. How can we be sure that the toys recalled by Mattel will not go on sale to European consumers over the Internet? What control do we have?

Consumer information is important: consumers must be aware of the risks of buying these products and must realise that low prices and cheap goods do not go hand in hand with health and safety.

It is also important that we introduce controls – controls at production sites, controls carried out independently and autonomously – and that we prevent these stocks of faulty products from flooding the market and doing more harm.

Karin Scheele (PSE). – (DE) Mr President, Commissioner Verheugen has said that the subject occupying us today is primarily a problem of failure to comply with existing laws. This is partly true. We as the European Parliament should not neglect sending a clear message to the Member States that we cannot demand increasingly strict European laws and then not take enough money at home to guarantee their implementation.

It has also been stated, however, that we ought to apply the strictest standards of all in the toy sector. This is where the Toy Safety Directive, which has been in existence for a long time, needs to be revised. When this directive is revised, I am expecting a clear stance to the effect that the strictest standards of all will be applied and chemicals classified as carcinogenic, mutagenic and toxic to reproduction will be banned. Today I hope that we in the European Parliament will hold to this position in the decisions we make.

Not only does this discussion about toys provide evidence that CE labelling is misleading, but also the many discussions at home with our citizens do so too. As I see it, we are hoping for either an indication of origin or at least a certain level of quality. I think that as part of the revision we should rethink how we can mislead our citizens less.

I would say straightaway that I cannot quite understand voluntary safety labelling either. In Europe and the European Union we have to become better at conformity, but it makes no sense to develop specific labelling as a reward for the fact that we have been complying with the existing laws for a long time. I am very sceptical about this and I think that it is more important to focus on monitoring the implementation of strict rules.

Dirk Sterckx (ALDE). – (NL) Mr President, Commissioners, as Chairman of the Delegation for relations with the People's Republic of China, I would like to say that cooperation between the European Commission and China is of course of exceptional importance and that we are following the Commission's activities there as closely as possible. I would, however, also like to inquire about our Chinese colleagues' activities in China. I can tell you that, somewhat by coincidence, a Chinese delegation is here this week, as our interparliamentary meeting is being held tomorrow and the day after, and also that one of the items on the agenda is precisely product safety and the way in which we can cooperate more effectively in that regard. Should the Commissioner have any additional suggestions for items for the agenda – incidentally, we have already received a memorandum from the Commission in this regard – we would of course welcome those suggestions, as it is of course clear that cooperation between China and Europe is of particularly great importance. I would like to point out that the Commissioner has already made efforts to that effect during the summer and that a further follow-up is expected in October. With regard to collaboration within our RAPEX system, in which we exchange information with the Chinese and the Chinese AQSIQ authorities, affairs must run as smoothly as possible. Nevertheless, it cannot reach a situation whereby we – that is the authorities, the government – assume responsibility for products. If we are to control each product, manufacturers should be able to say 'let them go ahead and do it; we can see what we are introducing onto the market'. Responsibility must remain with the manufacturer. This also became abundantly clear in the Mattel case. Manufacturers must ensure that their products are safe by means of research and checks. Moreover, we must ensure that these checks are implemented as effectively as possible across Europe and China and that we can determine what is happening by means of spot checks.

Andreas Schwab (PPE-DE). – (DE) Mr President, Mr Vice-President, Commissioner, ladies and gentlemen, this is indeed a very calm discussion this morning. I welcome this greatly, but it is a very difficult subject. We have three problems in all with consumer products, and with toys in particular, and these have already been amply discussed. Firstly, market surveillance – and you, Commissioner Verheugen, have indeed addressed the fact that an iron was wrongly given two different safety labels on Europe's internal market. This is bad enough, but the worst thing is that a Member State found this iron and did not inform the other Member States about it until a year later. There is a need for change here, particularly in the Council.

Secondly, importer liability has already been addressed. I can only support what has been said here.

However, I believe that a crucial problem – and this is my third point – lies in the fact that we have different approaches at European level. On the one hand, we have the General Product Safety Directive (GPSD), which applies to all consumer goods, and on the other hand the New Approach. This varied approach to consumer products is still not completely watertight at all points. Hence my belief that we need the CE marking that applies in the New Approach as a basis for safety and for products entering the internal market, and that we need additional certification for all those manufacturers on the European internal market and beyond, which must be voluntary, and which offers European manufacturers the opportunity to raise standards as a whole in global competition – because Europe's internal market is the world's largest internal consumer market, bigger than the USA and bigger than all the others in this product sector. This solution – a voluntary one with a basic principle legally governed by regulation at European level – offers the consumer the security of knowing what has been assigned to a product by a certificate. We therefore have an internal market-friendly solution as well as a solution for dealing with globalisation.

One further point on toys. There are many different types of toys. It is totally clear to me that a teddy, which children put in their mouths, naturally has to meet different conditions than a computer keyboard and we should also factor this differentiation into the implementation of the legislation. Hence my appeal to our Members: let us therefore think about taking CE marking as a basis for all goods coming onto the internal market and additional, voluntary certification for consumer goods.

Béatrice Patrie (PSE). – (FR) Commissioners, ladies and gentlemen, the recall by the US toy manufacturer Mattel of several million toys made in China is significant for three reasons. First of all, it confirms the urgent need for a revision of the 1988 Toys Directive. Secondly, this event shows the need for greater control and market surveillance, the need to make CE marking compulsory and to ensure that it is truly credible. Finally, we are right to question the failings of the current trade globalisation model, and to ask ourselves how the world's leading toy manufacturer could not work with reliable subcontractors.

The European Union must be extremely vigilant, both in terms of health and safety standards and in terms of respect for ILO core labour standards, in all countries with which it has signed partnership, cooperation or free trade agreements.

Jorgo Chatzimarkakis (ALDE). – (DE) Mr President, first of all, thank you to both Vice-President Verheugen and Commissioner Kuneva for being here and enhancing the debate.

If commercial and economic policy has a truly important task, it is where the safety of our children is concerned. Children's toys have become increasingly inexpensive in recent decades and the cheaper the toy, the greater the likelihood that it was not produced in the EU. I have to say even as a Liberal that there is justifiable doubt that parents always know best what is good for their children when buying toys. The range is colossal and unmanageable. Quality toys produced in Europe such as Lego, Playmobil, Märklin, Brio wooden trains or Wader plastic toys are also correspondingly expensive.

Competition needs people who can and want to take responsibility. Anyone who buys their children the cheapest junk toys untested does not want this responsibility! We also have to consider whether the Commission should launch an information campaign for parents like these. Yes, I am in favour of free trade, but not at any price! As Europeans, we have certain standards, and – this has been repeatedly addressed here – we have to implement them in a clearer way.

At this point I should like to highlight once again the 'Made in ...' campaign. Following the current events, it may be time to introduce a mandatory designation of origin, at least for toys. I know Commissioner Kuneva's efforts on this issue and can only encourage her in them. The label on the product must be sufficiently large. Even though we are not in a position to change production conditions in China, this would at least educate citizens about this to a sufficient level.

Nickolay Mladenov (PPE-DE). – (BG) Mr. Chairman, Commissioner Kuneva, Commissioner Verheugen, colleagues, I would like to start where the previous speaker ended.

I believe that all in this Parliament would agree that the best protected consumer is only the informed consumer. If the safety of the products placed on the market is a priority for all of us, the safety of children's toys is twice as important because children are the most vulnerable group of consumers.

We would all like to see only safe children's toys on the market and therefore we often rely on the CE marking. Most manufacturers outside the European Union have understood that European importers will no longer run the risk of offering on the market products that do not conform to this marking. At the same time, our citizens firmly believe that it is the guarantee of quality and, especially, a guarantee of security.

It is in this sense, Mr. Chairman, that the recognition of the precise meaning of the CE marking is of special importance to all of us. Many surveys reveal that, unfortunately, many consumers, especially in the new Member States, are not familiar with the actual meaning of this marking. Therefore I would like to call upon the Commission:

To organize a public awareness campaign, once the European Parliament has made a decision on the new approach, to inform the European citizens about the actual meaning of the CE marking because one of the best ways to protect the rights of 500 million consumers on the European market is to raise their awareness and because only the informed consumer is the best protected consumer.

Joan Calabuig Rull (PSE). – (ES) Mr President, the recall of dangerous toys in August and September caused public alarm. However, I do not think that we should add to the alarm as, in general, the toys sold in Europe

are surely the safest in the world. However, reality shows us that we need to improve European safety standards, especially for those products that consumers have direct contact with, such as toys or textile products.

The situation that arose should lead to greater market surveillance, inspection and the banning or withdrawal of dangerous products. However, sometimes the only priority is increasing profit margins, generating growing pressure on businesses and increasing the risks. We need to demand that China improves safety, but it is essential to cooperate with them to achieve these objectives.

Before the Christmas period, when millions of toys are bought in Europe, all the authorities involved, from the Commission to local authorities, as well as companies producing and marketing toys, need to act responsibly, maximise precautions and commit themselves to guaranteeing the safety of toys. We all have a great interest in offering transparency, safety and confidence to European consumers.

Zuzana Roithová (PPE-DE). – (CS) Commissioner, we have to give parents back their trust in the European market. Since the health of children is at stake, we want to act fast and we are now discussing how to do that.

Ladies and gentlemen, I do not think that we need a new law or even a new marking as soon as a problem develops. We must first of all persuade countries to test their product safety mechanisms. Secondly, we must negotiate with third countries in order to ensure that they, too, introduce safety standards for the products they export to our Union.

The Commission's analysis that we are soon to be presented with will expose the flaws in product safety control in Member States. Then perhaps we will find out why, for example, Denmark and Austria allow more dangerous products through than Germany, despite having the same laws.

Commissioner, I am pleased that you have started the negotiations with the Chinese Government in such an uncompromising manner. That is the right direction at last and I hope that the other Commissioners will follow that example.

Now I will turn back to Europe. I would call on the Commission to focus on how to prevent misuse of the marking that tells citizens that they are buying a harmless product. A new marking will not solve this problem. We simply need sufficient sanctions for misuse of the existing CE marking. In that way, without incurring high costs, manufacturers will improve their internal quality control and other dangerous products that are on the market will be quickly withdrawn, not just toys. Significant penalties are incorporated in the Slovak legislation concerning toys, for example; that is not the situation in the Czech Republic. At any rate, countries are expected to impose fines for the provision of false information on toys, footwear and other products under their general legislation.

That is why I am asking the Commission to ensure that the Member States assume their responsibilities, for once and for all.

Elisa Ferreira (PSE). – (PT) The topic under discussion today has been on the agenda ever since the US giant Mattel recalled 21 million toys because they were dangerous. Today I should like to congratulate the Commissioner for her promise of firmness and action. I only hope that she will act effectively before the strong euro and the Christmas period combine to flood the European market with dangerous imported toys.

However, we still need clear answers to two questions. Firstly, if the Mattel affair had not happened, can the Commission assure us that European consumer safety would have merited this attention? What specific lessons does the Commission draw from this on the meaning of the 'CE' marking, the responsibility for control conferred on producers and importers and, in general, on the effectiveness of the enforcement mechanisms in the European market?

Secondly, this is not a short-term problem. What is happening with toys is also happening with textiles and many other products. The European Union's high standards with regard to the environment, health and quality are in practice constantly being breached by imports, subcontracting and relocation of Europe's businesses. How does the Commission intend to overcome that fundamental contradiction in today's global market? Thank you.

Zita Pleštinová (PPE-DE). – (SK) Toys are very sensitive goods that affect human health from an early age.

The news that American toy manufacturer Mattel is withdrawing three million Chinese toys from the market on account of high lead levels and the detachment of small magnets concerned me as a strong advocate of

consumer protection and at the same time prompted me to initiate legislation. The issue of small magnets, which, I should mention, pose a new safety risk that should also be dealt with immediately in a directive on toy safety, must be brought before the European Parliament without further delay.

Within the Rapex system it is necessary to explain its objective so that it is understood by all Member States alike. It must be stated clearly whether the primary objective of Rapex is to notify the risk posed by a specific dangerous product or to notify identified channels by which dangerous products reach the single European market, which is very time-consuming. Experience shows that the CE conformity marking does not provide sufficient certainty that the product concerned is in fact safe. In the case of toys the situation is further complicated by the fact that the manufacturer does not have to issue a declaration of conformity. To the supervisory authority the CE marking is the only indication as to whether conformity, that is to say *de facto* safety, has been assessed.

In the debate on whether it is desirable to support or abolish further use of the CE marking I support its retention, provided that entitlement and marking are monitored by the Member States' supervisory authorities. I should mention that the consumer public is beginning to perceive this marking as a technical passport for all products entering the single European market. In drawing up the legislative package relating to the review of the new approach directives known as the 'Goods Package', in which I am closely involved as one of the shadow rapporteurs for the PPE-DE political group, it is necessary to discuss in greater detail the need to place further marking on goods, such as the K-markt quality mark already in use, or new marks that would place an excessive burden on undertakings, primarily small and medium-sized businesses, and might be confusing for final consumers. I believe that together we will succeed in creating effective tools to ensure that this year children only get safe toys for Christmas.

Daciana Octavia Sârbu (PSE). – (RO) Mr. President, the latest voluntary withdrawal of dangerous products manufactured in China raises serious questions related to the correct implementation of the European legislation on consumer protection.

These products bore the EC label, thus facilitating the exportation of the toys to the European market by the Chinese manufacturers. Many consumers misunderstand the significance of this mark, believing that this symbol is a guarantee that the products were manufactured in Europe. Nevertheless, giving up the EC mark is not a viable solution, because it represents an advantage for the European manufacturers in international trade. It is necessary to find an additional label to the already existing one, which would introduce mandatory inspections and drastic penalties for those abusing the EC mark.

In order to prevent any future placing on the market of potentially dangerous products, it is important for the national consumer protection authorities to improve their measures of monitoring and investigating compliance with the EU legislation. Moreover, national authorities must assure consumers that they have the right to get their money back for the dangerous products they purchased.

Bogusław Sonik (PPE-DE). – (PL) Mr President, most of the events that have been linked to the withdrawal of toys of Chinese manufacture have centred on excessively high levels of lead. A short-term solution to this problem is to withdraw *post factum* all articles that give cause for concern. But this is a solution that is effective in the short term, and one with many tragic consequences, such as the suicide of the boss of one of the companies that produces the toys.

A much better and more promising solution is to establish a safe limit for the amount of lead in the manufacture of toys, and of other articles too. Previous arrangements have been based on a recommendation formula which has negligible force, as witnessed by the large discrepancies between the permissible amounts of lead in different Member States. We have to introduce genuinely binding limits that hold for all EU countries.

Furthermore, as much as I approve of the RAPEX system, I am of the view that the most important thing where the safety of imported toys is concerned is to concentrate on coordinating actions at the level of the whole Community.

Incidentally I would like to point out that the EU should apply thorough monitoring of all products imported from China. The subject of toys is just one element in a broader problem area.

I would like to use this debate to draw attention to something that appears to have been forgotten. I do not hear too many voices talking about child safety in China. Children from this country are frequently exploited for work in inhumane conditions. The employment of children who are often under ten is universal, for example to work in brickworks. This is an exceptionally live issue, particularly with the Olympic Games

coming up. According to a report from the International Trade Union Confederation, factories producing gadgets for these Olympics are allowing breaches of employment laws, including the exploitation of small children as slaves. Although international organisations like the Fair Play Alliance, for example, are concentrating on conditions for the manufacture of souvenirs for next year's Olympics, I am of the view that the European Parliament should take a stance on this matter.

Christel Schaldemose (PSE). – (DA) Mr President, I would like to say to the two Commissioners that I agree with your view that we have a problem with market surveillance. This represents a weak point within the internal market today. The initiatives of the Member States relating to market surveillance are simply not good enough. For example, in my own country, Denmark, there has been a cut in the funds allocated to general product safety monitoring. I urgently request that you use all the funds at your disposal to pressure the Member States into doing more in terms of market surveillance. It is absolutely crucial that we secure and strengthen this.

However, market surveillance alone is not enough. We also need better rules, and this is something that we are working on at the moment; this includes the product package for the internal market and subsequently the Toys Directive. We need minimum rules for market surveillance. We need to impose stronger requirements on producers and importers, and we need to enforce the consequences of not abiding by the rules applicable to the market. However, we are working on this and we hope that it will be implemented soon.

Corien Wortmann-Kool (PPE-DE). – (NL) Mr President, it is good that we as a Parliament are making our voice heard in the discussion that is taking place in the media, as product safety directly affects our citizens and our children.

Mr President, I stand here with a positive attitude, because international trade contributes towards improved prosperity, both here and elsewhere in the world. China is a major trading partner. For that reason, we must invest in strong contacts and fair trade relations that benefit China and also our citizens in Europe. We therefore cannot and must not tolerate non compliance of our trading partners' products with the safety standards that we have laid down in our legislation. Approximately half of the warnings in respect of dangerous import products relate to products from China, and not only to toys, but also to toothpaste, body lotion, beds, colour rinses, dog and cat food and even pacemakers.

Mr President, we in Europe must improve the order in our regulations and checks and make appropriate efforts so that safe products are manufactured in China and third countries. That is of course one of the responsibilities of the manufacturers themselves, who must not aim solely for the lowest price, but it is also the responsibility of our Commissioner for Trade, Mr Mandelson. I feel that it is commendable that two commissioners are represented here, but would you also please ensure that Commissioner Mandelson places product safety far higher on the agenda for the trade conferences, because it is at these conferences that we can exact measures and must put up a fight. We must of course also offer technical assistance, but product safety must constitute a major element in trading agreements with, for example, China. If necessary, we then have an incentive – in other words, sanctions.

Therefore, Commissioner Kuneva, take a firm line in our trade relations too; involve Commissioner Mandelson, because thus far, he has unfortunately not yet shown appreciation for this topic.

David Martin (PSE). – Mr President, one of the first speeches I made in this House 23 years ago was on the then proposal for a Toy Safety Directive. I welcome the plans now to strengthen that Directive. But let us make it clear: the Mattel problem would almost certainly be with us with or without a strengthened Toy Safety Directive.

I believe we need three courses of action, which other colleagues have mentioned this morning. Firstly, we have to push manufacturers to take a greater interest in their supply chain and, if necessary, apply penalties to those who do not take that interest. Secondly, we need the Commission to bring together the Member States to ensure tougher inspections in Europe, to ensure adequate customs control and to ensure the application of the existing European Union laws.

With China, we know that it does not respond to health and safety concerns, but it does respond to economic threats. We should consider banning the use of the CE mark on all products from China until it establishes a clearly independent, high-quality accreditation and testing centre or centres in China. Only then can we have some confidence in the goods that are coming from China, and only through such action will China respond.

Bernadette Vergnaud (PSE). – (FR) Mr President, Commissioners, ladies and gentlemen, in the summer, Mattel recalled 20 million toys from China, thereby reopening the debate on the value of CE marking and sanctions against operators who do not meet European standards. What will it take before the EU reacts? Brazil has already banned imports. The United States and Canada are starting an inquiry. As for us, we are debating.

The Commission must take action. This means: revising EU legislations on toys before Christmas, insisting on the need for maximum harmonisation; ensuring that manufacturers comply with safety standards, as well as social and environmental standards – why not introduce a new European label to reinforce CE marking?; reviewing the effectiveness of controls and penalising manufacturers if necessary; clarifying the responsibilities of producers and importers; stepping up market surveillance through real customs cooperation between Member States.

The responsibility and credibility of the EU in the eyes of consumers is at stake. How can we encourage consumers to have a positive image of Europe if we cannot restore their confidence?

Anne Ferreira (PSE). – (FR) Mr President, Commissioners, ladies and gentlemen, there are countless unscrupulous manufacturers and company directors around the world who trade within the WTO. They do not care about the environment any more than about the health of their employees and customers, or that these may be children.

For them, profits must be had at any price. These are not just Chinese companies and they do not just sell toys. They must be confronted with institutions and legislation capable of blocking their fraudulent – even criminal – practices.

We have to recognise the weakness of our control systems and question the meaning of CE marking on products marketed in Europe. This marking should mean that products comply with European legislation and not that they might comply with them, which is misleading for consumers. CE marking is pointless if it is not based on genuine product safety. This is what European consumers demand, just as they demand that their health be put before market interests. To this end, the European Union must be firmer in its negotiations with the WTO.

Genowefa Grabowska (PSE). – (PL) Mr President, what we are doing today is reacting to a critical situation, as we fear for the life and health of our children. In the proposed resolution we are concentrating chiefly on product safety, the product being a toy. What we are looking for is for this product to be made according to European standards. We want better control, we want a safe product, because European consumers, be they large or small, must feel safe. But this is not the only possible reaction.

Fellow members, a toy is not just a market product, and regarding it from the aspect of safety and price alone is not good enough. A toy is something more than just another form of goods – it shapes a child's thoughts, helps it to develop, impacts on its education – which is why I am calling for the Commission, when it reviews the Toy Safety Directive, to bear these things in mind too.

Commissioner, we are using this review to give our children something more than a Chinese product that reflects American popular culture. Our children must have a wider choice of toys, including toys that have a European spirit to them. They deserve this.

Mia De Vits (PSE). – (NL) Mr President, Commissioner, ladies and gentlemen, a batch of toys imported from China turns out to be unsafe. That requires cooperation with the Chinese authorities. Work needs to be done at the start of the product chain where this happens. Multinationals are not without guilt. They invest in the country because of the cheap labour force. I expect the Commission to adopt a comprehensive, high quality and safe product policy that is based on the following measures. I support what my fellow members have said with regard to imposing a rigorous revision of the legislation relating to the CE marking, with liability regulations for importers and facilities for placing sanctions on those that infringe upon the regulations. Mattel declared that it made a mistake and I therefore expect the Commission to reprimand Mattel heavily. An agreement must be made within the framework of the WTO to combat unsafe products from China or elsewhere, even those for onward export. A greater level of cross-border cooperation is required on the part of the market supervisory authorities and customs. That requires political will and requires financial resources. These already exist for safety in the workplace and for food safety, so why not for product safety too?

Roberto Musacchio (GUE/NGL). – (IT) Mr President, ladies and gentlemen, in recent years the approach taken to 'free' trade has been completely ideological: the single dogma of laissez-faire globalisation. We now

find ourselves struggling with problems such as dangerous products, which is particularly worrying in that toys are involved.

Is there a problem with China? Yes! It concerns the guarantee rules that must be complied with. Yet we are thinking about an effective guarantee mark that would be in addition to the CE mark and, for products from outside Europe, even the possibility of a recognition mark, the 'made in' mark.

There is also a problem, however, with Western multinationals manufacturing products in China or elsewhere, which have major responsibilities for safety and control, including for toys; there is also the problem that products declared to be made in Europe should really be made in Europe. We cannot ask China to respect employment rights and environmental standards, as it must do, while concealing the fact that our multinationals are also responsible for violations of this kind.

Meglena Kuneva, Member of the Commission. – Mr President, it was really a very interesting and very deep discussion and I am grateful to all of you. This discussion brought a lot of doubts and a lot of concrete measures, which, in a way, had already been anticipated by the Commission. I am glad to say this because, as we can confirm, these measures are well elaborated upon together with Parliament.

I believe that, whatever kind of signals we could give, like the resolution you produced, or proposals by the Commission, or trying to intervene with benchmarks from the Commission to compare how the different Member States work on the ground, we can succeed only if there is a common vision for the future, a vision which is based on open societies and free market, and in the first place, when we are talking about consumers, that we will not compromise on consumer safety.

Finally, I should like once more to reiterate that for me this is of the utmost importance and I will not compromise on this issue.

Several of you referred to RAPEX. RAPEX works 24 hours a day, 7 days a week, which means that there is no delay in notification through RAPEX. And I would like you to talk to your local communities to advertise RAPEX, because through these notifications we have, in many ways, already prevented dangerous goods from being put on the market. It is very important to reiterate that by recalling goods, economic operators are complying with an obligation under European legislation. It is not a matter of good will: it is because general product safety exists in European legislation. The lead paint in the Mattel case was detected first in the course of the tests carried out on behalf of the European distributor. So we should never underestimate the efficiency of our RAPEX. We are also extending RAPEX-China, which is very important.

Just before I finish, I would like to inform you that I asked Mattel what it has done with the recalled toys. I was thinking about the internet in particular and how those goods could be reached through the internet. I would like to tell you that all the toys have been destroyed, and this has been confirmed by Mattel.

I think that all of us should assume our obligations, and this is the only way the Community can proceed.

Günter Verheugen, Vice-President of the Commission. – (DE) Mr President, ladies and gentlemen, first of all, two more factual clarifications. Firstly, the European rules on product quality and product safety apply to every product, irrespective of where it is produced. Regardless of whether a product is produced in China or Europe, if it is brought onto the European market, the same regulations apply 100%, since there is no distinction at all. This goes without saying.

Secondly, I will say it once more: obviously, even the old existing Toy Safety Directive bans the importation of dangerous toys. Toys that Mattel has recalled did not comply with European rules and could not be marketed in Europe.

I now come to the two major complex issues that have played a crucial role in this debate. First of all, the Toy Safety Directive. The Commission, of which I am a part, announced the revision of the directive at the beginning of 2005. The beginning of 2005! Since then it has been part of the Commission's legislative programme. This legislative programme has been discussed in this Parliament. I have not heard that any Member of Parliament has demanded that the new Toy Safety Directive must be in place any sooner. Nor would this be possible. This is such a complicated and enormously huge market, that you cannot come up with it just like that.

I guarantee once again: this new Toy Safety Directive will be in place by the end of the year. The policy instruction to officials, on which they are working, is: the strictest possible regulations in relation to toy safety, the 'strictest possible'. This, for instance, expressly includes – because several people have said so here

– the fact that I gave instructions, a long time ago and not just now, that carcinogenic, mutagenic and reprotoxic chemical substances should not be used in toys. There are still more than 900 of them. All this has already been decided.

Then there is the question of market surveillance and CE marking. I should say, Mr Sturdy, that it is really not right to blame the Commission for the fact that we respect the legally enshrined division of labour between the European level and the Member States. Market surveillance is the sole responsibility of the Member States. What we can do – and this we are doing – is to strengthen and improve cooperation, but we cannot assume responsibility.

A series of requests has been made here as to how we could improve the system. I am very happy about these requests because they pinpoint precisely what the Commission put to you at the beginning of this year on the reform of the internal market. It demanded that the Member States should be obliged to carry out market surveillance internally and at external borders – and this is precisely what is stated in our proposals. The Member States should be forced to make appropriate resources available – this is included in our proposal. The Member States should be compelled to exchange important information immediately – this is included in our proposal. And finally, it has been proposed that strict penalties and sanctions be applied to those who breach the rules – this, too, is included in our proposal.

Therefore, as a matter of urgency, I appeal to you, the European Parliament, and to the Council, which not present here, to discuss the Commission's proposals from the beginning of the year without delay and to adopt them. Then the greater part of what has rightly been demanded here today will already have been completed.

(Applause)

President. – I have received six motions for resolutions⁽²⁾ tabled pursuant to Rule 103(2) of the Rules of Procedure.

The debate is closed.

The vote will take place on Wednesday 26 September 2007.

Written statements (Rule 142)

Małgorzata Handzlik (PPE-DE), in writing. – (PL) Mr President, the movement of goods is a self-regulating system. Dangerous toys made in China are a problem for us all. Many millions have made their way out of Asia and entered Europe and the USA. Who is responsible for this? The manufacturer? The sub-contractor? The importer? Everyone? Or no one?

In the present era of progressive globalisation, nothing could be more wrong than to think that the problems of others have no bearing on us.

The EU is trying to face up to these challenges and has therefore proposed a regulation on marketing of goods. By the end of the year, a review of the Toy Safety Directive should also have been proposed.

In my opinion, the problem of product marketing is linked to several further questions, and these need to be emphasised:

- information for the consumer on goods bought by him/her; good information is the best consumer protection,
- market surveillance by Member States,
- enhanced cooperation between States,
- a new approach to the CE mark which symbolises a safe product that meets EU requirements.

These are just some of the many suggestions for improving the current situation with regard to product marketing and consumer protection. We are just at the start of a long road which will end in a market that is free of uncontrolled and hazardous goods. Much work still lies ahead, but EU legislation is the right way

⁽²⁾ See Minutes.

forward and gives us hope that the future will be free of hazards from everyday items and that neither we nor our children will be threatened by them.

Gábor Harangozó (PSE), in writing. – Consumer safety raises serious concerns among our citizens when threats can be identified endangering the most vulnerable ones, namely: our children. We ought therefore to address rapidly and transparently these concerns as there cannot be compromises when consumer safety is at stake. The European Union should indeed ensure thoroughly the respect of its high standards when importing goods from countries with lesser quality production standards like China. In this respect, the role of RAPEX, the system for the rapid exchange of information on dangerous non-food consumer products (including dangerous toys), is of the utmost importance as the flow of imports from countries like China is enormous. We thus need detailed and regular reporting and to provide our partners with the necessary consumer safety requirements so that they can effectively track down potentially dangerous products. Consumers' trust is essential, we therefore have to further focus on prevention, rapid reaction mechanisms and the effective enforcement of the Union's standards requirements.

Ian Hughton (Verts/ALE), in writing. – The recent recall of millions of toys by US manufacturer Mattel, over safety concerns, including lead content, has raised alarm bells world-wide. This issue is a concern to all, because public health and safety is at stake. An updated directive is critical to protecting our domestic interests, and children's health.

I call on the Commission to take action on the problem of dangerous products and consider an alternative regulatory approach. Chinese authorities must take appropriate action to improve their standards of production, but equally important is the duty of toy companies, who order products from the Far East in order to benefit from lower costs, to ensure that safety standards are met. Product safety is a matter of public health and this issue needs immediate attention.

IN THE CHAIR: HANS-GERT PÖTTERING

President

6. Voting time

President. – We shall now proceed to the vote.

(For the results and other details on the vote: see Minutes)

6.1. EC-Panama Agreement on certain aspects of air services (vote)

– Report: Costa (A6-0306/2007)

6.2. EC-Kyrgyzstan Agreement on certain aspects of air services (vote)

– Report: Costa (A6-0305/2007)

6.3. EC-Jordan Agreement on certain aspects of air services (vote)

– Report: Costa (A6-0304/2007)

6.4. EC-Israel Agreement on scientific and technical cooperation (vote)

– Report: Niebler (A6-0316/2007)

6.5. Participation of Bulgaria and Romania in the EEC-San Marino Agreement on Cooperation and Customs Union (vote)

– Report: Markov (A6-0324/2007)

6.6. National aid granted by Finland for seeds and cereal seed (vote)

– Report: Parish (A6-0311/2007)

6.7. Excise duty on rum (vote)

– Report: Galeote (A6-0318/2007)

6.8. Road safety: passenger hand-holds on two-wheel motor vehicles (vote)

– Report: Mayer (A6-0331/2007)

6.9. Road safety: stands for two-wheel motor vehicles (vote)

– Report: Mayer (A6-0332/2007)

6.10. Rear registration plate of two or three-wheel motor vehicles (vote)

– Report: Mayer (A6-0329/2007)

6.11. Application of competition rules to transport by rail, road and inland waterway (vote)

– Report: Mayer (A6-0333/2007)

6.12. Rear-view mirrors for wheeled agricultural or forestry tractors (vote)

– Report: Mayer (A6-0330/2007)

6.13. Roll-over protection structures of wheeled agricultural or forestry tractors (vote)

– Report: Mayer (A6-0334/2007)

6.14. Statistics on education and lifelong learning (vote)

– Report: Sifunakis (A6-0307/2007)

6.15. Development of the Community's railways (vote)

– Report: Jarzembowski (A6-0314/2007)

6.16. Certification of train drivers operating locomotives and trains on the railway system in the Community (vote)

– Report: Savary (A6-0315/2007)

6.17. Rail passengers' rights and obligations (vote)

– Report: Sterckx (A6-0313/2007)

6.18. Restructuring of the sugar industry (vote)

– Report: Batzeli (A6-0309/2007)

– Before the vote on Amendment 8:

Friedrich-Wilhelm Graefe zu Baringdorf (Verts/ALE). – (DE) Mr President, this proposal concerns the investment held by farmers in the restructuring fund and the Committee has approved the wording: ‘...50% of the relevant restructuring aid ...’ I should like to change it to 25%. This has been agreed with the other groups and I hope that this can be adopted.

(The oral amendment was accepted.)

– Before the vote on the legislative resolution:

Friedrich-Wilhelm Graefe zu Baringdorf (Verts/ALE). – (DE) Mr President, on behalf of our Group I would like to request referral back to the Committee in accordance with Article 168(2) of the Rules of Procedure. The reason is that we have just agreed on a 25% investment by the sugar beet growers in the restructuring fund, but the Commission is insisting on 10%.

In the latest version the Member States were able to go beyond this. This too has now been abolished. We were already considering on the last occasion whether we ought to be asking for referral back to the Committee at this point and therefore allowed ourselves to be satisfied with 10%. We ought not to be doing so once again! Our only opportunity – because we are in a consultation procedure – to get into discussion with the Commission, is to refer the report back now and to negotiate with the Commission and Council.

Neil Parish (PPE-DE), Chairman of the Committee on Agriculture and Rural Development. – Mr President, I do not believe it is right to take this back to committee. I think we want to make the decision. We need to get on with the restructuring, and so I would not want to bring this back to committee, and I am afraid I am against what Mr Graefe zu Baringdorf wants to do.

Katerina Batzeli (PSE), rapporteur. – (EL) Mr President, I do not agree with the proposal by Mr Graefe zu Baringdorf. I would like to make myself perfectly clear to the House: we have just voted for a proposal on the basis of which for the first time all producers are being given a lump sum of EUR 260 plus EUR 25. Thus the total subsidy is almost in the region of EUR 400.

From a financial point of view, this is balanced, and I believe that it will help the sector as a whole.

(The request for referral back to committee was rejected.)

6.19. Common organisation of the markets in the sugar sector (vote)

– Report: Batzeli (A6-0310/2007)

– Before the vote on Amendment 1:

Katerina Batzeli (PSE), rapporteur. – (EL) Mr President, allow me to skip reading the technical text of the amendment – provided, of course, you do not agree with the policy issue which I put to you:

Article 10(2) of Regulation No 318/2006 is about the institution of a possible additional reduction in sugar quotas for the post-2010 period. The Committee on Agriculture and Rural Development proposed the amendment in advance, before we could even know the results of the implementation of the new CMO in the Member States and in businesses. The amendment suggests a linear reduction of 13.5% in the rate for the post-2010 period. If, for example, the Commission proposes a reduction of 10% for the post-2010 period, there will be a problem.

My oral amendment is simply intended to send a message and provide a basic methodology to be adopted for the post-2013 period for a possible additional reduction. The amendment will take into account the conduct of businesses, i.e., to what extent businesses have adapted to the status quo and the situation of the Member States.

(The oral amendment was not accepted.)

6.20. Road Map for renewable energy in Europe (vote)

– **Report: Thomsen (A6-0287/2007)**

– *Before the vote on the legislative resolution:*

Britta Thomsen (PSE), rapporteur. – Mr President, I just want to say that I hope everyone will vote in favour of the resolution as it is very important that we stand together on this issue in the European Parliament.

7. Explanations of vote

– **Report: Niebler (A6-0316/2007)**

Jean-Pierre Audy (PPE-DE), in writing. – (FR) I voted in favour of the report by my German colleague, Mrs Niebler, on the proposal for a Council decision concerning the conclusion of the Agreement on Scientific and Technical Cooperation between the European Community and the State of Israel. I wholeheartedly congratulate the European Commission, which negotiated this Agreement based on the principles of mutual benefit, reciprocal opportunities for participating in each party's programmes and activities in the areas covered by the Agreement, non-discrimination, effective protection of intellectual property and equitable sharing of intellectual property rights.

– **Report: Galeote (A6-0318/2007)**

Jean-Pierre Audy (PPE-DE), in writing. – (FR) I voted in favour of the report by my Spanish colleague, Mr Galeote, on the proposal for a Council decision authorising France to apply a reduced rate of excise duty on 'traditional' rum produced in its overseas departments and repealing the Council Decision of 18 February 2002.

The proposed decision authorises France to apply a reduced rate of excise duty on a significant quota of 'traditional' rum produced in its overseas departments from 1 January 2007 to 31 December 2012. It increases the volume and duration of the tax arrangements currently applied to traditional rum because the situation has worsened over the last few years. This is excellent news for cane-sugar-rum sector production, which is crucial to the economic and social balance of these territories.

I am pleased that this vote at first reading without amendment is opening the way to a swift adoption of this text and I recognise the important work done by my French colleague, Mrs Sudre, who staunchly defended this matter in the Committee on Regional Development.

Margie Sudre (PPE-DE), in writing. – (FR) The new tax arrangements take account of the fact that the competitiveness of traditional rum from the overseas departments has deteriorated considerably since 2001, and that support for the cane-sugar-rum sector is crucial to the economic and social balance of these regions.

The measure is proportional to the additional costs borne by the sector as a result of the handicaps associated with outermost region status, particularly remoteness, the small market and the difficult topography, which explains the high price of sugar cane.

The Commission opportunely took into account that 40 000 jobs depend directly or indirectly on sugar cane cultivation, across a total of 5 500 farms. The new tax system should also contribute to the maintenance of ten distilleries in Guadeloupe, nine in Martinique, three in Réunion and one in French Guiana, as well as 22 000 jobs directly connected with rum production.

European aid will help ensure a trade outlet for rum from the overseas departments, resisting competition from ACP producers, and will benefit local producers who have been waiting for a positive sign, conscious of the extreme difficulties they face over the next few years, particularly following the devastation wrought by Cyclone Dean in the Antilles last month.

Lars Wohlin (PPE-DE), in writing. – (SV) I voted against Gerardo Galeote's report (A6-0318/2007) today. France must not be allowed to favour rum producers in its overseas departments by lower taxes than permitted. The best way to help agriculture in the less developed countries is through tariffs on agricultural products from all countries in the world and by scrapping the common agricultural policy (CAP). In addition, excise duties on alcohol serve the purpose of moderating alcohol consumption. The damaging effects of alcohol

are exactly the same when the alcohol is produced in Guadeloupe or Martinique as when it is produced somewhere else.

- Report: Hans-Peter Mayer (A6-0331/2007)

Jean-Pierre Audy (PPE-DE), *in writing*. – (FR) I voted in favour of the report by my German colleague Mr Mayer on the amended proposal for a directive of the European Parliament and of the Council on passenger hand-holds on two-wheel motor vehicles (codified version).

I am taking advantage of this explanation of vote to criticise the delay in the codification of European law. With regard to this matter, the facts date back to 27 March 2003, when the European Commission presented a proposal for a directive of the European Parliament and of the Council codifying Council Directive 93/32/EEC on passenger hand-holds on two-wheel motor vehicles. In its opinion of 26 June 2003 the Consultative Working Party of the legal services set up under the Interinstitutional Agreement of 20 December 1994 on an accelerated working method for official codification of legislative texts stated that this proposal did indeed confine itself to straightforward codification, without any substantive changes to the acts covered by it. Yet it is only in September 2007 that we are voting on this codification. This is not right. I call on the European Commission to accelerate the codification of European law.

- Report: Hans-Peter Mayer (A6-0332/2007)

Jean-Pierre Audy (PPE-DE), *in writing*. – (FR) I voted in favour of the report by my German colleague Mr Mayer on the amended proposal for a directive of the European Parliament and of the Council on stands for two-wheel motor vehicles (codified version).

I am taking advantage of this explanation of vote to criticise the delay in the codification of European law. The facts date back to 28 March 2003, when the European Commission presented a proposal for a directive of the European Parliament and of the Council codifying Council Directive 93/31/EEC on stands for two-wheel motor vehicles. In its opinion of 26 June 2003 the Consultative Working Party of the legal services set up under the Interinstitutional Agreement of 20 December 1994 on an accelerated working method for official codification of legislative texts stated that this proposal did indeed confine itself to straightforward codification, without any substantive changes to the acts covered by it. Yet it is only in September 2007 that we are voting on this codification. This is not right. I call on the European Commission to accelerate the codification of European law.

- Report: Hans-Peter Mayer (A6-0329/2007)

Jean-Pierre Audy (PPE-DE), *in writing*. – (FR) I voted in favour of the report by my German colleague Mr Mayer on the proposal for a directive of the European Parliament and of the Council relating to the space for mounting the rear registration plate of two or three-wheel motor vehicles (codified version).

I am taking advantage of this explanation of vote to criticise the delay in the codification of European law. With regard to this matter, the facts date back to 5 September 2006, when the Commission presented the proposal for the codification of Council Directive 93/94/EEC of 29 October 1993 relating to the space for mounting the rear registration plate of two or three-wheel vehicles. I do not know whether this was referred to the Consultative Working Party of the legal services set up under the Interinstitutional Agreement of 20 December 1994 on an accelerated working method for official codification of legislative texts. In any case, it is only in September 2007 that we are voting on this codification. This is not right. I call on the European Commission to accelerate the codification of European law.

- Report: Sifunakis (A6-0307/2007)

Ilda Figueiredo (GUE/NGL), *in writing*. – (PT) We know that Community education and training statistics were developed in the past decade based on an informal agreement between the Member States as a response to the Council Resolution of 5 December 1994 on the promotion of education and training statistics in the European Union.

Those statistics are compiled by the Member States and forwarded to the Commission (Eurostat) annually on a voluntary basis through a joint action carried out with the OECD and the UNESCO Institute for Statistics, usually referred to as the 'UOE data collection'. Eurostat also collects data on education, training and lifelong learning through other sources in addition to data on vocational training in enterprises.

Now there is an attempt to have a new legal framework to regulate and formalise the production of Community statistics if there is to be a viable system for producing statistics in these sectors, but there were some gaps and some confusion which it was necessary to clarify during the Parliamentary debate. The final text therefore appears to ensure greater transparency; it is also hoped that implementation will not impose undue administrative or financial burdens.

Milan Gaľa (PPE-DE), in writing. – (SK) I congratulate Nikolaos Sifunakis on his well-prepared report. I voted unequivocally for the document submitted. As rapporteur for the Committee on Culture and Education in relation to a proposal to establish a European Qualifications Framework for lifelong learning, I welcome this legislative initiative from the Commission.

I consider it important, in the effort we are making to emphasise education, vocational training and lifelong learning in the context of the Lisbon strategy, to ensure that there is also feedback in response to that effort and concrete steps in the field of education in the European Union.

Comparable statistics will establish a viable system for collating statistical data on education and lifelong learning. We will have available to us the most meaningful possible statistical information which will help us focus attention on shortcomings or misplaced objectives in implementing Community education policy.

Hélène Goudin and Nils Lundgren (IND/DEM), in writing. – (SV) The June List accepts the Commission's proposals and the European Parliament's amendments, provided the EU institutions respect the principle that education policy is a national matter.

However, in Amendment 7 the Committee on Culture and Education of the European Parliament proposes that a reference should also be included to the 'Charter of Fundamental Rights of the European Union'. There is no such thing. The EU Member States have not adopted any such charter. There was a reference to such a document in the draft Constitutional Treaty, which was rejected through the democratic process in the summer of 2005. On the other hand, all the EU Member States have signed the Council of Europe European Convention on Human Rights. This means that all EU citizens can assert their fundamental freedoms and rights in the European Court of Human Rights.

The EU charter represents the opposite of the 'leaner but keener' EU which is often mentioned in solemn speeches about subsidiarity. The EU should concentrate on cross-border matters, but stay away from matters on which the individual Member States can take their own decisions or which are already regulated in other international treaties.

It follows that the proposal for an EU Charter of Fundamental Rights should be rejected, of course along with the 'new' Treaty for the EU.

Andreas Mölzer (ITS), in writing. – (DE) The statistics prove what we all know: a good education promises a higher income and protection against unemployment. In this respect it is irresponsible of the EU constantly to allow in a vast number of unskilled migrants, who are then condemned to a life of unemployment and switch to moonlighting, as a result of which the low-wage sector comes under even greater pressure, who turn to crime or 'just' put pressure on the welfare state.

And if there really is a shortage of skilled workers, we should be training our own people instead of enticing cheap replacements from abroad with Green or Blue Cards, pushing wages down. On this note it is important to have statistical data in order to be able to respond to undesirable trends.

– Report: Jarzembowski (A6-0314/2007)

Andreas Mölzer (ITS). – (DE) Mr President, I abstained from voting on the Jarzembowski report since high-speed routes in Europe have been extended in recent years, mainly between major cities, and shorter routes have been most appallingly neglected, despite the fact that 90% of journeys are made on shorter routes. On the one hand, Brussels is demanding that people become more mobile, and is wanting to shift traffic from road to rail, but on the other hand it is trying to bring into play precisely the opposite development with the magic formula of privatisation.

The EU needs to ensure that common standards and systems facilitate cross-border rail travel and important projects are promoted within the arterial roads. In the end, however, it must understand that private investors do not have the welfare of the country and its people in mind, but ultimately only their profits and returns on their investment.

Carlo Fatuzzo (PPE-DE). – (IT) Mr President, ladies and gentlemen, I voted in favour of the report by Georg Jarzembowski, partly because I hope that our excellent rapporteur will listen to the pensioners in Rome who, when I was leaving for Strasbourg, and knowing that this report was to be voted on, said to me: ‘But Mr Fatuzzo, you haven’t given an explanation of your vote for such a long time! We would like you to tell the European Parliament, even if when you speak everyone is leaving, thinking about their own affairs and chatting, we would like you to tell the President, who is listening to you carefully, that passes should finally be produced for free movement throughout Europe, for the pensioners who want to see Europe with their own eyes after having spent so many years working to build it.

Pedro Guerreiro (GUE/NGL), in writing. – (PT) The conclusion of the process of negotiation between the EP and the Council on what is euphemistically called ‘the development of the Community’s railways’ establishes the beginning of the liberalisation of international passenger services from 1 January 2010.

We would point out that in previous readings in the EP we tabled proposals for rejection of this European Commission initiative. However, the majority of the EP voted in favour of speeding up the liberalisation (and privatisation) of rail passenger services and attempted to include national passenger services as from 2017. That attempt was not, however, successful and did not obtain the majority required for adoption.

The liberalisation of rail transport is an attempt to hand over the (most profitable) lines to large private interests by privatising the operation of those lines (in particular by means of concessions), promoting the creation of monopolies at the expense of public funds.

Rail transport is a strategic sector for a country’s development because of its important role in the movement of goods and in the mobility of workers and of the population in general, and it has enormous benefits for the environment and for social and territorial cohesion. What is required is the promotion and development of public rail transport systems in the various countries, not their privatisation.

That is why we voted against it.

Jörg Leichtfried (PSE), in writing. – (DE) I am voting for liberalisation of international transport as from 2010.

Two years after the law comes into force at the latest, the European Commission should examine the impact of the directive and discussion on opening it up further will then take place.

Competition will thus be allowed to a limited extent and national suppliers will not be at risk.

I am relieved that the European Parliament has argued against the automatic liberalisation of national rail transport in 2017.

Andrzej Jan Szejna (PSE), in writing. – (PL) I am voting in favour of Georg Jarzembowski’s report on the joint text approved by the Conciliation Committee for a directive of the European Parliament and of the Council amending Council Directive 91/440/EEC on the development of the Community’s railways and Directive 2001/14/EC of the European Parliament and of the Council on the allocation of railway infrastructure capacity and the levying of charges for the use of railway infrastructure.

The Third Railway Package constitutes a very important element of the regulations on transport. International passenger transport networks need to be opened up, and the European Commission should analyse the situation in the international passenger transport market with a view to taking a decision on further liberalisation which also covers national transport.

Lars Wohlin (PPE-DE), in writing. – (SV) I welcome the possibility of cross-border train traffic, but for a market to function properly competition must be on equal terms. It is therefore unfortunate that the EU is forcing through legislation under which countries that have not yet deregulated railway transport are to be given the right to compete with operators on a deregulated market where international train services are concerned. In practice this proposal gives state-aided railway companies the possibility of competing on a market where there is free competition, which in the long term poses the risk of deactivating market mechanisms. I have therefore chosen to vote against this report. State-aided railway companies should not be allowed to compete on a market with free competition.

– Report: Savary (A6-0315/2007)

Pedro Guerreiro (GUE/NGL), in writing. – (PT) The proposal for a directive on the ' forms part of the 'Third Railway Package', which aims principally to promote the liberalisation of international rail passenger services.

Here too, it should above all be stressed that the first objective of this directive will be, through harmonisation, to remove any obstacles to the liberalisation of international rail passenger services which might derive from different rules on professional requirements in the sector within each country. The measure will also favour worker mobility in the sector.

In addition to the important set of questions which such a directive poses, it must be stressed that the adoption of harmonised rules at Community level on the certification of workers in the rail sector of each country must never jeopardise more progressive rights or standards already established at the level of each Member State, or deny the prerogative of each Member State to establish those rights and standards.

Here, too, reality shows that it is the liberalisation and privatisation of rail services which has jeopardised workers' rights and reduced the number of workers in the rail sector, with serious consequences for the level of service provided.

Jörg Leichtfried (PSE), in writing. – (DE) I am voting for a standard driving licence for train drivers.

The harmonisation of training for drivers will also ensure greater safety in future on the railways. A minimum age of 20 and an appropriate school education and language training are now compulsory as conditions for being allowed to work as a train driver in international rail transport. The standardisation of training is key to a European rail network. The driving licence issued in a Member State will be recognised in future by all the other Member States.

– Report: Sterckx (A6-0313/2007)

Pedro Guerreiro (GUE/NGL), in writing. – (PT) The 'Third Railway Package', which aims principally to promote the liberalisation of international rail passenger services, contains a regulation on 'rail passengers' rights and obligations'.

Above all, we can state that the essential aim of this regulation is to remove any obstacles to the liberalisation of international rail passenger services which might derive from different rules on passengers' rights and obligations in the various countries.

In addition to stressing this first point – which is the central issue – we certainly consider that it is essential to safeguard passengers' rights, starting with the right to a public rail transport service provided by public undertakings in each country.

Reality shows that it is the liberalisation and privatisation of rail services that jeopardise passengers' rights: they have led to a deterioration in the services offered to the public and in the conditions for passenger mobility as well as an increase in fares; they have meant the loss of hundreds of kilometres of track, station closures, a reduction in the number of workers in the rail sector and a threat to their pay and to labour rights.

This is a disastrous policy opposed by workers and the public.

Ian Hughton (Verts/ALE), in writing. – I supported this report on the conciliation agreement on regulation of the rights and obligations of rail passengers. This was originally intended to apply only to passengers on international journeys, and I am pleased that our views have been heeded, and that the rules will now include passengers on domestic journeys too.

From 2009, a reasonable set of basic rights will apply, including the right to accessible transport for people with reduced mobility. In addition, I welcome the fact that a scheme of compensation in the event of delays will be introduced.

Jörg Leichtfried (PSE), in writing. – (DE) I am voting for a new passenger regulation as from 2009.

Among other things, the regulation governs compensation for major delays, companies' liability for passengers and their luggage, transport of disabled people and the information to be supplied by the rail companies. In practical terms this means that, in the future, when there is a delay in cross-border transport of between 60 and 119 minutes, customers will be entitled to a refund of 25 % of the fare. This rises to 50% for delays of more than two hours.

This does mean more legal claims, but also greater certainty for rail customers.

It is now also up to the Member States to extend these rules to their national transport networks as soon as possible and not just after 15 years.

Catherine Stihler (PSE), in writing. – This report on rail passengers' rights and obligations should be welcomed.

Lars Wohlin (PPE-DE), in writing. – (SV) Although the latest proposal does not impose such stringent requirements on train operators as previous ones, it still contains much too extensive provisions on everything from how tickets can be purchased (by telephone, on the internet and from ticket machines) to the liability of train operators for damage to passengers' luggage. There is also detailed regulation of various forms of compensation in the event of delays (compensation levels, entitlement to meals etc.) and minimum requirements for information on what may be the cause of any delays.

I chose to vote against the proposal because the operators must be allowed to develop their own services on the basis of the protection which passengers themselves demand (and are prepared to pay for in the form of higher fares). Furthermore the wide-ranging regulations are not proportionate to the value added which will be created by the replacement of regulations that already exist at Member State level in those countries which have opted for national legislation.

– **Reports: Jarzembowski (A6-0314/2007), Savary (A6-0315/2007) and Sterckx (A6-0313/2007)**

Mathieu Grosch (PPE-DE), in writing. – (DE) Liberalisation of railways is not an end in itself; it must serve users and improve efficiency. Liberalisation in international transport is a natural thing because no one country should be able to close itself off from another. In national transport there can be no sense and no purpose in exposing the profitable lines to competition during liberalisation, whilst at the same time leaving the unprofitable lines to the public sector, with no compensation. With this in mind, I am anxiously awaiting the application of the recently adopted regulation on public passenger transport.

Parliament was able to stand up to the Member States and the rail companies for the rights of passengers, which is a huge success for the citizens of the EU. Particularly in transit countries like Belgium, a difference between international and national passengers would make no sense and would be unfair.

In this sense, the third railways package represents a step in the right direction, even though it will certainly not be the last.

Brian Simpson (PSE), in writing. – I will be voting for the compromise agreed by our rapporteurs with the Council of Ministers because I believe it is a step forward for the railway industry throughout the European Union, and is the best deal available to Parliament at this time.

However, the slow pace with which the railway industry works is not only frustrating but also acts as a very effective brake on the kind of radical action that is required to galvanise railways in many of our Member States.

A wide gulf exists between the railways of say France and Germany with those of Bulgaria and Romania. This gap needs to be closed if we are to be serious about developing a railway system that is clearly Europe-wide.

Finally, whilst I welcome the agreement that all railways should be fully accessible within 15 years, is it not a sad fact and an indictment on our railway industry that many people of reduced mobility do not have access to their railway in the 21st century? The railway industry is caught in a philosophy of 'can't do' rather than one of 'can do'.

I hope this package of measures at least moves us away from negativity and starts a more positive era for our railways.

(Explanation of vote abbreviated in accordance with Rule 163)

– **Reports: Batzeli (A6-0309/2007) and (A6-0310/2007)**

Czesław Adam Siekierski (PPE-DE). – (PL) We have given our opinion on changes to the previous reform of the EU sugar market. This reform was drawn up in 2005 and was supposed to restore equilibrium in this market.

Sadly I have the impression that all these proposals are considerably restricting sugar beet growing in order to carve out a place for cane sugar. I am fundamentally opposed to this. We cannot allow traditional sugar beet growing and sugar production in the European Union to be eliminated.

I think that the new proposal put forward by the European Commission in May 2007, which is intended to provide incentives for the withdrawal of almost 3.8 million tonnes of sugar from the EU market, will again fail to bring about the anticipated results. If it comes to the threatened mandatory reduction in quotas in 2010, quota cuts cannot take into account changes in the size of quotas given up previously, voluntarily and for payment, to the restructuring fund, since in line with the aim of the reform, restrictions on production took place in less competitive regions, following receipt of appropriate financial compensation.

Jan Březina (PPE-DE). – (CS) Mr President, unfortunately the proposed sugar reform has no positive outcome. This is due to the fact that, although the sugar reform seems to be based on economic factors, when the interested parties consider leaving the market they tend to take other factors into account.

Although the Czech Republic produces sugar on a profitable basis, we still renounced 22% of the quota: this quota is in the hands of Western Europe. Unfortunately, the measures proposed may have a negative impact on the Czech Republic. The same factors that make sugar production in our country profitable and give us the edge, such as the fact that the holdings of individual sugar beet growers are higher on average, may, in the light of these proposals, become a disadvantage if the farmers have the right to leave the market. A situation whereby those who need no subsidies to survive are leaving the market is hardly desirable. In this regard, the reform is moving in the wrong direction.

That is why I voted against both reports by the rapporteur, Mrs Batzeli.

Hynek Fajmon (PPE-DE). – (CS) Ladies and gentlemen, when the vote was held today I voted, together with my colleagues in the Czech Civic Democratic Party, against the reports by the rapporteur, Mrs Batzeli, on the reform of the sugar regime. So far this reform has damaged the Czech Republic: many sugar factories have closed and machinery and technology have lost their value. For many centuries my country had a tradition of sugar production and export. Now, because of a poor European Union policy, we have become a net sugar importer; that is the result of incompetent decision-making in Brussels. The Czech Republic has already decreased its sugar production by more than 20%. Other Member States of the European Union should do the same now, particularly the states that have not yet decreased their production at all. These are the reasons why I voted against the reform.

Danutė Budreikaitė (ALDE). – (LT) Ladies and gentlemen, the restructuring of the sugar industry and the changes in the organisation of the markets in the sugar sector are necessary. However, it is possible that the Commission's proposal will not solve problems but create even more in some countries' sugar market.

If a country is not able to set the priority order of criteria for the acceptance of growers' applications itself, taking into account farm productivity and the amount of production, it is possible that not only farms with the lowest productivity but also the competitive growers will stop producing sugar beet. In Lithuania's situation, sugar factories may face a shortage of raw sugar and this would have negative economic and social consequences.

Moreover, the Commission has not considered Lithuania's proposal to reduce the quota until 2010, taking into account not only whether a Member State voluntarily reduces its production quota, but also whether it has bought a supplementary production quota.

I would encourage the Commission to take account of the remarks made. Incidentally, I abstained in the vote on this project.

Jan Andersson, Göran Färm, Anna Hedh and Inger Segelström (PSE), in writing. – (SV) We Swedish Social Democrats voted against Parliament's report on the common organisation of the markets in the sugar sector (A6-0310/2007).

Basically we are favourably disposed to a reform of the Community sugar sector. However, we do not think that Parliament's proposed amendments add anything positive to the Commission proposal. We think that they pose the risk of cost increases in a sector of agriculture which is already far too large, something that we Swedish Social Democrats can never support.

In addition, we think that export subsidies for sugar must be completely removed in the long term. Subsidies which continue to be paid to agriculture should be given in the form of direct aid entirely decoupled from production.

Marie-Arlette Carlotti (PSE), in writing. – (FR) As part of the reform of the common market organisation for sugar, the European Union wanted to help refineries adapt to the restructuring of the European sugar industry by granting EUR 150 million in 'transitional aid'.

I was delighted with this initiative, which among other things should help the Saint-Louis Sucre refinery in Marseille meet the new conditions on the sugar market without resorting to job cuts.

However, I also alerted the competent French and European authorities to the lack of transparency in the criteria for allocating this aid, which is the responsibility of the Member States.

Currently, this aid is not granted with the intention of maintaining the refining industry or preserving jobs. Neither is there any guarantee that this aid will not be used as an 'incentive to relocate' to countries outside the EU.

The new reform should have been an opportunity to clarify this point.

Regrettably, this has not been the case.

The matter is now in the hands of the Council. I am calling for greater vigilance from the Council, particularly of the French authorities, so that this issue, which affects the jobs of our fellow citizens can finally be clarified.

Hélène Goudin and Nils Lundgren (IND/DEM), in writing. – (SV) The June List supports a radical reform of the sugar markets in the EU with a view to liberalising them as quickly as possible and giving sugar-producing countries outside the EU the chance to compete on fair terms.

The amendments proposed by the European Parliament's Committee on Agriculture and Rural Affairs in this report are nothing more than a further attempt to impede the rate of reform as much as possible so that a protectionist trade policy can continue. The amendments would also mean an increase in the cost of the industrial restructuring of existing refineries which the reform would involve, at the same time as more generous direct compensation to players on the sugar market.

The June List can never give its backing to a report which frustrates the purposes of reforms to the sugar market in the EU and which would inevitably dilute those reforms as well as jeopardise their completion. We oppose blatant attempts to renege on commitments which have been made to less developed countries.

For the above-mentioned reasons, therefore, we vote against this report.

Ilda Figueiredo (GUE/NGL), in writing. – (PT) Reality has shown that in this as in other sectors, persuading small growers to renounce quotas and abandon production – as proposed for sugar beet and sugar production – with a view to promoting competition, has adverse effects; it accentuates development inequalities and will increase poverty and the exodus from the countryside. We therefore object to the European Commission's proposals and stress the need to reverse this policy and take account of the specific reality of the Member States and their production needs.

We therefore support food sovereignty and hence consider it unacceptable that a country such as Portugal, with only very limited sugar production, scarcely able to supply half the country's consumption need should be confronted with the obligation to reduce its quota for sugar produced from sugar beet. We consider it essential for the liberalising trend seen in successive CAP reforms to be reversed and measures to be taken to maintain national sugar beet production, supporting agriculture that is essentially focused upon food production and thus helping to safeguard the two factories' production as well as employment.

Jaromír Kohlíček (GUE/NGL), in writing. – (CS) The European Union is often justifiably criticised for interfering in a range of industrial sectors. Particularly controversial is its interference in the affairs of the food processing industry. It is true that some Member States create their own problems. A classical example is the strenuous effort by a number of countries in Central and Eastern Europe to liquidate cooperative farms even though they are prosperous.

In the Czech Republic several amended laws governing cooperative farming have been trying to achieve exactly this. Many cooperative farms have fallen apart and others have transformed into different legal entities. At the same time production has decreased in a range of industries, for example in the sugar beet

growing industry. Furthermore, processing has unfortunately become detached from production as a result of privatisation. Most sugar factories have been acquired by foreign parties. This has resulted in a disastrous situation in the sugar industry in the Czech Republic: the profits end up in the pockets of the foreigners while the losses hit the people of the Czech Republic. There has been more than a 20% decrease in sugar production in a country that had been exporting sugar for 150 years. Now the country must begin to import sugar and at the same time look for new opportunities for the farms that have been growing sugar beet until now. This untenable situation is not solved by Mrs Katerina Batzeli's reports; however, we voted in favour of them because they at least draw attention to the unsatisfactory situation. I would add a word of warning to those who see today's texts as a solution to the problem. I trust that we will return to the sugar issue and that the next time we will be able to respond more successfully to our farmers' needs.

David Martin (PSE), in writing. – I support the report on reform of the sugar sector, although there are some areas of concern with this report. I do not agree with the report in its intent to apply the process of withdrawal of sugar surplus to cane refiners. This is in contrast to the Commission proposal to exclude cane refining from the withdrawal process. As the refiners are not directly part of the restructuring scheme, to reduce by withdrawal the refiners' traditional supply needs (TSNs) would have no effect on reducing the surplus of sugar on the EU market, because the EU would still have to meet its international obligation to import specified quantities of raw sugar from ACP countries. The amendment would, however, tend to weaken the impact of the measure in providing incentives to beet processors to dismantle their plant.

Brian Simpson (PSE), in writing. – I shall be voting in favour of the report that has been prepared by Ms Batzeli, because it is quite obvious that a restructuring of the sugar industry is required.

My only concern relates to Amendment 31, which, if passed, would still commit the European Commission to keeping the existing fund open up to 2011, and would be a negative aspect of this restructuring process.

This report, whilst not perfect, nevertheless strikes a balance between the needs of the producers and the obvious need to reform this sector. My only concern regards the effect any restructuring could have on sugar cane producers from developing countries. At all costs we must avoid a restructuring that protects beet producers at the expense of cane producers and I would hope that the Commission will ensure that this does not happen, whilst still being fair to our own farmers.

Catherine Stihler (PSE), in writing. – When voting on agriculture reports such as this report on sugar, Members with a financial interest should declare it or decline from voting.

– Report: Thomsen (A6-0287/2007)

Bernadette Bourzai (PSE), in writing. – (FR) We should support the EU's commitment to achieving the ambitious goal of generating 20% of total energy consumed in Europe from renewable sources by 2020. Renewable energy offers numerous advantages for Europe: lower CO₂ emissions, reduced European dependency and a contribution to job creation and growth.

However, we need to monitor the development of all renewable energy from the point of view of sustainability, depending of course on the capacities of the Member States, as well as saving energy through lower consumption and increased energy efficiency.

I regret that the Directive on electricity from renewable energy sources does not make cogeneration compulsory and will lead to the building of large-scale biomass power stations without cogeneration, which are not energy efficient and destabilise the market in timber for both industrial and energy generation purposes. There are examples of this in my own region, Limousin.

I am pleased therefore that the European Parliament is asking for a proposal on the heating and cooling sectors to be central to the future Framework Directive on renewable energies and I therefore voted in favour of the Thomsen Report.

Edite Estrela (PSE), in writing. – (PT) I voted in favour of the Thomsen report (A6-0287/2007) on the Roadmap for Renewable Energy in Europe, since I believe that increasing investment in renewable energy is essential to reduce the European Union's external energy dependence, cut CO₂ emissions, and therefore help to combat climate change.

This report underscores the importance of the sustainable use of biofuels in the transport sector in order to reduce oil dependency and greenhouse gas emissions, thus lessening the environmental impact.

Ilda Figueiredo (GUE/NGL), in writing. – (PT) This is a very unbalanced report, despite some positive changes compared with previous reports, in particular in that it admits that fossil energy sources will inevitably run out in the near future – although it makes no mention of high oil prices – and in that it recognises the environmental and social harm associated with the recently deified agrofuels.

However, it then forgets the need for a different set of energy policy priorities geared towards reducing costs for consumers, rationalising consumption in order to reduce it (and not merely through energy efficiency), less polluting public transport and a public policy that is genuinely in the peoples' interest.

The idea of setting up a Common European Energy Policy is an attempt to find ways of providing greater support for the sector's private financial groups, overriding the sovereign right of every Member State to set its own energy policies.

It also omits to analyse gaseous biofuels; it fails to stress the need to encourage research into and development of biogas and does not mention the Target 2020 Programme. That is because the main objective of the report is to guarantee ever greater profits, specifically by using the market in greenhouse gas emissions trading.

Françoise Grossetête (PPE-DE), in writing. – (FR) I voted in favour of this report, which encourages Member States to take the necessary measures to increase the share of renewables in their energy mix.

Renewables must become the 'stepping stone' to reaching the dual objective of increased security of supply and reduced greenhouse gas emissions.

The energy efficiency objective should not be seen as a precondition for achieving the 20% renewables target by 2020, but as a condition in its own right.

This will create new jobs and encourage research and innovation in the energy sector. I am thinking for example of research into increasing access to environmentally-friendly housebuilding materials.

Renewable energy is one of the best ways of protecting consumers and industry from the dual effects of increased energy imports and rising fuel costs.

Finally, I am pleased about freedom to choose the most appropriate renewable energy sources given that the potential to develop certain renewable energies varies because of the particular geological, hydrological and climatic conditions in each Member State.

Ian Hudghton (Verts/ALE), in writing. – I supported the Thomsen report and strongly believe that more effort should be directed towards the promotion of renewable energy. My own country, Scotland, has immense potential in the field of renewable energy and the Scottish government has recently signalled its intention to promote as diverse a range of renewable technologies as possible. I believe that Scotland's efforts have a vital role to play in the EU's targets for renewable technology.

I voted against setting a 10% target for plant fuels, and in favour of calls for a full impact assessment before considering any possible biofuels target.

Biofuel production can accelerate global warming by speeding up the destruction of forests, peatlands, healthy soils and other ecosystems which are carbon sinks and which help to regulate the climate.

Jaromír Kohlíček (GUE/NGL), in writing. – (CS) I adore amateur performances. It does not matter much what subject the amateur covers, with his ideological blinders on: the result is always the same. A black and white description of reality; ecstatic conclusions divorced from the world of facts. In addition, in the course of practical application sometimes there are high costs and 'unexpected problems'.

Especially charming are the speeches by some of my fellow Members on such attractive topics as biomass and biofuels, which consume high levels of energy during the transportation of raw materials, processing and product distribution: as experience shows, this is a basic fact.

In order to reduce costs we should build small production units supplying local neighbourhoods with alternative fuels. I must stress that these sources cannot provide the solution to our power supply situation. They only offer a relatively slight improvement on the current situation.

The same is true of the rainwater harvesting systems that are becoming very popular and a number of other renewable energy resources.

In the next 10 years large cities and industry will depend on large-scale energy production and on natural gas. If we want to meet the Kyoto Protocol commitments, the countries with a rapidly growing gross domestic product will also have to build large power plants. This can mean only one thing: more nuclear power plants. Otherwise the European Union will soon become highly dependent on energy imports. The daydreams of romantic amateurs will not change this fact.

Romano Maria La Russa (UEN), in writing. – (IT) I supported the Thomsen report, which confirms the need to obtain 20% of energy from renewable energy sources by 2020. This will be a major challenge for every European country, and we must no longer seek to evade the challenge or require only the most virtuous and far-seeing Member States to meet it.

I think differentiated national objectives need to be set, allocated fairly with regard to the existing levels of renewable energies, the energy mix and the differing development potentials that result from varied climate, geological and territorial conditions in the Member States. Renewable sources represent the future. Investment in innovation and technology will need to be huge in order to allow Europe to resolve the problem of energy dependency within a reasonable time-frame, guaranteeing affordable prices for users.

I believe, however, that we ought to be pragmatic, and avoid succumbing to hypocrisy. Imagining that the production of renewable energy will by itself allow us to meet such ambitious targets is unrealistic, although the preconceptions and often ideological ideas of certain left-wing and Green politicians may convince us otherwise.

What can save Europe in the medium term is an energy mix which also includes energy sources that are not wholly renewable, such as nuclear power, which, like it or not, accounts for one third of Europe's electricity production.

(Explanation of vote abbreviated in accordance with Rule 163 of the Rules of Procedure)

Kartika Tamara Liotard (GUE/NGL), in writing. – (NL) In view of the fact that our party, the Dutch Socialist Party, attaches great importance to renewable energy sources and feels that action must be taken on a much wider scale in this respect, we have not voted against this report. However, it contains a few very negative issues. We strongly reject nuclear energy as a sustainable, renewable source of energy. In addition, we are opposed to the idea that energy markets must be liberalised at European level. Finally, we are of the opinion that solar energy, wind energy and water energy are better alternatives to biofuels.

Diamanto Manolakou (GUE/NGL), in writing. – (EL) The Commission's proposal to set a production target of 20% of total energy from renewable sources, which must be achieved by each Member State and must be included in national action plans, would have been acceptable were it aiming to meet people's needs, reduce energy dependency, save energy, protect the environment and confirm that energy products are a public asset and not a commodity.

The EU guidelines, however, are aimed at profitability for investors and using renewable energy to pave the way for private capital, while guaranteeing the profitability of renewable energy. Although renewable sources of energy are natural and inexhaustible, and they contribute to reducing the use of pollutants, the environment continues to be ruined in the name of profit. An example is the uncontrolled promotion of wind farms for private profit, even in areas protected by NATURA.

As a result, the environment is a hypocritical pretext concealing the liberalisation of the energy sector and its effects on the people's interests. Energy is being dealt with as a commodity rather than as a common asset.

As for biofuels, it is a provocation to use food products for energy and not to feed the hungry when millions of people are starving to death.

Andreas Mölzer (ITS), in writing. – (DE) Even though the promotion of renewable energy is important, this should not be a pretext in relation to the EU Constitution for reducing even further the sovereign rights of Member States by the back door. Since this point has unfortunately not found its way into the present report, and no clarification has been made, I must therefore reject the present report.

Concentration on expensive nuclear power plants has obstructed the development of other energy technologies for far too long. The nuclear research budget is still seven to eight times higher compared with funds for renewable energy sources and energy efficiency. If the EU really is serious about renewable energy sources with its roadmap, it must provide a fairer distribution of subsidies here, but there is no indication of this in the report on which we are voting either.

Luís Queiró (PPE-DE), in writing. – (PT) Increasing consumption is a sign of a generalised (if not always balanced) improvement in living conditions. Measures aimed at combating the negative effects of increasing consumption should therefore bear in mind that one of the factors in the equation – that growth cannot be altered. That then leaves the possibility of acting on two fronts: rationalising of consumption and improving the efficiency (particularly energy efficiency) of what we produce. That means that much of what we need to try to achieve depends upon research and innovation.

The approved resolution quite rightly stresses that 'renewable sources of energy are a key element in a sustainable energy mix, contributing to: reduced import dependency and diversification of the fuel mix; lower CO₂ and other emissions; the development of new innovative technologies; and employment and regional development opportunities'; one of the conclusion's drawn is that greater use should be made of the EU's research and technology programmes to encourage the development of renewable energy technologies.

To sum up: I agree with the approach taken and am in favour of increasing investment to this end. That is the main reason why I voted in favour of the report.

Lydia Schenardi (ITS), in writing. – (FR) We fully support the promotion of renewable energy, whether for transport, heating or electricity generation. Like all our fellow Members, we see it as a way of protecting the environment, but also of reducing our energy dependence.

However, we cannot support Mrs Thomsen's report. First of all, her real aim is not ecological or even economic, it is dogmatic: as indicated in the explanatory statement, the aim is to introduce a common European energy policy, and this must take precedence over everything else. However, energy policy, a matter of sovereignty and independence, should fall solely under national competence. In no way does this prevent cooperation and solidarity.

In addition, the proposals in the report do not seem sufficient to guarantee that national circumstances will be properly taken into account: not only geographical characteristics, but also specific economic constraints. The text is also silent on the ways of helping countries that are least advanced in this area to achieve a binding, universal target.

I say yes to renewables, but not as a pretext for extending the powers of the European Union.

Brian Simpson (PSE), in writing. – Renewable energy in Europe is an important issue, which, in my mind, does not get the recognition it fully deserves. In this era of energy crisis, global warming and diminishing stocks of the most traditional fossil fuels, it is right that Parliament should examine a better use of renewable energy. However, I would also like to point out that we still have large reserves of coal throughout the EU and, with the development of clean coal technology, I pose the question whether or not our abandonment of coal, as a source of energy, was premature?

I will support this report, but I think we must be realistic in what can be achieved with wind or wave energy, especially when matched up with the ever-increasing energy demands of the EU. I think it is right to ask the Commission to draw up action plans involving renewable energy including wind, wave and solar power generation, as well as developing a strategy for biofuels. Although in regard to this, we must ensure that we do not save the planet, environmentally, only to see its population starve to death, which is why the committee's call for a fair balance between food and energy production is a correct stance to take.

Kathy Sinnott (IND/DEM), in writing. – In my country, Ireland, residential energy accounted for about 25 % of the total final energy consumption. A large proportion of this energy accounted for was connected to the consumption of energy for heat. Energy consumption in the domestic sector is greater than necessary, as people living in inefficient dwellings must consume more energy to heat their homes.

Improving a household's energy efficiency status can often be achieved by taking some relatively simple and inexpensive steps, such as fitting thermostatic valves onto radiators or using more energy efficient household appliances. Other measures include installation of full central heating systems, or the provision of insulation in cavity walls or lofts. These latter options can be more disruptive in the short term, but their impact is long lasting.

I would like to call on governments to promote insulation in housing and the other measures that I have mentioned. In promoting these measures one can save in energy costs whilst helping the environment. The VAT reduction on renovation should be promoted by governments. Better insulation would cut the residential energy consumption down by up to 5 %.

Peter Skinner (PSE), *in writing*. – I can vote for this report and believe that its overall objectives are balanced against the back-drop of continued concern over energy security. Renewables are an important aspect of our future electricity generation but still we need to work with existing energy production. If the EU can put its emphasis on the technology necessary to take it into the 21st century, it will also enjoy a competitive edge in this sector in the years to come.

Bart Staes (Verts/ALE), *in writing*. – (NL) The report on the roadmap for renewable energy is a clever piece of work. It clearly states that the coming years are crucial and that a legislative framework is needed to support the codecision procedure in order to raise the current share of 7% renewable energy in the energy mix to 20% in 2020.

The report rightly emphasises the enormous potential of offshore wind energy: a possible contribution of 15% of the total EU energy demand by 2020, which could lead to the creation of 368 000 jobs. The necessary question marks have rightly been placed alongside the development of biofuels, certainly in relation to the necessity for sustainable production methods and the reasonable balance between food and energy production. The Group of the Greens / European Free Alliance would have put it somewhat more sharply and therefore request that a serious analysis be carried out into the effects of biofuels on the climate, the environment, the social structure and a secure food supply.

It is unfortunate that in the report, the target for biofuels remains unchanged at 10%. Another minus point in the report is Recital E, in which the nuclear lobby proposes nuclear energy as a 'bridge' technology. The Greens disagree with this and therefore submitted Amendment 2. Overall, this is a thorough report that merits our support.

8. Corrections to votes and voting intentions: see Minutes

(The sitting was suspended at 12.35 a.m. and resumed at 3.00 p.m.)

IN THE CHAIR: Diana WALLIS

Vice-President

9. Approval of Minutes of previous sitting: see Minutes

10. Implementation of the Council decision on the moratorium against death penalty (debate)

President. – The next item is the Council statement on the implementation of the Council decision on the moratorium against the death penalty.

Manuel Lobo Antunes, *President-in-Office of the Council* – (PT) Madam President, I am very pleased to be here today speaking on an issue that is central to our common European values. Opposition to the death penalty is an integral part of the EU's human rights policy and was the subject of the first EU human rights guidelines. Those guidelines, as you well know, ladies and gentlemen, have since 1998 set out the main aspects of the EU approach to that question, thus crystallising our well-known opposition to the death penalty.

We might recall the Union's objectives on the death penalty, as enshrined in the guidelines. The first objective is to work towards universal abolition of the death penalty as the policy view agreed and strongly held by all EU Member States.

The second objective is, for countries where the death penalty still exists, to call for its use to be progressively restricted and to insist that it be carried out according to minimum international standards. I am very pleased to be in this Chamber today to tell you of the latest developments in our fight to abolish the death penalty. As you know, we recently launched an important initiative to promote these EU objectives. I am, of course, referring to the Council's decision of 18 June this year in which the European Union committed itself to introducing a resolution against the death penalty at the 62nd UN General Assembly as part of a cross-regional alliance.

Parliament called for the European Union to take such an initiative in two resolutions adopted this year in February and in April. Since the opening of the third session of the United Nations General Assembly is rapidly approaching, I realise that you will want to know how the Council has been preparing for that event. I shall tell you a little more in a few moments about the preparations we have in hand.

Before that, let me look back briefly over the period of almost 10 years since the guidelines on the death penalty were adopted. I should stress that we have achieved a great deal since 1998. We have developed a broad range of instruments in our campaign against the death penalty, from political action by means of demarches, declarations and multilateral diplomacy to financial support through the European Initiative for Democracy and Human Rights, an instrument created essentially thanks to the efforts of the European Parliament.

For example, between 1 July 2006 and 30 June 2007, the European Union made general demarches on the death penalty in 28 countries, from Bahrain to Zambia; we also made demarches on individual cases in various countries from Yemen to Iran; furthermore, there are frequent EU declarations on this subject. To give you an example which received fairly wide media coverage: in August this year the European Union issued a declaration on the 400th execution in Texas. I should also like to point out that the death penalty is also on the agenda of the human rights dialogues and consultations which we hold with third countries and we do not shy away from raising the question with any of them. Our confidence in effective multilateralism also takes the form of tireless action against the death penalty within the United Nations and other international bodies.

Every year from 1997 to 2005, the European Union submitted a resolution on the death penalty to the UN Commission on Human Rights and, re-launching our action in December 2006, the EU submitted a statement on the death penalty at the United Nations General Assembly initially bearing 85 signatures and later signed by 10 more countries. The Presidency of the European Union reiterated that December 2006 declaration at the opening of the fourth session of the Human Rights Council in March 2007.

Despite the continuing concern about the use of the death penalty, we are very pleased to note a global trend towards abolition or introducing a moratorium on the death penalty. More than half the countries in the world have already abolished capital punishment either by law or in practice: 133 countries, according to Amnesty International. I should like to believe that the European Union, including of course the European Parliament, has played a role, if only a modest one, in that trend towards abolition through our systematic and sustained action over the years. This brief list of the European Union's actions against the death penalty is proof of our commitment to this cause and let me stress that we acknowledge that the European Parliament has been a loyal ally in our work, which brings me back to our current agenda item, that is, the resolution for the UN General Assembly calling for a moratorium and the abolition of the death penalty.

This initiative confirms that the European Union is at the forefront of abolitionist efforts throughout the world and that it will continue to oppose the death penalty in all cases and under any circumstances, since it considers it to be a cruel and inhuman punishment. There is a lot to be gained with this initiative, but also a lot to lose if we are not successful. We must not forget that this is our third attempt, I repeat, our third attempt to obtain a resolution on the death penalty at the United Nations General Assembly following our two failures in 1994 and 1999.

What is at stake is nothing more and nothing less than our credibility as leaders of the global efforts to abolish the death penalty. That was why the Council considered it necessary to be well prepared and to have enough time to form a cross-regional alliance. That would not have been possible at the time of the 61st General Assembly, as some of you would have preferred. It was not only the Council's experts who were of that opinion. Several NGOs which lead the fight in this field, such as the Coalition Against the Death Penalty, asked us not to be too hasty in submitting the resolution but to wait long enough to guarantee its success. That was exactly the path we followed. The Council decision of 18 June to introduce a resolution at the 62nd session of the United Nations General Assembly marked the beginning of a new phase in the multilateral sphere.

The Council, the Presidency and the Member States have each played their role to put the Council's decision into practice. Even before the summer holiday the CFSP Working Party on Human Rights had decided on the approach to be taken – that is, for the EU Member States to agree on a draft text and, in a second phase, find other co-authors from various regions of the world; that was done, so that at the end of August there was a first meeting with all the co-authors in New York. Within the space of two weeks agreement was reached on the wording. We are now launching a lobbying campaign to have co-sponsors of our draft resolution. As I speak, our embassies throughout the world are sounding out possible supporters of our

initiative. We are doing everything possible to win maximum support in order to make this resolution a success.

In that spirit, ladies and gentlemen, I ask for your confidence and support to enable us to carry out that process. You will certainly be aware how difficult political negotiations can be. You will therefore understand that the Presidency needs a certain degree of flexibility and room for manoeuvre to manage and find the appropriate timetable for an initiative of such complexity, because this is a cross-regional initiative and the co-authors must also review the text and the strategy of this resolution; moreover, we must quickly make contact with a large number of possible co-sponsors, so that the initiative gains weight.

We have embarked upon a campaign which is also a great challenge, but I am convinced that if we take concerted action we shall make this initiative a success.

Laima Liucija Andrikiienė, *on behalf of the PPE-DE Group*. – (LT) Madam President, Commissioner, Secretary of State, ladies and gentlemen, today here in the European Parliament we are returning to the issue of a moratorium on capital punishment. We have already considered this issue twice over the last year, with two resolutions on the implementation of a global moratorium on capital punishment being adopted (on 1 February and 26 April).

We can only regret that in the case of each of these resolutions the European Parliament addressed the Council, encouraging it to submit the resolution to the General Assembly of the United Nations, but the Council has not yet done so. The Council could do this before the start of the session of the 62nd General Assembly and it would be possible to adopt the resolutions before the end of this year.

Capital punishment is a cruel and inhuman kind of punishment infringing one of the inherent human rights – the right to life – and we really cannot tolerate a situation where thousands of people face capital punishment every year in Iran and China and other countries. Therefore, the implementation of a global moratorium on capital punishment seeking to fully abolish it remains one of our most important political aims and we therefore require not only the consensus of our parliamentary groups on this issue, but also the consensus of all EU Member States.

I am sure that in adopting this resolution the European Parliament could show extraordinary solidarity and consensus, despite a difference of opinion, for example regarding the declaration of 10 February as the European Day against the Death Penalty.

The European Parliament has a golden opportunity to demonstrate cohesion and solidarity to the Council, especially when taking a decision on a political issue that has clear added value. Politics without value is just cheap politicking and populism, while human life is valuable to us all, irrespective of geographical or cultural divides.

I truly encourage my fellow members in all groups to support this important resolution.

(Applause)

Martin Schulz, *on behalf of the PSE Group*. – (DE) Madam President, State Secretary Lobo Antunes has convincingly demonstrated the Council's efforts here. I have nothing to add to what the Minister has said. Our Group supports you fully in your efforts to make it clear that the European Union wants to give strong backing not just to a moratorium, but to the aim of banning the death penalty throughout the world.

As the previous speaker has said, the European Parliament has already said twice this year: this Parliament is spearheading the battle to ban the death penalty. For us as European Social Democrats, the death penalty is the lowest point in human ethics. I come from a country in which human dignity is the first article of the constitution. The duty of each and every government regulation is to preserve and protect it. That is the message of my country's constitution. On the basis of that message we in the European Union have drawn up a Charter of Fundamental Rights, the prime message of which is as above: human dignity is the foremost guiding principle of the European Union.

Simply put, the death penalty is the opposite of human dignity. It is the vilification of the human being down to the lowest point of his or her existence. The duty of each and every morally-driven democrat is to ban it. We are fighting for this moratorium to be supported by the European Union. Why, then, is there no consensus in the Council?

There is one Member State in the Council boycotting a joint resolution of the European Union. I shall not hesitate in naming it publicly here. It is the Polish government, which does not want us to make this fundamental decision. It is linking the issue of the death penalty with other issues and saying: when the others link their opinion on this issue with that on abortion and euthanasia, then we too will be prepared to argue against the death penalty. That is a pretextual argument! Why? I'll gladly tell you. I should like to read a quotation to you, which comes from a radio interview of 28 July this year. I quote: "I personally was, am and remain an advocate of the death penalty. A return to this penalty is not possible at present, but I am counting on the fact that a more favourable climate will prevail in the EU in future." Lech Kaczyński, President of the Republic of Poland.

That is the reason why there has been no European Council resolution to date on this moratorium. The Polish President is an advocate of the death penalty and he hopes that there will be a better climate in the European Union for re-introducing it. I therefore say: this Parliament is there to ensure that the climate in Europe remains against the death penalty. That is the crucial point.

(Applause)

As long as we as European Socialists have influence, we shall do this. I would ask the Council one question, however: Mr Lobo Antunes, not of you personally, but of the Heads of State and Government of the other 26 States. How long will the other 26 Heads of State and Government put up with this and remain silent about the fact that an advocate of the death penalty, who states quite openly that he is so, is able to paralyse the European Council on this issue? We need an answer to this, too.

(Applause)

Marco Pannella, *on behalf of the ALDE Group.* – (IT) Madam President, ladies and gentlemen, the statements that the Presidency has been making to this Parliament for a year would seem – if we were a parliament such as the British parliament or the United States parliament, for instance – like an offence not only against the truth but also against Parliament.

No, President-in-Office of the Council, I think that you have been misinformed by the apparatus and structure which is behind you at the moment, and which since 1994 has been adopting an unworthy and incomprehensible approach, for which the six-monthly Presidencies that follow one another are responsible, or manage to make themselves responsible!

In 1994 we were on the verge of winning. We lost by 8 votes, because 20 European countries which are now members of the European Union collaborated with each other and abstained. The universal moratorium could have been proclaimed throughout the world, had it not been for that disgrace, which we should not dismiss: 20 European abstentions, in 1994, with a Council that was fully and hypocritically complicit.

You, President-in-Office of the Council, also had the impudence to say in 1999 – according to all the European ambassadors we had won because there was a very large absolute majority – on the morning of the vote, a telegram arrived from Brussels telling us to withdraw. This was inexplicable! In 2003 the Italian Minister for Foreign Affairs, then occupying the Council Presidency, declared that because of a lack of agreement by the European Union, Italy was not taking forward the resolution on which we again had a majority. Now, the state of affairs is more shocking.

Do you understand, though, Mr Antunes? In which country could we tell a tall story like this? You say that 173 of 192 UN Member States have abolished the death penalty in fact and in law. All this is your immense exertion! You ought to have tabled a resolution in the 61st Assembly, the previous one, you ought to have tabled one at the beginning of this one, that is, yesterday, and already the news we have today from New York is of further postponements.

You also told another small or serious untruth: it is true that 95 countries have signed a declaration, and that on 28 December we, as the Italian Government, already had 85 signatories and what you have achieved we actually achieved together, namely only 11 more. So if you want to lose, go ahead, but it is a shame, we will do...

(The President cut off the speaker)

Konrad Szymański, *on behalf of the UEN Group.* – (PL) Madam President, seeking humanitarianism in the administration of justice is one of Europe's important missions. We need to stand up against public show executions in which the remains of the executed person become an unhealthy object of excitement for the

crowds. We must do everything we can to oppose executions carried out to political order from the authorities in China or Iran.

What we cannot agree to, however, is a narrow understanding of this whole problem. In particular, we cannot agree to a termination of discussion on this subject. We cannot agree to the kind of censorship proposed by Mr Schulz in his speech. It is not up to him how long Lech Kaczyński remains President of Poland, no matter how much he wishes it were. It depends on the Poles, who have their own doubts. And it is not just the Poles who have doubts about the global moratorium, or about the propaganda and social campaigns proposed by the Commission.

I have one question – is it in fact possible, from a comfortable government seat in Paris or Lisbon, to dispatch an appeal for the suspension of capital punishment to regions that are rife with cruelty and violence? Is it not hypocrisy to expect capital punishment to be abolished today in Iraq or Afghanistan while doing nothing to restore security and justice in these countries?

I do not share the conviction that abolition of capital punishment in other parts of the world will provide a solution to violence and brutality. Anyway, Poland abolished the death penalty in 1988, nearly twenty years ago now. We did this in the face of our own public opinion. We did it in the name of European unity. We want to continue supporting that decision today.

It may be that in fact our part of the world can permit itself alternatives to capital punishment. We wish to show solidarity by cooperating on this matter, in the UN forum too, but we cannot agree to European censorship on the death penalty as proposed by Mr Schulz.

The draft resolution makes unnecessary reference to the issue of the European Day against the Death Penalty. May I remind you that the death penalty is not the only place where we run up against matters of life and death in politics and law. If we are to conduct a dialogue in Europe on contemporary challenges to humanitarianism, we cannot restrict ourselves to the death penalty, on which we do, after all, have a common opinion. We cannot avoid discussing abortion on request, which is also so keenly defended in Europe and around the world by this Parliament and Mr Schulz's club. We cannot avoid discussing euthanasia, guarantees for human dignity, or the burgeoning development of biomedical science. If one of the days on the European calendar is to be a day for reflection on the humanitarian aspect of the legislator's work, and also ours, we cannot just shut our eyes to all of this, or we shall descend into hypocrisy.

Monica Frassoni, *on behalf of the Verts/ALE Group*. – (IT) Madam President, ladies and gentlemen, I would like to continue along the lines already set out by Mr Pannella and I would ask the Presidency to give a reply, if possible.

I would like to know why the Presidency has withdrawn the request or the proposal to establish a European Day on the death penalty. It is not written anywhere that this is a decision that must be taken unanimously. If you can quote me a rule where this is stipulated, I would be grateful – although since we are talking about political cooperation, I am fully convinced that if you had wanted to, you would have been able to force a vote and obtain an overwhelming majority, minus one. I believe that that would have been a great day for Europe. Thus, an opportunity has been wasted.

Secondly, I too am very confused, Mr Antunes, about your reconstruction of the sad history of the various tablings and withdrawals of resolutions for a moratorium. I would like you to answer a specific question: since you, as the Portuguese Presidency, have decided to act practically alone, excluding other countries such as my own from the United Nations negotiations – but that is not an issue for this forum – I would like to know when you are tabling the resolution. This too is unclear, and if you table it too late it will be utterly useless.

Thirdly, you said two things that worried me slightly. I was up in my room because I had a problem, but I listened to it in the original, in your marvellous language. You said that it was necessary to have flexibility and to leave room for manoeuvre, and that is something that worried me greatly. What do you mean? Also, you spoke of the so-called front that seeks abolition and does not have any great belief in a moratorium. This is even more worrying because it is precisely because of this false dichotomy that we have lost so far. Therefore, I would like you to give us some specific answers, and I hope that these answers will be forthcoming.

Luisa Morgantini, *on behalf of the GUE/NGL Group*. – (IT) Madam President, ladies and gentlemen, I was engrossed listening to Mrs Frassoni, whose questions and passion I completely share, and I also endorse what Mr Pannella said.

Today I am really sad; listening to the speech by Mr Szymański truly distressed me. To think that Europe – for which we have all battled, fought, and believed – is experiencing these obstacles – these positions – is truly a cause of sadness for us all. Today, however, I am also sad because a great man, a historic Palestinian figure, died in Gaza of cancer, and it was not possible for him to be treated. Gaza is under siege, but he would probably have died in any case because he was very old. He was a man who believed deeply in peace, in democracy, in a democracy and a secular Palestine without violence. His name was Haider Abdel Shafi and I would like to pay tribute to him here, because there are so many death penalties in the world against which we must fight.

I too support what the other Members were saying. The session has opened and I hope that on 28 September, when the Portuguese Presidency and the Italian Government meet everyone, they will really decide to table the resolution in favour of a universal moratorium on the death penalty.

It is true that over the last 14 years the resolution has been compromised by mistakes and delays, if not outright obstructionism. This time we can succeed, and we must do so. Italy, together with Europe, will build a network of alliances spanning all the continents. The vast majority of the international community is in favour of this resolution, while the countries backing the death penalty are few in number. Certainly, the dichotomy between a moratorium and abolition of the death penalty ought not to be exploited.

We are in favour of abolition of the death penalty, but today it is the moratorium that can unite us and achieve a victory. We know that it is difficult, we know that we cannot take it for granted and we can see this with the internal positions, not only that of Poland, but among citizens worldwide, and political leaders in Europe who call for the death penalty. If, however, our view of international relations is founded on a moral framework of values in which human life and justice and rights prevail, then we must win. Thus, the next few weeks will be crucial and a moratorium is truly a fundamental stage in the international community's repudiation of a barbaric practice that substitutes vengeance for justice. We truly must succeed and isolate the voices that say 'no'.

Jean-Claude Martinez, *on behalf of the ITS Group*. – (FR) Madam President, Members of the Council, in 1977, under the Carter Administration, two probes, Voyager 1 and Voyager 2, were launched into space. You may think this has nothing to do with our debate. However, in these two probes, the late physicist Carl Sagan placed a message from President Waldheim, the drawing of a man and a woman, the principal mathematical formulas known on Earth, and a record with the sound of the wind, of a tractor, a baby, and extracts from Mozart, Beethoven and Chuck Berry. Last year, these two probes left the solar system, or the 'heliosphere', as it is called, to travel 42 000 light years to the nearest star; in other words, 200 000 kilometres multiplied by 3 600, multiplied by 24, multiplied by 365, multiplied by 42 000.

In 30 years, these two probes have not sent back any signals, since none have been picked up. For the time being, the only known life is on Earth. From that perspective, it is evident that the penal codes of Texas or China, which can allow something as extraordinarily rare as life to be ended, are a real aberration. By contrast, the Portuguese proposal for a conference about life and human dignity reflects the perspective of this nation of explorers, because to be opposed to the death penalty is only one aspect of the challenge and of the political teleology.

The aim of any policy can only be rich and diverse life. To be against the death penalty is all very well, but it is only one aspect, as is euthanasia, of a central political problem: what is the point of politics? To create the economic, social and physical conditions so that this mysterious thing called 'life' can flourish, or the Malthusian policy of no future, austerity pacts, rationing, prohibition, grubbing-up, Herod premiums, and the British foot-and-mouth slaughters and pyres? This is the crux of the matter and the real scale of the death penalty: it is this political choice between no future and life.

Irena Belohorská (NI). – (SK) I unequivocally support the initiative to introduce a European day against the death penalty, even if there is not a unanimous decision by the 27 Member States.

I welcome the introduction of this prohibition that was brought in recently, partially under pressure from the European Union, by certain African countries. The death penalty has been abolished by Rwanda and Gabon, for example. These countries, too, have come to the realisation that the death penalty has no place in a democratic society. I believe that it is necessary to put pressure also on other countries, such as America and China, to consign this action to history. On the other hand, it is also necessary to highlight certain European countries that have consistently failed to ratify the protocols prohibiting use of the death penalty.

Protocol No 6 of the European Convention on Human Rights, which unconditionally prohibits the death penalty in peacetime, has been ratified by all 27 Member States. Protocol No 13, however, which prohibits the death penalty in all circumstances, has been signed by all 27 Member States but still not ratified by five, namely France, Italy, Poland, Spain and Latvia. Therefore, even though today the main criticism regarding the introduction of a European day against the death penalty has been levelled at Poland, I fully agree with and support the view of Mr Schulze, Mrs Frassoni and Mrs Morgantini that the finger should also be pointed at those countries.

I would like to stress that there is no evidence to show that the death penalty has a deterrent effect on violent crime. Its irreversible nature means that miscarriages of justice, which are unavoidable in any legal system, cannot be rectified.

Maria da Assunção Esteves (PPE-DE). – (PT) I would remind you of what Victor Hugo said about blood being washed away with tears, not with blood. When Europe set its values and made abolition of the death penalty one of the conditions for arriving and being here, it laid down a code of principles which mark it out as the home of enlightenment and as the area where no law exists without the moral basis of sublime human dignity.

The fight against the death penalty is the fight of civilisation against barbarity. The fight against official, organised, calculated and cold-blooded death. Death by rule, not by the rule of law, because the death penalty falls outside the limits of any law worthy of the name. Death by means of a brutal and illegal rule. The fight against the death penalty is a question of universal justice because it touches on the essence of mankind's humanity and determines our relations with the world. This is why Europe cannot overlook the fact that countries such as China, Iran, Pakistan, Iraq, Sudan and the United States tragically share that barbarous mechanism of the death penalty.

Europe does not have the right to complicit silence about all this. Neither can it remain silent as regards its own internal dynamics. Europe must remind Poland that the fight against the death penalty is laid down in the *a priori* principles of justice which are the *sine qua non* of being European. As regards the European Day against the Death Penalty, it would be appropriate to ask, and I am asking the Portuguese Presidency, under what circumstances is a country entitled to decide against the consensus values in Article 6 of the Treaty on European Union? I would also ask the Portuguese Presidency whether unanimity could be used for areas of consensus concerning the rules on which the Union is founded. Is unanimity intended only for issues which divide us rather than for the fundamental consensus on which Europe is based?

Those are my questions for the Presidency and my thoughts about the European Day against the Death Penalty.

Pasqualina Napoletano (PSE). – (IT) Madam President, ladies and gentlemen, this is the third time this year the European Parliament is returning to the subject of a moratorium. We believe that it is possible to achieve this objective by the end of the year, and that is why we are urgently asking the Portuguese Presidency to table the text in the next few hours with the relevant United Nations committee. We ask it to do so in close collaboration with Italy, the country which initiated the campaign, and to associate with it not only the countries of the European Union but also all those that have shown willingness to be co-sponsors and co-authors.

I would also like once again to make it clear that the aim of the moratorium does not conflict with the more general aim of abolition and in any case it is a moratorium that we wish to obtain today, partly as a first concrete step towards abolition. None of this must be allowed to muddy the waters! Finally, I join with my fellow Members in disbelief that a European country as significant as Poland should have dissociated itself from declaring 10 October European Day against the death penalty and that as a result of this the Day has been put on hold.

Madam President, President-in-Office of the Council, we ask you not to abandon this objective. Please do not dissipate that little spirit that we have succeeded in introducing into a Europe that is still swayed too strongly by questions of economic policy, trade policy and monetarism.

Hélène Flautre (Verts/ALE). – (FR) Madam President, the number of abolitionist countries, or countries where a moratorium has been introduced, is growing each year. People are wavering, even in States that still maintain the death penalty, such as the US, and coalitions are forming in Muslim countries.

Every day, steps are taken to avoid executions. Homosexuality is still punishable by death in several countries and, unfortunately, the current European climate is a reminder that this remains a very difficult battle.

On the moratorium and the UN General Assembly, Parliament asks you, President-in-Office of the Council, for the third time this year, and in the most solemn way: we must do our utmost to obtain a resolution from the UN General Assembly as soon as possible and by the end of the year, with a view to a moratorium and a strategy for abolition. I think we are all saying the same thing here: it is your move.

On the European Day against the Death Penalty, how do we explain why we have not said a word about the situation in Europe today? How is it conceivable that a country can use this issue for political purposes, remaining out of step with the rest of Europe, with Article 2 of the Charter of Fundamental Rights, and out of step with perhaps the most longstanding common objectives of its external policy? The institutions of the European Union, and you, as President-in-Office of the Council, cannot tolerate this situation.

The World Day against the Death Penalty is on 10 October. The European Parliament will be meeting in a part-session in Brussels. It is vital for Parliament to mark this event as solemnly and as resolutely as possible.

Piia-Noora Kauppi (PPE-DE). – Madam President, I was very pleased to hear about the Commission initiative to establish a European Day against the Death Penalty on 10 October, and I fully support that initiative and urge all colleagues to support it, as many in this debate have done already. It was shocking for me to realise that not all EU countries were in favour of this initiative. Poland's position puts the credibility of the EU as a primary force for abolition in jeopardy and I sincerely hope that the Government of Poland will reconsider its position.

The death penalty is a cruel and inhuman punishment. It is detrimental to human dignity and there is absolutely no evidence to suggest that the use of the death penalty serves as a deterrent against crimes. Fortunately, the trend in the world is now towards abolition. The whole of Europe, except for Belarus, is already on board, and more and more states from all continents are joining an ever-growing list of abolitionist countries.

I also think that we should continue to urge our American colleagues to abolish the death penalty once and for all. A moratorium on executions is the first step towards abolition. The EU must continue to urge all states that still maintain the death penalty to introduce a moratorium. A resolution at the UN General Assembly against the death penalty will hopefully play an important role in this respect.

However, we should take care that the situation does not develop in the same way as in 1999, when Finland, my home country, tried to get the UN General Assembly to adopt the death penalty resolution. It was watered down so much that it would have done more harm to the cause than good. Now that Italy has put the issue back on the UN agenda I hope that the EU as a whole will back the proposal and we shall get a UN General Assembly resolution on this.

Józef Pinior (PSE). – (PL) Madam President, Commissioner, Minister, I am obliged to commence this address with a personal reflection. When I was listening, a moment ago, to the speech delivered in this Parliament by Konrad Szymański, representing the Polish right wing, I was reminded of a scene from yesterday's speech by President Ahmadinejad at New York's Columbia University. Mr Szymański, your Law and Justice government, the Polish right wing, has placed my country, my homeland, in the company of such countries as Iran and Belarus. President Ahmadinejad yesterday referred with pride to the example of America as a country which is still carrying out the death penalty.

Polish public opinion is outraged that the government in Warsaw has succeeded in blocking the European Union's Day against the Death Penalty. After all, this is a matter that has united the European Union, it unites European public opinion, it unites European political parties, and it creates a democratic-liberal consensus, regardless of ideological divisions in Europe. I believe that the forthcoming elections in Poland will reveal a Polish society which is determined that the European Union will be able to act together on this issue in the forum of the United Nations with an initiative against the death penalty.

Ana Maria Gomes (PSE). – (PT) My country, Portugal, was a forerunner in the abolition of the death penalty in 1867 and I therefore take the greatest pride in this initiative by the Portuguese Presidency to institute a European Day against the Death Penalty in line with all Portugal's actions at international level, within the framework of Europe and the United Nations, for the abolition of the death penalty and in protest against the governments who are the main perpetrators of that inhuman practice, in particular China, the United States and Iran.

I find it absolutely shocking that the Polish Government should have tried to block this initiative with such opportunistic and contradictory arguments. The Polish people must be made aware that the Kaczynski Government is not only doing a disservice to the European Union and its fundamental values, but is also doing dreadful harm to the good name and prestige of Poland. At stake are the most essential values which distinguish civilisation from barbarism. The Portuguese Presidency cannot be stopped, must not allow itself to be intimidated by opposition from the Polish Government. It must keep the proposal, put it swiftly to the vote within the General Affairs and External Relations Council, leave the Polish Government to its chosen isolation and go ahead with celebrating the European Day against the Death Penalty on 10 October.

Genowefa Grabowska (PSE). – (PL) Madam President, I am distancing myself from the utterances of my fellow Member, Konrad Szymański, and associating myself fully with those of Mr Pinior. Poland signed the Sixth Protocol abolishing the death penalty and took upon itself the legal obligation of eradicating this form of punishment from our land. On 17-18 June last year in Luxembourg, European Foreign Ministers, all European Foreign Ministers, including the Polish Foreign Minister, agreed that the European Union should submit a joint draft resolution against the death penalty.

What has happened since 17 June to make Poland change its view in September? Obviously it must be the domestic situation, and obviously it must be the elections. But can we say in fact that Poland has changed its view? It is not Poland, it is the Polish government. Poles are not barbarians, they do not accept the death penalty. Poles have stood against the death penalty on many occasions. And I have to say to you, and especially to Mr Szymański, that public opinion polls indicate that 57% of Poles do not want the death penalty. Please remember this when representing Poland, and convey what Polish society thinks, with this trend in mind.

Manuel Lobo Antunes, President-in-Office of the Council. – (PT) Thank you very much, Madam President, ladies and gentlemen, for your thoughts, comments and questions.

That was, and I knew it would be, an easy debate for the Council. Easy because the Council and the European Parliament are agreed on what is fundamental and that is obtaining, at the next session of the UN General Assembly, a resolution on a moratorium and the abolition of the death penalty; I am of course pleased to see that we are united on the central objective of the debate we have had and that we shall be working together to make it possible.

As was mentioned by a Portuguese MEP, I too am very proud, to be taking part in this debate as a representative of Portugal, because we were the first country in Europe to abolish the death penalty. It is a theme, an issue, a problem on which the Portuguese are especially sensitive and I am proud to be able to say so here and to have the opportunity to be leading the Council's efforts at the United Nations at this moment with a view to achieving the objective we have set ourselves.

I am not here to talk about the past. We must learn from the lessons of the past, of course, and that is why we must naturally avoid any errors we might have committed and which did not in the past make it possible for us to achieve the objectives we had set ourselves. The past is past; let us now focus on the future. Let us focus with determination, with resolve, in the knowledge that the task is not, politically speaking, an easy one, but that it is possible. When we speak of flexibility we are talking about confidence in the work of the Presidency. What we are seeking and specifically requesting – and we are sure that the European Parliament will grant us this since it understands that this is a politically complex and at times even difficult issue – is naturally the European Parliament's confidence in the Presidency and the Presidency's efforts, so that we can finally bring this objective to a successful conclusion.

We shall be submitting the draft resolution at the beginning of October – early to mid-October. That is our intention and I can tell you that the many demarches and contacts we have made give us some confidence. We hope that our confidence will grow with the passage of time because our cause is a just cause. I should also like to say, finally, that the European Union already has co-authors who are going to sign this draft resolution with us; I must also tell you here that I am very proud that those co-authors include Portuguese-speaking countries representing Africa, representing Asia and representing Latin America too – countries which like us, like the Portuguese, are also underwriting respect for the total value of life.

We are confident, I repeat, that with your support and your confidence, the Portuguese Presidency will bring to fruition this objective we have set ourselves at the 62nd session of the UN General Assembly and that we shall in fact have a resolution approved in the terms in which the European Parliament and the Council wish to see it approved.

Martin Schulz (PSE). – (DE) Madam President, I would like to make a personal comment on the basis of Article 145. The Polish Member, who has spoken as a representative of the UEN Group, has completely misquoted me in a comment on my speech and I would like to put it straight.

I asked the Council how long it would continue to put up with this attitude of the Polish President, Mr Kaczyński. I had quoted Mr Kaczyński, who very much wants a better atmosphere to make the re-introduction of the death penalty in Europe possible. My question to the Council was therefore: how long will the Council continue to put up with this? How long will the 26 other governments continue to remain silent on this? I have not presumed in any of what I have said to decide (how could I?) how long Mr Kaczyński will continue as President of Poland. It is an absolute sovereign right of the Polish people to elect their government and President. I do, however, implore the Polish people to be so wise as to put this government out of office as quickly as possible!

President. – Thank you for clarifying that.

Monica Frassoni (Verts/ALE). – (PT) I asked a very specific question. I should like to know on which article the Presidency was relying in saying that unanimity was required for this type of question on, for example, taking a decision on the Day against the Death Penalty and why it did not insist upon a vote in the Council. I should like to know why the President did not say anything about that point, which all the speakers mentioned.

Manuel Lobo Antunes, President-in-Office of the Council. – (PT) It is the Council's interpretation that decisions of that nature do require unanimity.

President. – I have received five motions for resolution⁽³⁾ tabled in accordance with Rule 103(2) of the Rules of Procedure.

The debate is closed.

The vote will take place on Thursday, 27 September 2007.

11. Negotiations on an Interregional Association Agreement with Mercosur and the new bilateral strategic partnership with Brazil (debate)

President. – The next item is the Council and Commission statements on negotiations on an Interregional Association Agreement with Mercosur and the new bilateral strategic partnership with Brazil.

Manuel Lobo Antunes, President-in-Office of the Council. – (PT) We understand that the association agreement between the European Union and Mercosur must be comprehensive in all its aspects, that is, political and economic association and cooperation, aiming not only to promote trade and investment, but also to strengthen, in a decisive manner, the strategic relationship between the European Union and that region. This agreement will create the largest free trade area between two regional blocs, nearly 700 million inhabitants, enhancing economic and social integration, facilitating investment and bringing significant economic growth for both regions.

It is true that the results of the negotiations on the Doha Development Agenda influenced the negotiating process. We cannot, however, view the association agreement from a purely economic perspective; the importance of the political dimension of the agreement needs to be stressed.

In order to make the qualitative leap which we all want in the relationship between the European Union and Mercosur, it is fundamental to take account of the balance between the political and economic components. We must, however, acknowledge that after seven years of negotiations we are at an impasse. That impasse is the result of the discrepancy or difference between the offers presented.

On the one hand, the offer made by the European Union covered all sectors and, on the other hand, Mercosur's offer omitted sectors that are very important to the European Union. The Portuguese Presidency is waiting for the political commitment demonstrated by Mercosur to take the form of an improved offer, so that the Commission might resume the negotiations with a view to the speedy conclusion of an agreement which is fair and balanced for both parties.

(3) See Minutes.

The strategic partnership between the European Union and Brazil established at the Summit in Lisbon on 4 July, must be regarded not only as a vehicle for strengthening relations with Brazil, but also as a way of enhancing strategic biregional relations between the European Union and Latin America and, in particular, the EU's negotiations with Mercosur.

The joint statement issued following the Summit with Brazil unequivocally demonstrates the commitment to concluding negotiations on the EU-Mercosur Association Agreement.

With regard specifically to Brazil and, bearing in mind the growing strategic significance of that country on the international scene, the partnership established within the scope of the work of the Portuguese Presidency, constituted the beginning of a new relationship between the European Union and Brazil, similar to what we are seeing now with Russia, India and China. The partnership will develop on the basis of an action plan that will include strengthening dialogue and cooperation in the areas of mutual interest presented in the communication from the Commission to the Council on the EU-Brazil strategic partnership, which naturally include the Mercosur agenda.

Ján Figel, *Member of the Commission*. – Madam President, I am grateful for the opportunity to discuss this very important topic. As has rightly been pointed out, the decision to establish a strategic partnership with Brazil goes back to the Commission's first communication on Brazil, where we proposed a way forward in our relations with Brazil, and the first EU-Brazil summit in Lisbon has confirmed and cemented this new relationship.

Why a closer relationship with Brazil? The EU-Brazil strategic partnership is a natural reaction to geopolitical realities. Today, Brazil is becoming an international player with a strong weight on important global issues like climate change, the fight against poverty, peace, security and multilateralism. It is a respected voice in the developing world, as shown by its chairmanship of the G20 within the WTO or as an active promoter of the South-South dialogue.

It has forged new partnerships with all key players: China, Russia and the United States. The European Union has a lot to gain from a closer partnership with Brazil in order to progress on global issues of common concern.

The strategic partnership provides the appropriate framework, as experience has shown with all other members of the BRICS group. What effects will this partnership have on Latin America and, more specifically, on the Mercosur region? The promotion of regional integration is one of the cornerstones of the partnership. This is clearly stated in the Commission's communication, and it is also how Brazil perceives it. President Lula made this point very strongly at the first EU-Brazil summit in July.

I cannot stress enough the importance of the Southern Cone for the European Union. Besides sharing cultural and political values like democracy, human rights and social justice, there is a huge economic potential to explore between the two economically complementary regions. The EU is Mercosur's number one trade and investment partner. We have goods and services worth EUR 50 billion crossing the ocean annually. In addition, the aggregate value of EU investments in the Mercosur countries in 2005 was around EUR 100 billion.

Also, and most importantly, we genuinely believe in the potential of an economically and politically integrated Mercosur. The recent creation of the Structural Convergence Fund and Mercosur Parliament are most encouraging signals. The EU is a firm supporter of this integration process, not just in words but also in concrete deeds.

The European Union has been and will continue to be the quasi-exclusive donor to Mercosur integration. A sum of EUR 50 million has been committed over the last five years and the same amount is available for the current Financial Perspective (2007-2013) to help build Mercosur's institutions, strengthen civil society and take economic integration forward.

The conclusion of the EU-Mercosur Association Agreement would be a colossal step forward in the integration process of the region. That is why the European Union remains firmly committed to concluding the negotiations and is keen to advance in negotiations once there is more clarity in the Doha Development Round.

The strategic partnership with Brazil is a decision in favour of Brazil and in favour of Mercosur. The two levels of relations – national and regional – will complement and mutually support each other. In no way does the partnership replace the biregional EU-Mercosur negotiations.

We are in full agreement with Brazil that Mercosur is and will remain the only platform for our bilateral economic and trade relations. I am convinced that by engaging with Brazil, Mercosur's largest member, we can bring a real added value to the regional integration process. Shared experience in a joint agenda with the EU will encourage Brazil to better support Mercosur efforts to build a common market and a political union.

IN THE CHAIR: MR ONESTA

Vice-President

Daniel Varela Suanzes-Carpegna, *on behalf of the PPE-DE Group*. – (ES) Mr President, President-in-Office of the Council, Commissioner, ladies and gentlemen, I would first like to thank the Portuguese Presidency and the Commissioner for their necessary and relevant comments in the light of the text of the clear question put by the Committee on International Trade.

Brazil, as we all know, is a large and admirable country with enormous potential which is at a crucial point in its political and economic development. Our mutual relationship is strong and we can and should strengthen it further. Brazil's special links with Portugal, and Portugal's links with Brazil, are also known, recognised and respected by all.

– (PT) We well understand the position of our good and esteemed Portuguese friends, their interests and their concerns, because we share them.

(ES) However, the European Union, the Commission, the Council and Parliament have always expressed support for consolidating the regional integration of Mercosur, negotiating with the block and, as far as possible, supporting regional consolidation.

As has been said here, Brazil undoubtedly has a key role in this. If the Communication from the Commission and the strategic relationship proposed with Brazil go in this direction, so much the better. This would still be supporting the European Parliament, which expressed itself here in the debate and in the vote that took place on the report, for which I had the honour to be the rapporteur, on the EU's negotiations with Mercosur, which was adopted a year ago, and to which I refer.

Therefore, given the confusion that had arisen from this Communication, Parliament needed to ensure that this point would be clarified and that we would be kept informed.

We are also aware that the expectations of concluding an ambitious agreement between the European Union and Mercosur cannot go on forever, and if Mercosur itself does not make progress with its integration, and the European Union's negotiations with Mercosur remain stagnated, with or without a Doha agreement, a decision would have to be taken on them, and once again the most important thing would be effectiveness: a bilateral agreement with Brazil.

But unless this happens, Mr President, ladies and gentlemen, the aim is to reach an agreement with Mercosur. In short, yes to Brazil, but without damaging the negotiations with the whole of Mercosur.

Erika Mann, *on behalf of the PSE Group*. – (DE) Mr President, Commissioner, Mr President-in-Office of the Council, we on the INTA Committee requested this debate because we are very concerned as we see that we are concluding more and more agreements of different kinds which affect all our work in the external economic sector and which also, of course, always have a foreign policy component. We have bilateral free trade agreements, regional free trade agreements, partnership agreements and strategic agreements and we worry about how these can be brought together so that we have a consistent European approach for responding to the challenges of globalisation in the foreign policy and external economic sector.

Commissioner, you have rightly said that Brazil is an important country for us. I am also very grateful that the President-in-Office of the Council is present, and we all, of course, share this opinion. It is not just an important country; it is in many respects also a fantastic country. The question simply is: how can we sensibly combine this strategic agreement with, at the same time, the idea of concluding a regional agreement with Mercosur, which has got itself into very troubled waters? It is simply not true that we get along wonderfully in the negotiations. It is very complicated.

Alongside this we want to conclude a multilateral agreement in the Doha Round. It does not seem at all likely that we will be able to bring this agreement off as a crowning achievement, if we can bring it off at all. So how do you want to bring all this together at the same time? That is our question.

Of course, it is also a strategic agreement. What is the nature of a strategic agreement? It contains a great deal if you look at it. There are very many political declarations of intent on Brazil and all of them very sensible. Again, in my Group we are very happy that they are also included, but how do you want to link this to the other members, e.g. in Latin America, with whom we have free trade agreements? Or how do you want to feed this back again so that our trade policy is imbued with a uniform European policy in such a way that all partners can understand this too?

Ignasi Guardans Cambó, *on behalf of the ALDE Group*. – (ES) Mr President, President-in-Office of the Council, Commissioner, Mercosur is a reality that owes a lot to the European Union. Undoubtedly Mercosur is essentially the fruit of the free and sovereign decision of its members, there is no doubt, of its four full members, soon five if, as we hope, there are no obstacles to the pending ratification of Venezuela's application for membership.

It is obvious that it is therefore the fruit of its members. However, it is also obvious that, since its origins in 1985, with the Foz de Iguazú declaration and the Treaty of Asunción in 1991, the European Union has been very close to what was then in its infancy and is now a reality. It has been very close, supporting, sharing and defending the very existence of Mercosur and what Mercosur was aiming to do, because we knew that the regional relationship, between regional framework and regional framework, had many benefits for them and also for us.

For this reason the European Parliament has always supported giving maximum impetus to the association agreement between the European Union and Mercosur. An agreement that can stand up, which is ambitious as well as balanced. An agreement which, alongside the trade dimension, the strictly trade dimension, also has a political and institutional chapter, as well as a chapter aimed at promoting sustainable economic and social development.

These are values that have been defended by the European Parliament throughout its relationship with Mercosur. This is why Members of this Parliament that are dedicated to external trade issues in the Committee on International Trade are surprised, as reflected in various speeches, at the announcement of a strategic bilateral agreement with Brazil.

We have all always felt that the regional framework is the most effective way to achieve these objectives, and the real pillar on which to base our relations. It is obvious that the growing role of Brazil deserves not only respect, but real congratulations. President Lula and his Government are consolidating a role of leadership for the country that is contributing a great deal to the stability of the area and progress for millions of people. Everyone is aware, if we look at the figures, of how important Brazil's influence is in our trade relations with this dear part of the world and how increasingly important it will be.

However, a specific, strategic relationship between the European Union and Brazil, as announced on 30 May, runs the risk of damaging the regional relationship between the European Union and Mercosur.

We heard the Secretary of State and the Commissioner trying to put our minds at rest on this, and we received those explanations. However, we ask that in these negotiations Parliament should continue to be kept informed, because we all understand that, in theory, a specific strategic agreement with Brazil is possible, but that we would not want and would not support anything that weakened the regional relationship.

Liam Aylward, *on behalf of the UEN Group*. – Mr President, the issue of Brazilian beef continues to dominate the headlines, as it is a problem that affects the farmers and consumers of Europe. As an Irish Government MEP, I met with the Brazilian Ambassador to the European Union in May of this year and again at the end of August to highlight my concerns regarding Brazilian beef exports to the EU. These include illegal removal of tags, smuggling of cattle across borders from foot-and-mouth-affected areas, and the proper testing of cattle.

The EU has rightly adopted the policy of regionalisation whereby, if there is an outbreak of foot-and-mouth in a country, only the affected area is excluded from exporting beef. This policy worked well in Ireland in 2001 and in the UK this summer, as strict traceability policies were implemented immediately. This level of traceability does not exist in Brazil and this is unacceptable from an EU point of view. In the EU, beef farmers have to comply with stringent standards imposed by the Commission. I would urge the Commission to ensure that the same standards and regulations are applied in Brazil as currently exist in Europe to ensure a level playing field for all. I am delighted that Commissioner Fischer Boel is visiting Brazil next month and I hope that after her visit she will be able to answer the justifiable concerns of the farmers and consumers of Europe.

Alain Lipietz, *on behalf of the Verts/ALE Group*. – (FR) Mr President, President-in-Office of the Council, Commissioner, I think we should not beat about the bush. The problem is not the respect that we owe this great country, Brazil, the problem is the turn that international relations are now taking.

Mr Mandelson and, it seems, the Directorate-General for Trade have abandoned the ideal of multilateralism and are embracing the bilateralist approach of the United States. What used to be the trademark European position in international trade was that we at least wanted bi-regionalism; in other words, to discuss things region to region. Well, we were told, we are in talks with Brazil, and we are in talks with India: as if we needed to compensate in some way for the memory of British imperialism by the memory of Portuguese or Spanish imperialism! India is two and a half times the size of Europe, including Turkey. India is three times the size of Latin America.

Our aim is to help create a multipolar world. This means that first of all, we must help with the unification of Mercosur and the Andean Community, and then the unification of the entire South American Community of Nations.

In this respect, we have nothing against discussions, whether with Bolivia or Brazil, but we must bear in mind that we should be seeking to unite and not divide. We must put Mercosur before Brazil in our list of priorities and, when we hold talks with Brazil, we must consider the consequences that this could have, including for our discussions with ASEAN on sugar.

Helmuth Markov, *on behalf of the GUE/NGL Group*. – (DE) Mr President, Mr President-in-Office of the Council, Commissioner, even though negotiations with Mercosur are only making slow progress, the EU should send the clear signal to the government of Brazil and our other partners that it will not be concluding any bilateral agreements with individual governments that oppose the processes of integration in the respective regions: not with Brazil, which is a member of Mercosur and potentially a future member of Unasur, not with Columbia or Peru, which are members of the Andean Community and also potential members of Unasur.

The difficulties in the negotiations with Mercosur are not trifling matters. The future of farming, not just the future of agribusiness and the service sector, industrialisation, technology transfer, access to medication, these are all questions to which we must find answers together with our Latin American partners if we want real cooperation with this region. Our aim should be a process of cooperation in which the interests of the citizens are central. Cooperation should not be limited simply to dividing up market shares and access to energy and water or to distributing patents on intellectual property.

My Group has warmly welcomed the fact that Brazil, like Thailand, has been taking significant steps, despite objections from the pharmaceutical industry, to improve access to medication. These steps should be supported by the Commission and Council. We also welcome the fact that Brazil has already declared itself willing to discuss the problem of the destruction of the rainforest in the Amazon, because this is essential for stabilising the climate.

Even though destruction has slowed down in the last two years, it has not stopped. Pressure from both the European Union and the USA and other players for access to biofuels, particularly ethanol, instead of better controls on their consumers' behaviour, is another danger for the rainforest and food security.

Every so often we hear from the Brazilian authorities that the country has to expand its agricultural industry in order to improve its financial situation in the face of its problem with foreign debt. As you know, new governments in the region are trying to follow new paths to resolve this problem. Bolivia, Ecuador, Nicaragua, Venezuela, Paraguay and Argentina have joined forces to create a Bank of the South and thereby to become independent of the World Bank and the IMF. This is also good news, even if we as the European Union are shareholders in other banks and therefore suffer the loss of credit allocations. However, we then must abandon our kind of conditionality.

The European Union should not look on passively here, but be pro-active and develop and extend these approaches that are completely in line with our own aims of cooperation and environmental protection.

Bastiaan Belder, *on behalf of the IND/DEM Group*. – (NL) Mr President, it says a great deal that the new bilateral strategic partnership with Brazil has been brought about under the Portuguese Presidency. I value the fact that each Member State is given the space to leave its own mark on the EU policy during its presidency. I would add, however, that Member States should use this elbow room only whilst taking into consideration the continuity of the current EU policy agenda.

It is precisely for this reason that I share the concern that I sense in the issue that we are debating here. For some time now, the European Union has had the objective of entering into an interregional association agreement with Mercosur. This objective is thwarted by the bilateral strategic partnership with Brazil.

Firstly, the other Mercosur countries feel cheated by the European Union. Instead of an interregional agreement, the Union evidently prefers a bilateral agreement. I would therefore like to ask the Commission what initiatives it is taking to dispel these concerns in countries such as Argentina, Uruguay and Paraguay. Trade relations with these countries are just as important for the Union.

A second reason for my concern with regard to Mercosur lies in the stability and political course of this collaboration. Over the past few years it has been clear that Brazil wishes to profile itself more forcefully on a global level as the continent's natural leader. This manifests itself not only in an assertive role within the WTO, but also for example in the desire to acquire a seat in the Security Council.

As a result, Brazil has less of an interest in its own role on the continent. After all, Mercosur consumes just 10% of Brazil's export. The country therefore seems less prepared to invest in other Mercosur countries. With its entry into the global arena, Brazil is indicating that it feels it has outgrown its role within the region.

The reverse side to this Brazilian policy is the threat to the stability and political course of Mercosur. Following the withdrawal of Brazil, Venezuela is endeavouring to assume the leading role within Mercosur and therefore within the entire continent. Chávez is attempting to enhance its role within the region with the aid of oil funds and anti-western rhetoric. Venezuela operates a protectionist, internally oriented economic policy, in which major economic sectors are threatened with renationalisation. In the meantime, there is no more room for free trade and the opening up of new markets. I assume that the Council and the Commission are aware of the fact that these developments have consequences for the countries of South America, but certainly also for the economic and trade interests of the Union in this area.

I call upon the Council and Commission to exploit the fact that a bilateral partnership exists with Brazil in order to turn around the trend that I have just described. The Union must urge Brazil to use the new political weight of the bilateral partnership with the EU in order to display new political leadership within Mercosur and on the continent. This must serve to prevent the isolationist policies of countries such as Venezuela and Bolivia from extending further across the continent.

Finally, Mr President, I would like to comment on the content of the partnership. I am of the opinion that the content of the EU partnership with Brazil must not focus solely on topics such as bio-ethanol, but equally upon getting the Doha Round off the ground. After all, the role of Brazil has until now predominantly been the achievement of individual successes in relation to agriculture, whilst the country is not truly prepared to compromise with regard to NAMA and services.

Małgorzata Handzlik (PPE-DE). – (PL) Mr President, it is my conviction that negotiations between the European Union and Mercosur should be a priority for our work in the forthcoming months. Despite the many problems we are currently encountering, multilateral cooperation in the context of this region is far more advantageous, as it will enable cooperation within the framework of all the states associated together in Mercosur to be maintained and at the same time deepened, regardless of their economic position in the region.

A successful conclusion to the negotiations between the European Union and Mercosur has a chance of leading to the creation of the largest free trade zone in the world, which will translate into a significant increase in trading volumes and a strengthened position for both partners, the European Union and the Mercosur countries, in the world economy. It is evident that the greatest beneficiaries of this agreement will be small and medium-sized enterprises, in both the EU and Latin America, and we are all aware that small and medium-sized enterprises that are growing in strength mean new jobs, better quality of services and social wellbeing.

I think that partnership with Brazil, as our largest partner in this region, is very important, and we should develop it, but under the aegis of cooperation with Mercosur, and this means that first we must put together an association under the Mercosur framework, and only then, with this as a basis, should we build up any bilateral cooperation with individual Latin American countries. Building up cooperation with just one country in the region may undermine understandings that have been arrived at previously and become a factor that holds back work on an association agreement with Mercosur.

This is why I think, and I would like to stress this once again, that concluding an ambitious arrangement with Mercosur that is advantageous to all – the EU and the Latin American states that have joined to form

Mercosur – should be a priority for us, and Brazil, as the strongest country in this region, should be the motor for this negotiation process.

Edite Estrela (PSE). – (PT) Mr President, Secretary of State, Commissioner, ladies and gentlemen, the EU-Brazil strategic partnership is not a threat to regional balance nor to the EU's economic and trade relations with other Latin American partners. On the contrary, it favours those relations, as mentioned in the joint statement from the EU-Brazil Summit on 4 July.

Today's question has the benefit of provoking a debate on EU-Latin America and EU-Brazil relations, both of which are extremely important. As already mentioned here, I see the EU-Brazil partnership as filling a gap. It was not acceptable that the European Union's strategic partnerships with the BRIC countries should leave out the 'B' for Brazil. The Portuguese Presidency was right, then, to promote the EU-Brazil Summit, in line with what it did in 2000 when it held the first EU-India Summit, which did not harm relations with the other countries in that region.

There are therefore now better conditions for Europe to give a fresh impulse to relations with Mercosur and to the Doha negotiations. Strengthening the EU-Brazil dialogue makes complete sense because it will enable cooperation to be enhanced in key areas such as energy security and sustainable development, biodiversity, climate change, the fight against poverty and exclusion, promotion of democracy and human rights, etc. Brazil's demographic weight, economic development and political stability inevitably make it a key player on the international stage.

Europe can only gain from regarding Brazil as a strategic partner. As the Secretary of State has already said here, relations between the European Union and Brazil cannot be analysed solely in an economic context. That is too narrow a view that overlooks historical links, cultural and linguistic affinities, cooperation between universities and many common interests in various areas.

Johan Van Hecke (ALDE). – (NL) Mr President, ladies and gentlemen, do the South Americans still believe in an interregional agreement between the EU and Mercosur? This, I believe, is the question that we must ask ourselves. The trade strategy of the Mercosur countries follows two different paths, on the one hand allowing Mercosur to develop further, but on the other hand, as in the case of Brazil, concluding as many bilateral trade agreements as possible in order to secure a market position for the individual country, if necessary at the expense of the other Members of Mercosur. It sometimes resembles the combination of an Argentine tango with a Brazilian samba. Nevertheless, provided that both the EU and Mercosur continue to believe in the value of a broad-based collaboration between the two continents, then hope remains, despite the pressure of US President Bush to establish a free trade area of the Americas. With 34 countries, the enthusiasm of the Mercosur members is not tremendously great. They are disappointed with the lack of support offered by the United States during the recent heavy economic crisis. Europe is now already Mercosur's most important trading partner, yet there is still huge potential for growth between both trade blocs. If, therefore, we can do something to resolve the mutual discord between the Mercosur countries, for example by means of collaboration in multilateral trade negotiations such as the WTO, in which the EU and Mercosur frequently have common interests, perhaps we may once again come a little closer to achieving an interregional agreement.

Seán Ó Neachtain (UEN). – (GA) Mr President, there is one point which I want to make about trade between Europe and Brazil, and that is the standard that we observe here in Europe, as far as meat production is concerned, and the strict rules that we lay down for the European meat trade. That notwithstanding, we accept meat imported from Brazil, a place where no such rules apply. I think that it is time for the Commission to address itself to this matter and ask questions of its own. Why is there a big difference between the stringent standard observed here in Europe and the standard permitted in Brazil as regards the traceability of meat, stock tags, and foot and mouth disease? It is time for the Commission to raise these matters, as the great discrepancy in terms of standards is seriously disquieting for customers. Trade is one thing; health for life is quite another.

José Ignacio Salafranca Sánchez-Neyra (PPE-DE). – (ES) Mr President, President-in-Office of the Council, Commissioner, I think that it is clear that Brazil, due to its size, its population, its natural resources and, above all, its role on the international stage – I am thinking about the role that it is playing in the reform of the United Nations system, the role that it is playing in relation to the whole subject of climate change and the debate on energy resources – fully justifies the Communication presented by the Commission in terms of being able to benefit from a strategic partnership between the European Union and the great country that is Brazil.

And this strategic partnership, in my opinion, needs to be on three levels: from a global perspective, a regional perspective and a bilateral perspective.

However, it is one thing to give Brazil the treatment it deserves as the great country that it is, and another for the European Union not to continue with its commitment to the work that it has been doing to conclude the Agreement between the European Union and Mercosur. I do not think that this was the Commission's intention in its Communication; I think that we can clearly gather from this Communication that the two hypotheses are perfectly compatible: on the one hand, the strategic dimension with Brazil, and, on the other hand, determined support for integration processes, of which the European Union is the most complete and obvious example.

Another thing is the Association Agreement between the European Union and Mercosur not being concluded on the terms that we would all like, and it is an agreement that has been delayed for too long now. The question is a legitimate one: How long is the European Union going to keep waiting to conclude this agreement?

I think that we need to support regional integration processes, and it is only with this perspective, only in this dimension, that we will understand the advantages of union and integration.

David Martin (PSE). – Mr President, the priorities of this House in trade negotiations are clear. Firstly, we want a successful multilateral round. Secondly, we want successful biregional arrangements and as a fall-back – but only as a fall-back – we look to improve bilateral arrangements.

I have to confess that when I first heard about the priority given to the Brazil strategic partnership agreement, I felt we were rewarding a country that has been one of our more awkward partners in the multilateral negotiations in the Doha Round. I also felt it would undermine Mercosur, where, without Brazil, there is no Mercosur. However, having heard the Council this morning, having spoken to my Portuguese colleagues, I am convinced that there is a possibility that a successful strategic partnership agreement with Brazil can make it easier in the Doha Round if we develop understanding between ourselves and a key Doha player.

It can make it easier to get a Mercosur agreement if we find solutions to some of our more intricate economic challenges and of course a good agreement with Brazil would signal to them that we support their domestic priority of tackling social exclusion and poverty. So I am not entirely convinced, but I am more convinced that an agreement between the EU and Brazil is now a more desirable objective than it was a few weeks ago.

Nathalie Griesbeck (ALDE). – (FR) Mr President, Commissioner, ladies and gentlemen, in such a changing global geopolitical context, our Parliament, on several occasions, has expressed its unwavering determination to strengthen the partnership between our two continents.

As I see it, this new entity must be Mercosur. It can help us find ambitious, balanced and political solutions to the issues of energy supply, reducing the greenhouse effect or even the quality of our agricultural products.

The regional integration of South America cannot be furthered and cannot be effective if we choose to negotiate with one of the members of Mercosur, rather than working in partnership with the new entity as a whole.

For my part, I am campaigning for regional integration, which as I see it is a vehicle of stability and prosperity for this part of the world, and for us, and should be supported and monitored. I also think it would be a shame if Mercosur countries were to move away from this major project because of our lack of political ambition, and thus fail to seize this opportunity for both continents, Latin America and Europe.

This would clearly set us apart from the US policy of creating a vast economic free trade area for the entire American continent.

Luís Queiró (PPE-DE). – (PT) When we ask what contribution a strategic partnership between the European Union and Brazil can make to developing the relationship between the EU and Mercosur, with a view, amongst other things, to concluding the much-wanted, long-delayed agreement, I think there can only be one answer: that contribution is of major importance.

At the same time, it must be said that a strategic partnership between the EU and Brazil would always be justified and that in this matter the only flaw is the time that has already been lost. Of the four 'BRIC' countries – Brazil, Russia, India and China – Brazil was the only one that the EU had not held any high-level meetings with until the Summit on 4 July. That is even more of an anomaly given that Brazil is the major regional

power in South America. It is a democracy, with the imperfections which new democracies tend to have, which shares our own framework of values. It is a traditional and reliable ally and an economic partner of major importance both at regional level and in terms of the global economy.

For all these reasons a strategic partnership with Brazil is justified, because this country is a strategic partner of the European Union in its own right. However, there are also other reasons for strengthening the relationship and developing a strategic partnership with Brazil. As stated in the communication from the Commission, this relationship can and must be a driving force for developing dialogue with Mercosur. The two partnerships are not in opposition to one another; they are complementary. The relationship can and must also be a factor favourable to the quest for solutions in the context of the World Trade Organization. Just as, finally, the relationship can and must be a sign that the European Union recognises the special importance of this country in international relations and is intending to take that fact into account in the context of the discussion on UN reform.

Mr President, it is increasingly necessary for the European Union to act as a global-scale economic partner and a strategic partnership with Brazil is a sign that we want to follow that path. That is the way we must go if we want to obtain an agreement with Mercosur. To exclude Brazil from privileged bilateral relations would be unfair and, above all, a serious political mistake.

Silvia-Adriana Țicău (PSE). – (RO) Mr. President, I would like to emphasize the importance of this document and, as a member of the EU – Mercosur Delegation, I would like to emphasize the importance of the region. It is a large region, with a high population, which is promising and must be helped towards economic growth.

This is a region with many natural resources and, in fact, the European Union absorbs 25% of the Mercosur region's exports. It is important to assist this region for economic development, for industrial development; its role in climate changes will be extremely important and, for this reason, we must support regional integration.

For the 2007-2013 strategy, one fifth of the budget allocated for the relationship with Mercosur will finance education and development of the information society and this is extremely important, taking into consideration that, in Brazil, the illiteracy rate is approximately 90%. Also, I believe that Brazil plays an important role due to the fact that almost half of the Mercosur region's population is located in this country. I repeat, climate changes are extremely important and this region plays an important role.

Georgios Papastamkos (PPE-DE). – (EL) Mr President, there is no doubt that Brazil plays a significant commercial role on the world stage. Further strengthening of economic ties between the EU and Brazil is therefore desirable.

The EU is Brazil's main trading partner, whilst Brazil is ranked just our twelfth most important trading partner in the EU. The strategic partnership between the EU and Brazil should not, in my view, cause divisions in the *en bloc* approach of the Mercosur region.

Nevertheless, this relationship can play a complementary role in two spheres: in the multilateral negotiations at the World Trade Organisation (WTO), and in the free trade area between the EU and Mercosur. This area will be the largest area of inter-regional cooperation; it will highlight the lack of progress in the multilateral negotiations in question and in inter-regional negotiations. The progress of both areas of negotiation is to a large extent interlinked.

The free trade area between the EU and Mercosur, like the Doha Round at the WTO, has become caught up in issues of trade in agricultural goods. The role of Brazil is particularly important here: given its influence on economic stability and integration in the wider region, Brazil ought to contribute creatively to bring about a balanced and ambitious agreement between the EU and Mercosur.

At the WTO level, Brazil cannot expect only the markets in agricultural goods of developed Member States to open up further. Commissioner, President-in-Office of the Council, like the other emerging economies, Brazil must take its due share of responsibility in the current Doha Round negotiations, through genuine commitments to opening up particularly protectionist markets and complying with the rules and disciplines of the WTO.

Józef Pinior (PSE). – (PL) Mr President, Commissioner, Minister, to begin with I would like to express my conviction that the Portuguese Presidency is following a correct strategy as regards achieving a strategic partnership between the European Union and Brazil. I feel that the European Union should initiate and

finalise this partnership as quickly as possible. The role of Brazil in the modern globalised world is clear, economic and cultural, as is the role played by Brazil in the United Nations.

A strategic partnership between the European Union and Brazil will enable mutual relations to be energised, and will be of good service to today's political, cultural and economic order on a world scale. I repeat, it will be of service in improving political harmony in the global sphere.

I do not think this strategic partnership will prove any kind of hindrance to the development of a strategic partnership with Mercosur. Partnership with Mercosur requires a strategic partnership with Brazil.

Vasco Graça Moura (PPE-DE). – (PT) From the outset the Portuguese Presidency's programme included holding a summit meeting with Brazil. It became clear that the parties would propose laying the foundations for establishing a strategic partnership. It does not therefore make much sense to express any surprise or concern now about disregard for Mercosur and undue or premature favouring of Brazil.

The scale of the Brazilian trade market for European exporters must not be underestimated. The European Union cannot lose the opportunity of obtaining a strategic partnership with Brazil. The facts show that the European Union's relations with Mercosur and Brazil respectively are already condemned to go at different speeds. It is not ideal, but there is no evidence that one going faster does any harm to the other. On the contrary, it might even be a strong incentive to speed things up.

Brazil today is an emerging world power, the only one among the Mercosur member states, with a market representing 85% of the Mercosur market. It is a representative democracy. It is one of the European Union's principal trade partners and a country whose 200 million inhabitants speak one of the most widespread European languages in the world – Portuguese – and whose values of civilisation and culture are closely related to those of Europe. Without prejudice to the advantages which real progress in relations with Mercosur would mean for the EU, I do not think there is or ever has been any weighty argument in favour of delaying advancement and enhancement of our relationship with Brazil. Nor is it up to the European Union to oversee the internal ups and downs between Mercosur members.

To think otherwise and to put off indefinitely the achievement of the Union's very important objectives, with respect, is to indulge in wishful thinking that is incompatible with the present day situation, acting as though our plans and wishes had come true, when they have not and we do not know when they will.

Sérgio Sousa Pinto (PSE). – (PT) The experiment at regional integration in Mercosur has essentially been a success both at the economic and the political level. Mercosur's contribution to democratic consolidation in the region and growth in the volume of trade within that bloc are unquestionable facts.

It is true that at the moment the negotiations between the EU and Mercosur are at an impasse because of the wait for commitments and agreements to emerge from the Doha Round that may serve as a new starting point for our bilateral trade negotiations. Although I do not wish to appear too pessimistic, we run the risk that the Doha Round will merely result in our losing precious time. The EU should contribute to the success of South American regional integration by putting all its efforts into the success of the negotiations between the two blocs.

Our relationship must be much more extensive than a mere free trade agreement. Under discussion here is a global agreement that goes much further than figures and quantities of goods to be traded. The association agreement includes cooperation and political dialogue, which are fundamental pillars for our future relationship.

No one doubts nowadays that the European Union needs Ibero-America and its great instrument, Mercosur, in order to achieve its objective of building a more balanced and multilateral international order.

The joint statement by the President of the European Commission and the President-in-Office of Mercosur, the President of Uruguay, Tabaré Vázquez, following the meeting on 19 September promising a joint public statement by the two blocs by the end of the year on the environment and climate change is an important example of that political collaboration. Mercosur offers great promise as far as economic integration and making South America politically stronger on the international stage are concerned, but that does not mean we can overlook or pretend not to see what is before us – the incontrovertible political presence of Brazil, by sheer force of the facts, as the leading power in South America. Brazil is the soul and driving force of Mercosur. With its 190 million inhabitants and an economy representing approximately 75% of Mercosur's GDP, Brazil is the only BRIC country with which the Union had not held a summit until now.

Ladies and gentlemen, it is absurd to think that the European Union can teach Brazil anything about the importance of Mercosur or appoint itself Mercosur's champion before Brazil. That is absolutely ridiculous. Similarly, Brazil is the only Mercosur member country aspiring for a place on the UN Security Council, which it merits and which will give the whole of Latin America a voice within that important body.

Charles Tannock (PPE-DE). – Mr President, in the past I was a champion of EU-driven regional integration in Latin America through preferential support for regional multilateral blocs, such as Mercosur. But, regrettably, in spite of the closeness of its constituent countries (Argentina, Brazil, Paraguay and Uruguay) culturally, Mercosur remains too weak politically compared to national interests, therefore impeding an EU-style single market in the region – although this, of course, should be our long-term objective.

Mercosur's functioning is worsened by the recent decision by Venezuela to join, with Chávez's anti-free-market rhetoric leading to even more protectionism in Mercosur, whose talks with the EU have for some time now been stalled. Therefore, I welcome the fact that the EU is instead championing a strategic bilateral partnership – as agreed this July – with Brazil, which is an economic giant, but one whose share of global trade is still small in comparison to other developing countries, precisely because Brazil has failed to sign profitable bilateral free-trade agreements, placing too much faith in Mercosur.

Unlike Mexico, which already has a deal with the EU and is the other dominant player in Latin America today, Chávez's petrodollar generosity towards Argentina has forced President Lula of Brazil to ignore Mercosur issues and allowed President Kirchner of Argentina to further his protectionist stance.

Populist Ecuador is also making noises now, joining Mercosur in spite of joining the anti-US, Venezuelan-led Bolivarian Alternative for the Americas (ALBA) trade initiative.

One recent spat between Argentina and Uruguay clearly demonstrates the lack of effectiveness of Mercosur in resolving its partners' differences over the pulp mill being constructed by an EU Finnish company, Botnia, on the banks of the River Uruguay. President Kirchner failed to stop the project, and at the same time antagonised his neighbouring country – and Mercosur partner – Uruguay by refusing to allow Mercosur's supranational institutions to arbitrate this dispute. Instead, what did he do? He called in the King of Spain to arbitrate.

David Casa (PPE-DE). – (MT) Mr President, we have before us today an agreement that reaffirms and consolidates the important role of the European Union in the global political sphere – a role to which we should attach great importance because it is part of the success of this union of states. This agreement emphasises the strengthening of the relationship not only with our neighbouring countries, but also with countries from other continents, especially countries that are home to thousands of millions of people of European origin such as those of Latin America and Central America. It is in the interest of both sides that these relations continue to be strengthened by means of dialogue and the exchange of ideas. However, we have to ensure that democracy in the countries that benefit from any assistance that we give is safeguarded. We should also ensure that all assistance, both direct and indirect, is targeted at reducing poverty, increasing equality and, last but not least, reducing the imbalance between the two regions of the world. This should always be within the bounds of transparency and accountability. Protection of freedom of expression and of fundamental rights should also be a priority in all negotiations. Whilst the European Union should provide assistance to each country in particular periods, but requires special help, we must ensure that this is done within a structured framework so that no one is left behind and so that wealth is distributed fairly. As Members of this Parliament we must as far as possible promote relations between the European Union and Mercosur and determine how to strengthen any weak points so that in these relations we can ensure efficacy and success as far as possible. With new challenges such as climate change being given increasing importance on our agenda, we should view these relations as the beginning of a strategic partnership that leads to an environmental dimension and sustainable development that produce reciprocal wealth.

Manuel Lobo Antunes, President-in-Office of the Council. – (PT) Mr President, Commissioner, ladies and gentlemen, thank you very much for your contributions.

I have already had the opportunity on previous occasions to explain, justify and inform the European Parliament about the first EU-Brazil Summit, its results and objectives. Moreover, the importance of this strategic partnership with Brazil has been amply highlighted by many Members here today and I cannot but welcome the fact that those Members who at first seemed doubtful or more hesitant about the intention of the Portuguese initiative, now in fact seem more favourable towards the strategic choice which Portugal, as the country holding the Presidency, but also the European Union as a whole, made with regard to Brazil.

Naturally we are speaking and have spoken here about Brazil's importance politically and economically, and as regards the environment and energy, which are fundamental realities in the contemporary world which we cannot ignore. It would be odd, as pointed out here, if the European Union were to have strategic relationships, strategic partnerships with Russia, India and China, but not with Brazil. We believe that we have bridged that gap and we also believe that in a few years' time everyone will unequivocally applaud this initiative by the Portuguese Presidency. However, we also always made it absolutely clear that this strategic partnership which we believe the European Union should establish with Brazil in no way excluded or limited other relations which we also wished to extend on the economic and political levels with Mercosur.

I must say, ladies and gentlemen, that I am fairly at ease about that because Portugal was always amongst those EU countries that always fought for a close and deep relationship of solidarity with the Mercosur countries in all aspects of that relationship. We therefore have no hesitation and do not wish to allow the impression to be created here that a partnership with Brazil excludes or could exclude a close partnership with the Mercosur countries.

Such a vision, which instead of being a vision of complementarity could be a vision of exclusion, does not seem helpful to us and, above all, does not seem to correspond to reality – quite the reverse. Furthermore, as has been pointed out here, it is the final statement from the EU-Brazil Summit itself which explicitly and completely unequivocally states that the European Union and Brazil will work together so that the EU-Mercosur Association Agreement might finally become a reality.

We are all aware of the ups and downs which the EU-Mercosur Association Agreement has gone through. We really are at an impasse due largely, as we know, to issues of trade between the European Union and Mercosur. The Doha Round began in the meantime and what happened there obviously also influenced the trade dimension of the EU-Mercosur negotiations.

I want to make it quite clear to you, however, that once the Portuguese Presidency considers that the minimum conditions are established to relaunch that debate and that relationship, we shall not hesitate; we also assure you that, if that is not during the Portuguese Presidency then Portugal as a Member State – as it has always done and as has always been its aim – will not fail to call the attention of its partners to the real need to relaunch the negotiations on the Association Agreement with Mercosur in all its dimensions.

In conclusion, I must tell you that we are considering holding, if possible still within the Portuguese Presidency, a high-level troika meeting with the Mercosur countries. We are studying that possibility and, as I say, as a possibility for the Portuguese Presidency's agenda, which is, as you all know, a very full and very complex agenda, but we shall do what we can to be able to relaunch – at the political level too – this debate with the Mercosur countries.

Ján Figel, *Member of the Commission*. – Mr President, I am also very grateful for the atmosphere, the debate and the real openness on this issue. I think we have to be responsive to the realities of the time and, fortunately, we now have many more important partners for multilateral cooperation than maybe 10 or 20 years ago. The reality is that Brazil is the only country missing from the BRICS group, one of the five which are regularly invited by the G8 to its summits and a country which represents EU investment equalling the level of investment in Russia, China and India cumulatively from EU countries, so it is a really important partner.

It is even more important to add that the strategic partnership is complementary to overall broader priorities, including cooperation with Latin America and with Mercosur: in the partnership itself, one of the strategic common issues is the promotion of regional integration and an EU-Mercosur Association Agreement.

A lot has been said about the content and some concerns voiced. We addressed them. For example, in the food safety area in the first half of this year, an intensive programme of inspections was carried out, especially regarding beef, fishery products and poultry. We have witnessed significant improvements in food safety, and many deficiencies have been largely rectified, but of course the work will continue, as some of you said, even at political level. The Commissioner will visit Brazil next month to discuss this area, and that is a very important area of closer cooperation.

It is our common cause, our common interest, that the Doha Development Round is concluded successfully. We are doing all we can in this regard on all sides in order to reach the end, hopefully this year.

I shall make a small remark on what could be done in promotion of cooperation with other countries. There is, for example, one area which I wanted to raise as a good case. Brazil is the first country from Latin America to cooperate in our research programme and, via this experience and bridge, I think we can gradually do more in other countries. So it is not against the others; it is one of the leading economies and partners in the

area and cooperation is growing overall. It is very complementary to our ambitions to bring more integration to the Latin American continent.

The Commission will keep you duly informed about the process, as requested. We are now awaiting the political response to the communication from the Brazilian side. On the basis of this response, we will try mutually to draft an action plan proposal and then hopefully get this action plan agreed and implemented.

Last but not least, I want to express my gratitude to the Presidency for its commitment and very positive input, regarding not only the first historical summit, but also the development of cooperation between the EU and Brazil and between the EU and Mercosur as a broader area.

President. – Thank you very much, Commissioner.

The debate is closed.

12. Green Paper on urban transport (debate)

President. – The next item is the Commission communication on the Green Paper on Urban Transport.

Jacques Barrot, Vice-President of the Commission. – (FR) Mr President, earlier on I presented these proposals on urban mobility to the College of Commissioners and I am pleased to be able to give a first taste of them now to the European Parliament.

The United Nations is preparing for the International Conference on Climate Change, which will take place in Bali in December. Yesterday, there was a preparatory meeting of Heads of State or Government in New York, during which the European Union unveiled its highly ambitious proposal: to halve greenhouse gas emissions by 2050.

Urban transport is one of the areas where efforts must be made. Pollution from private and public urban passenger and freight transport represents 40% of CO₂ and 70% of other pollutants that come from our roads.

The Green Paper that I am presenting before you today is the result of an initial intensive consultation that began in January and continued until June: consulting institutions, city representatives, stakeholders and citizens. What we took from this consultation was a strong willingness from stakeholders to put the issue of urban mobility on the European agenda. Local authorities and towns and cities in Europe should not be left to manage this challenging situation on their own.

It is not my intention to impose central solutions, ill-suited to local circumstances. Rather, the Union role, in partnership with all parties, is to identify obstacles to urban mobility and find ways of removing them. The European Union must raise awareness of this issue and lead the way if necessary.

In what terms should we rethink urban mobility? Personally I believe there to be five fundamental objectives. First of all, Mr President, ladies and gentlemen, free-flowing towns and cities. Throughout Europe, increasing traffic in town and city centres leads to permanent congestion. The economic consequences of urban traffic congestion are estimated at 1% of the EU's gross domestic product. Experience shows that there is no single solution to reduce congestion. Alternative to the private car, such as collective transport, walking and cycling, must be made safer and more attractive. Car-pooling and car-sharing and the introduction of a more efficient freight transport system might help make towns and cities more free-flowing.

Secondly, greener towns and cities through improved energy efficiency and the use of alternative fuels. Traffic restrictions in town and city centres, the creation of green zones and urban charging may form part of the solution, but public transport infrastructure must be developed and improved.

Towns and cities should also be intelligent. Towns and cities in Europe are currently facing a permanent increase in demand for freight and passenger transport. Intelligent transport systems and traffic control systems, and satellite navigation offer a wealth of opportunities to improve mobility, provided we take advantage of them. Delivery rationalisation in towns and cities could be improved using satellite navigation information. This is currently GPS, but in future will be Galileo.

Fourthly, towns and cities must be more accessible. Accessible, first of all, to disabled people, to people with reduced mobility, to families with young children. Everyone must be able to access our towns and cities. It

is vital that urban planning is efficient and carefully thought out. Of course, people living in the suburbs also need access, which means having effective

links between urban and suburban transport. We need to promote high quality public transport, even a charter of passengers' rights.

Fifthly, and finally, we need safer towns and cities. I should point out that two thirds of road accidents take place in urban areas. One third of deaths – one death in three – takes place in an urban area. If we want to save lives, we need to take measures to make behaviour, vehicles and infrastructure safer. We need to consider the need to promote the ecological aspect of driving when training the drivers of the future. In general, we need to make sure that there is more observance of the highway code in Europe.

Mr President, ladies and gentlemen, this Green Paper will allow us to launch a broad consultation with governments, business and citizens, up to 15 March 2008. The document will include 25 clearly posed and open questions.

In the autumn of 2008, having participated in the debate, I intend to submit an action plan proposing concrete measures, presenting a clear vision of the tasks and responsibilities, taking into account the principle of subsidiary. I will also draw up a timetable for action.

Throughout this consultation process, the European Parliament and your Committee on Transport and Tourism must, of course, play a major role. Generally, I think we are all well aware, through this wide-ranging debate on urban mobility, that it really involves the everyday life of our citizens, and that if European citizenship means anything, then we must move towards safer urban mobility that is more consistent with environmental standards.

Mr President, ladies and gentlemen, thank you in advance for all your valuable contributions. I now invite your comments on this text. The presentation has been rather brief but, I believe, sufficiently explicit. I should explain that the document will be made available to all MEPs. It has just, as it were, been adopted by the College of Commissioners. I have taken all the necessary measures to ensure that you might be aware of it as soon as possible.

President. – Thank you very much, Commissioner.

Rarely has a debate been so topical, since you have only just come out of the meeting. Thank you for delivering a copy of the Green Paper to me so quickly.

You know the rule, ladies and gentlemen: we will apply the catch-the-eye system.

Georg Jarzembowski (PPE-DE). – (DE) Mr President, Mr Vice-President, ladies and gentlemen, many thanks on behalf of my Group! That is a fantastic idea – promoting mobility while taking measures to avoid disasters and environmental pollution. But you have stressed that you want to observe the principle of subsidiarity. When we read through the paper, you make very practical proposals, on city tolls and other matters for instance. How do you want to ensure that your good proposals and the debate we are all waiting for and which we will be having for a whole year do not lead to us telling cities and regions what to do, but only to an incentive actually to adopt best practice? We are agreed that we have to do something for cities and establish best practice. We are familiar with the accident statistics. In many cities and towns there is a high accident rate, but not in others. This is due to how matters are handled locally.

How then do you want to manage the development of collective ideas without the cities and regions getting the feeling they are being patronised by Europe?

Saïd El Khadraoui (PSE). – (NL) Mr President, Commissioner, we know that we are still at the beginning of an entire process and I therefore look forward to hearing the responses of stakeholders and the concrete actions that you are planning for next year. I feel, however, that it is highly important that you place this on the political agenda in order to show that this is a priority for the Commission and for the European Union as a whole, in order both to bring about sustainable mobility and to achieve our agreements in relation to climate control. I think that one of the most important things is to establish an instrument through which good examples that already exist in many cities can be exchanged in such a way that we can learn from them. Each city is different and each problem is different, yet I believe that it all comes down to establishing an effective mechanism and I wonder what your view is on this. How can we exchange all the good ideas that form the basis of associations in small and large cities so that we can learn from them?

Jean Marie Beaupuy (ALDE). – (FR) Mr President, I am especially pleased, Commissioner, with the five objectives you have just defined, although as you mentioned afterwards, there will be concrete measures following the consultation, which ends in March.

If you will allow me, Commissioner, I would like to repeat what the members of our Urban Housing Intergroup have pointed out: namely the need to adopt an integrated approach, not only for cities, but also, as you said earlier, for the suburbs.

As part of this integrated approach, bearing in mind that the European Union invests regional funds – the ERDF, ESF and EAFRD, the latter involving both rural and suburban areas – it seems to us that you and your fellow Commissioners need to take these various aspects into account, so that the integrated approach can truly be implemented by cities and municipalities. Therefore, today I once again call for the integrated approach to be taken into account in this issue of urban transport.

Jacques Barrot, Vice-President of the Commission. – (FR) Mr Jarzembowski, these are proposals. They are not complete. In a box, at the end of each set of questions, we have asked what the role of the European Union should be. Therefore, I am not going to predict what the outcome of the debate will be. The question is open and in fact it must be demonstrated that there is real European added value. We are not going to claim to exercise any sort of supervision over European towns and cities.

Mr El Khadraoui, I think you hit the nail on the head: we want to make this a political priority. I think you voiced my own thoughts on the subject. I would like elected officials, by supporting each other and through good practice and sharing the best experiences, to convince their compatriots somehow to engage in these bolder and more environmentally-friendly urban policies.

Mr Beaupuy rounded off what you said by pointing out that we can only truly succeed with an integrated approach, which effectively means that town planners also have to design towns and cities in a certain way, taking into account future mobility requirements, and specifically the construction of suburban areas: this should not be haphazard. I would like to thank Mr Beaupuy in particular, as well as the urban mobility group, which I am sure will make a valuable contribution.

Jan Olbrycht (PPE-DE). – (PL) Mr President, first of all I would like to express my thanks for the interest in the subject of urban transport. This is an extremely serious and difficult subject, especially as the EU is concerned with urban policy.

The very raising of the subject at European Commission level in relation to towns shows that we are dealing here with an unusually interesting interpretation of the principle of subsidiarity. I am very much in favour of the Commission's actions in this sphere. In supporting the Commission's actions in this sphere, I would like to ask the Commissioner, although perhaps this question is a bit premature, but nevertheless, how are we to understand the arrangement whereby the Commission will implement the principle of partnership in this matter, in other words, what are the possible instruments of partnership? Are we talking about an exchange of experience? Are we talking about a partner who also in some sense does more than just propose, but actually demands?

On the back of what Mr Jarzembowski has said, I would also like to ask for support for the Committee on Regional Development having reinforced cooperation with the Committee on Transport and Tourism in this matter.

Ulrich Stockmann (PSE). – (DE) Mr President, Commissioner, many thanks for your speech and for the Green Paper, the details of which we are still not familiar with. It is true that more and more people are living in cities and conurbations, but there are also, of course, specific problems associated with shrinking cities, which should not be completely disregarded. My first question is: are they also in our field of vision? We have capacity overload in the inner cities, primarily associated with individual private transport resulting in very high emissions, particulates, noise and also safety problems.

Secondly, if we now want to increase public transport, and networking it intelligently plays a crucial role in the solution, the question then arises, of course, whether we will be able to use capital from the Structural Funds for this purpose at all.

Thirdly, as regards the many individual proposals for freight transport logistics and so on: do we also have a forum for exchanging best practice models, in which this exchange can take place in an organised manner?

Michael Cramer (Verts/ALE). – (DE) Mr President, Commissioner, thank you for the report. You write here that you want to promote alternatives to the car, namely travel by bus, rail, cycling and walking. However, you also know that 95% of EU cofinancing, which the cities are asking for, goes solely to road transport. You are therefore considering whether you should say that at least 50% must in future go to these alternatives, because my home city of Berlin argues, for example, that EU funds should not be spent on local public transport. I think that is mad! If you do not change the funding, you will never be successful. Therefore, how do you want to ensure that the EU's alternatives can be considered in future?

Jacques Barrot, Vice-President of the Commission. – (FR) Mr Olbrycht, partnership can be expressed through sharing good practice and, at the request of the towns, through a set of guidelines concerning, for example, the use of a town's central infrastructure, or through more harmonised information: sometimes there are signs that show a motorway in one colour in one town or Member State, but in another colour in a different town or Member State. We should think of ways of harmonising information. Therefore, obviously I think that this partnership will fully take account of the intentions of the regions and that we will find synergies to generate resources.

Mr Stockmann, the Structural Funds are available for some pilot initiatives. In my trans-European networks budget and the budget of the Directorate-General for Energy and Transport in general, we have resources for monitoring pilot schemes, particularly through Civitas, which you are familiar with. It is true that we also need to clarify further the use of the Structural Funds, which leads me on to say that Mr Cramer's comment is justified and that, in some cases, we need to be more careful about how the Structural Funds are used.

It is true that the European Union has not indicated a percentage for the use of the Funds: it is up to the towns, cities and regions to decide. For this reason, therefore, I believe that through this Green Paper and through the debate, our task will be to convince the towns, cities and regions to make better use of the Funds. I think the example you gave is a very interesting one.

Jörg Leichtfried (PSE). – (DE) Mr President, Mr Vice-President, I very much approve of some of the things you have mentioned. You have highlighted the upgrading of public transport, greater road safety, and environmental aspects in driver training and satellite navigation. All this is associated with certain problems – it costs a lot of money. Mr Cramer has already demonstrated one form of concerted action. I should like to put forward a second, which has not yet been mentioned. We have the miracle cure in our hands. We have the internalisation of external costs in front of us. We hear that this method of calculation is ready and aspects of urban transport that cannot otherwise be paid for could be subsidised and paid for by comprehensive internalisation of external costs.

Two questions on this: when can we realistically expect the presentation of a preliminary model, which we can subsequently expand and enlarge? Can you also envisage using this money for similar projects?

Gilles Savary (PSE). – (FR) Mr President, personally I am just as keen as Mr Jarzembowski that local authorities should be free to govern and I do not think that we can impose any sort of transport policy on an independent local authority elected by universal suffrage. We would be misguided to do so.

That said, it seems to me that the Community added-value is indisputable, since we are trying to tackle the greenhouse effect. What we are dealing with is the production of pollutants, particularly at regional level, by transport, which we know is the main source of pollutants and greenhouse gases. Therefore, I do not think it is excessive for the European Union to become involved, including for conservation reasons.

On the other hand, I do believe that there cannot be any coercive policy. There could be an incentive policy, Commissioner. I sometimes like to think that this would be hugely successful if there were, for example, a Community URBAN programme for transport; in other words, a programme that encourages local authorities to engage in sustainable mobility based on a set of sustainable mobility guidelines. I do not know whether you can envisage this.

Inés Ayala Sender (PSE). – (ES) Mr President, I would like to congratulate the Commissioner for his political courage in dealing with this issue and suggesting that subsidiarity is an opportunity. In the Committee on Petitions we are constantly seeing petitions from citizens at local level who are asking for the help and protection of the European Union, precisely to resolve problems that can no longer be resolved locally, because they are matters to be resolved globally, such as environmental and security issues, etc.

I would like to ask the Commissioner if in intelligent systems the subject of information to citizens is taken into account, as it could enormously reduce stress about disinformation. Also, whether the problems of road

safety on the daily commute to work will be taken into account, as this is one of the areas in which we are having the most problems. Also, what would be the ideas regarding this rationalisation of the distribution of goods, which often causes these congestion problems.

Silvia-Adriana Țicău (PSE). – (RO) Mr. President, Mr. Commissioner, the development of the European Union is based upon mobility and free movement of persons and goods. 80% of European citizens live in towns and 40% live in cities. 60% of them believe that there is, in fact, congestion and pollution at an urban level and over 70% of them are waiting for a European action. I believe that the Green Paper on public transport will also solve, has to solve, the issue of the 40% of the citizens who do not own a car and live in towns and, especially, the integration of disabled people into economic and social life.

Urban planning is extremely important and I also request the use of certain funds – structural funds, JESSICA, regional funds – for urban transport development. I support the use of the project and the expansion of the CIVITAS project and CIVITAS+ and, especially, the encouraging and supporting of new Member States in order to benefit from these funds for urban transport development.

Brigitte Douay (PSE). – (FR) Commissioner, you are embarking on an ambitious project that concerns us all.

I truly hope that, in this transport debate, we do not forget the important role that transport has for territorial cohesion. You talked about access to towns and cities by urban transport. I sincerely hope that in this great debate, we remember to talk about rural areas and, as you said, incentives for local authorities in terms of rural transport, which is often overlooked.

Jacques Barrot, Vice-President of the Commission. – (FR) Mr President, I would first of all like to thank those MEPs who have voiced their initial reactions. It has been extremely interesting to hear what they have to say.

Mr Leichtfried, we do in fact have the problem of the regional disc scheme, or 'Eurovignette', which is being examined as part of a study planned for 2008 in connection with the Eurovignette Directive. The date is set in the Directive and the work is already under way. I think we need to consider urban charging, as well as how the revenue generated is used. I think that this is a very important issue, because it might, if we had a legal framework, help mayors to be able to use this tool in some cases, while monitoring the allocation of the resources generated.

To a certain extent, the final question in our questionnaire provides an answer to what Mr Savary said. I quote: 'In the longer term, what added value might derive from targeted European support for the financing of clean and energy-efficient urban transport?' The question almost echoes what Mr Savary asked; namely whether there could eventually be a Community programme. It is too early to say, but it is crucial that we raise the question. I would like to thank Mr Savary for saying that there is a certain amount of Community added value in such an important policy for the future.

Mrs Ayala Sender, public information is of course a major factor in intelligent mobility and we know that, in this respect, satellite navigation, combined with progress in new information and communications technologies, must ensure that a bus stop, say, can also be a passenger information point. There is plenty to do here and it is essential that the most effective technology is made available to towns and cities. You also mentioned rationalising the distribution of goods in town and city centres: there is a huge amount to be done there also.

Mrs Țicău, thank you for raising the problem of access for the disabled and for people with reduced mobility in general. I think that this is another major aspect of this issue. We must give 'European citizenship' content, and I can see only advantages in having a real charter on rights and obligations for passengers that would also be beneficial to these citizens.

Mrs Douay was right to remind us that, of course, mobility must be considered as a whole. There are people who live in towns and cities, there are people who go to towns and cities to work, and there too there has to be a more integrated approach. However, I will finish by saying both to you, Mrs Douay, and to all MEPs: we have made quite a rough sketch, if you like, because we did not want to confine answers at this stage within certain restricted rules. The questions are deliberately open. That said, I am also weighing up all the effort needed to achieve a coherent and efficient action plan, otherwise there will be no European added value.

Thank you, Mr President, ladies and gentlemen, and I sincerely look forward to continuing this exciting debate on urban mobility over the coming months.

IN THE CHAIR: Diana WALLIS*Vice-President***13. Commission Question Time**

President. – The next item is Question Time (B6-0316/2007).

The following questions are addressed to the Commission.

Part one

President. – Question No 32 by **Richard Corbett** (H-0607/07)

Subject: Respecting the specificity of sport

Does the Commission agree that UEFA's 'home-grown players' initiative will encourage sporting solidarity and safeguard European football? What steps does the Commission plan to take in order to respect the specificity of sport when framing legislative proposals and in interpreting existing EU law?

Ján Figel, *Member of the Commission.* – Madam President, I am happy to contribute by answering on the issue of the specificity of sport. It would be very timely to discuss this even in more depth – not now, but later on – because on 11 July this year the Commission adopted a White Paper on sport. This was a very important contribution, which stressed the importance of promoting the training of young, talented sportsmen and sportswomen in proper conditions, which is crucial for the sustainable development of sport at all levels. This was an institutional and very political contribution to the question and to cooperation on this matter.

I quote from the paper: 'Rules requiring that teams include a certain quota of locally trained players could be accepted as being compatible with the Treaty provisions on free movement of persons if they do not lead to any direct discrimination based on nationality and if possible indirect discrimination effects resulting from them can be justified as being proportionate to a legitimate objective pursued, such as to enhance and protect the training and development of talented young players.' I think this is a very important clarification of how to understand this issue.

The Commission is currently in the process of evaluating the compatibility of UEFA's measures on home-grown players with Community law, with a view to striking the right balance between the need to comply, on the one side, with Community law and the autonomy of sports organisations, and with the interests of European football on the other.

This is done in the light of the declaration annexed to the Amsterdam Treaty, the so-called Nice Declaration of the European Council in 2000, and the White Paper on Sport, which specifically mentions, as action number 9 in the Pierre de Coubertin Action Plan, 'to complete the analysis of rules requiring that teams include a certain quota of locally training players'. This comprehensive comparative information on football academies in Member States and on home-grown players is not available at present.

In 2006, the Commission launched a study on sport academies in Member States, including the issue of home-grown players. The results of this study are expected to provide valuable input for its analysis.

Concerning the second part of the question – because it consists of two sentences on the specificity of sport – Chapter 4 of this White Paper develops the concept of specificity of sport within the limits of existing EU competences. As described in more detail in our Staff Working Document in the annexes, decisions taken by the European Court of Justice and the Commission show that the specificity of sport has been recognised and taken into account in the past. The Commission shares the view that certain values and traditions of European sport should be promoted and will continue to recognise the specificities of this sector, while respecting EU law. However, a case-by-case approach remains the basis for the Commission's control of the application of EU law, and in particular competition and internal market rules. This is in line with the current Treaty provisions.

In order to provide legal clarity for all stakeholders and to contribute to the improvement of governance in European sport, the above-mentioned Staff Working Document and its two annexes explain in depth this issue of specificity. It concerns sport and EU competition rules and sport and internal market freedoms, and takes stock for the first time of European Court of Justice case-law and Commission decisions in the area of sport.

I want to underline that, for the first time, the specificity of sport is set out in our policy document much more than it has been at any time in the recent past in the EU context. That is one of the most important contributions – not only to this answer, but also to the promotion of sport in the European Union.

Richard Corbett (PSE). – UEFA's rules requiring clubs to have a certain proportion of players that are locally trained and home grown is designed to make sure that clubs do not rely only on their financial muscle in the transfer market, but have to invest locally in their communities in training. It is a vital scheme. Yet the Commission, on this point in its White Paper, has not come off the fence in saying that it is a scheme that is acceptable under the Treaty and now, Commissioner, you say it could be, if... – and you are still investigating. May I ask the Commission, why is it taking so long? When will the Commission be in a position to endorse this welcome scheme?

Ján Figel', Member of the Commission. – I would love to give more of an answer, but there is already a kind of step forward if we recall our debates a year ago, or at least from the perspective of Parliament. I think that the answer I quoted, which is part of the communication, of this policy paper, is an important assurance that we want to support the specificity of sport, particularly of football, in terms of the protection and promotion of young people and the training of, and investment in, young people.

The study has not been completed, because we do not have all the data we would like to have. I hope that with the complementary questionnaire we are now working on we will get the remaining figures. It is very important that partners from Member States' associations, federations, clubs and leagues, work with us. Hopefully in a foreseeable time – I would like it to be early next year – we will be able to give a definitive answer. In two weeks' time we will meet with all stakeholders from the world of sport in Brussels to debate the content and implementation of the White Paper. I believe that this part will be very crucial for concrete action and the promotion of the values of sport.

On behalf of the Commission, I can tell you that we remain committed to these issues, and all the sensitivities must be dealt with duly. Before we take any decision – not only in this area, which is quite specific – we have to carry out a thorough analysis and then take real decisions.

Reinhard Rack (PPE-DE). – (DE) Commissioner, without wanting to offend the Commission or the Court of Justice, I have the feeling that neither our judges nor our Commissioners, or the female members of the Commission, are seen very often at a football ground. If they were there more often, they would notice that we are currently at the start of the European Cup season, in which we have teams playing against each other in which often just one member at any one time is a member of the national squad. We have therefore witnessed the nurturing of new blood being totally neglected and we attribute an exclusively economic dimension to it all.

Football is more than an internal market, and football is not merely competition in the legal sense. Football is a sports competition between national, regional and local teams. Something needs to happen here, and fast. Can the Commission promise that something really is happening apart from studies being undertaken?

Ján Figel', Member of the Commission. – I am sure that something really will be done. I use football as a great example, because in a way Europe is the best in the world in football. I think we can be the best in many other areas like, for example, higher education, which is usually not seen as the best of Europe. No, what Europe needs is not only to refer to its successes or to refer to the importance of football or sport for its historical developments and current achievements, but also for the future. A balanced approach to sport activities is one of the answers, which means it is not about money in the first place, but about the rules and values that govern the world and money to support healthy investment.

I know about the imbalances, the problems and doubts about the credibility of competitions and about corruption, and too much money deciding who is really a strong partner or strong competitor.

Since 1999, with the Helsinki Report – you remember, maybe, even better – and then the Nice Declaration, there has been, I think, a new momentum. The Commission had never come forward with a policy paper. If we come forward, not just with a paper in hand, but to offer actions – and there are 53 actions offered under the name of the Pierre de Coubertin Action Plan – then we can do a lot. If we stay credible in implementation, I think we can prepare also the first Treaty article on sport, because we do not have a legal base now, and that is why we cannot define some of the actions, and that is why we have to decide case by case, on individual problems.

There are many collateral issues in this answer, so more credibility means cooperation of EU institutions, national legislators, but also governing bodies in areas of sport. They set the rules, they govern and they have to be also credible in governing individual disciplines or games or competitions.

I would say a sports forum, which we will organise under the Portuguese Presidency, could be one of the answers for permanent or regular transparent and credible dialogue on all problems and possible solutions, whether on a small scale, in Europe or in broader international cooperation.

Manolis Mavrommatis (PPE-DE). – (EL) Madam President, Commissioner, in his letter Michel Platini, President of UEFA, asks the leaders of the 27 EU Member States to intervene by dealing with the rising wealth of football clubs, which are spending ever more on players and other purchases, thus turning football into a business rather than a sport with values.

However, in his statements before this letter, the President of UEFA asked politicians not to interfere in football. He said that the EU and the European Parliament should confine themselves to their political roles and stay away from sport.

Do you agree with these views held by the President of UEFA, and to what extent? Will the White Paper on sport be a good opportunity to clarify these outstanding matters?

Ján Figel', Member of the Commission. – Thank you for your concern and for the message indirectly from the President of UEFA, Michel Platini; we met repeatedly, and I even have a description of the 'home-grown player' proposal.

Now, we urge more common action, including the possible inclusion of sport in the Reform Treaty – it is in the mandate and in the draft. We are not asking for power; in the White Paper we are asking for cooperation, for very concrete actions, which range throughout many areas – education, training, social inclusion, public health – but also, on the other hand, repressing phenomena such as violence, racism, corruption in sport or individual organisations or events. We cannot just wait for the next Treaty, or even take any consensus reached today for granted in the future. We should act today for a better future, whether in football or in other areas.

I think that the European Parliament, the Commission and the Council can address many of the problems, and, as I said, together we can do a lot. It does not mean that we have to intervene at EU level. For example, if we agree in October at ministerial level on the content of an amendment or improvement to our code on anti-doping convention or rules within the World Anti-Doping Agency, then this is the action against doping. I recall Mr Mavrommatis and many colleagues who claimed urgent action from the Union when I became Commissioner in 2004 against doping, which was the problem of the Olympic Games.

Doping is a very visible, damaging and influential cancer or phenomenon in sport. There we can do a lot, but we have to act, not only discuss, and that is our approach now.

President. – Question No 33 by **Chris Davies** (H-0618/07)

Subject: Biofuels

When does the Commission expect to adopt proposals for certification of crops intended for the production of biofuels, or of biofuels themselves, with a view to ensuring that EU demand for such products does not increase the rate of destruction of tropical forests?

Andris Piebalgs, Member of the Commission. – The Commission is currently finalising the directive on the promotion of renewable energy, and I am targeting adoption of this directive by the end of this year. And one of the very important issues in this directive will be addressing sustainability of biofuels, the principles described and ways of guaranteeing that biofuels do not have a negative influence on the environment. For this reason, a particular scheme will definitely be proposed that could be used – and will be used – both for domestic grown biofuels and also for imported ones.

Chris Davies (ALDE). – Would the Commissioner agree that our record in controlling the import of timber from illegal sources is lamentable – simply dreadful? Given this experience and the potential for corruption and falsification of documents that exists, how can we have confidence that any certification of biofuel crops will be valid? Might we not end up making a bad problem worse?

Andris Piebalgs, Member of the Commission. – First of all, I cannot confirm that there is a lot of illegal timber being brought into the European Union, but what I can clearly say is that, so far, there has been a very limited

amount of biofuels coming into the European Union. We have not had any effect whatsoever in terms of negative consequences for rain forests. The certification schemes that are proposed will be implemented. I have no doubts whatsoever about that, because the general performance by customs within the European Union has been very positive.

Jörg Leichtfried (PSE). – (DE) Commissioner, what has just been mentioned is a problem. A second problem apparently is that due to the increased use of biofuels, prices of staple foods are beginning to increase, particularly in countries where this really can become a problem and many people, particularly in these countries, are no longer able to afford their staple foods. Are you aware of this problem? If so, what are your thoughts on it and what is being done about it?

Andris Piebalgs, Member of the Commission. – (DE) The main reason for the current price increases for food is rising demand, particularly in China, India and also in other states. That is the main reason for the price increases. My colleague, who will take the floor after me, will explain what measures we need to take. It is clear that we have to produce more because demand also has to be covered.

As far as biofuels are concerned, their influence on food prices is very marginal at present because consumption of biofuels globally is still low. We do, of course, have to take account of this because a great deal of maize is currently being produced for biofuels in the United States. This can influence a certain sector, but there are ways to continue to meet rising demand. I am of the view that we in the Commission have to find an answer to world market prices. My colleague has already prepared some proposals on this.

Georgios Papastamkos (PPE-DE). – (EL) Madam President, Commissioner, there is a view that growing biofuels and trading in them may absorb the surplus production of developing countries via conversion to biofuels for their own use or for export.

Does the Commission believe that the biofuels sector could unlock the Doha Round of the World Trade Organisation negotiations?

Andris Piebalgs, Member of the Commission. – There are definitely some countries that are interested more in the international trade in biofuels – particularly Brazil; that is true, but the Doha Round of negotiations is much broader than that. It is not only about biofuels, which is one small part of it, and we should definitely agree on a broad range of issues. I would say biofuels will have a very marginal influence on the outcome of the Doha Round.

President. – Question No 34 by **Brian Crowley** (H-0630/07)

Subject: The state of play in the WTO talks

Can the European Commission make a comprehensive statement as to the present state of play with regard to the WTO process?

Mariann Fischer Boel, Member of the Commission. – It is a normal Nordic approach: rather short but straight to the point.

I can clearly say that the next two months will be crucial for the Doha Development Round. Negotiations have now re-started on the basis of the proposals that were submitted in July by the chairs of the respective negotiating groups on agriculture and on industrial products.

The chairs, in producing their negotiation proposal, have done an honest job. I think we can say that they have distributed the pain fairly. They put pressure on each of the key players on each issue of the so-called negotiation triangle – AMA, NAMA and domestic subsidies – which is most sensitive for the different players.

It is obvious as well that the text of the chairs is not cast in stone. The WTO membership had a chance to offer preliminary reactions to these texts before the summer break.

But now negotiations really have to get down to specifics. A further round of discussions on modalities kicked off at the very beginning of September, taking place in Geneva. The objective of the WTO Director-General, Pascal Lamy, and the chairs is to be in a position to issue a revised paper some time in October to serve as an ultimate basis for a final deal on modalities, to take place no later than this autumn. Whether this will be the case, whether there will be a final paper, depends entirely on the negotiating engagement of the different players.

The United States should now translate President Bush's political commitment at the APEC Summit into concrete negotiating moves to try to clinch a deal. It is imperative for the United States to be seen to engage and to move on agricultural subsidies, not least in respect of its objective to ensure access to the developing countries' agricultural markets.

Brazil, India and, by the same token, other emerging economies have to move in the right direction and deliver their side of the bargain, and that means cutting, to some extent, their actual tariffs on industrial products.

The reality of these talks is that the distance to the finishing line – if we talk in economic terms – is fairly short at this stage, certainly very short compared to the road that we have been travelling until now.

The value of remaining concessions that both developed and some developing countries need to bring into the final package is small compared to the systemic gain of doing the deal, especially as global economic conditions are becoming more and more uncertain.

But the clock is ticking. If there is no agreement on modalities in the autumn, an early conclusion of the DDA becomes very unlikely. The United States presidential campaign will pick up speed and the round might then be put into the deep freeze for years.

For the round to succeed now, all parties need to show flexibility and willingness to reach a compromise. The European Union will continue to reach out to the various constituencies of the WTO membership and their key members to ensure their constructive engagement.

Brian Crowley (UEN). – I want to thank the Commissioner for her response. I would have liked it if Commissioner Mandelson was here as well, because I know he had a meeting in America last week, where he was disappointed with the response.

But, very briefly, you spoke about the developing countries and you mentioned, as part of that, Brazil and India. From an industrial point of view and from an export point of view, they cannot be classed as developing countries. Yet at the same time, from a cultural point of view, they are classed as developing countries with regard to the benefits that they will get.

Should Europe give more in the agricultural field, in particular when you see that the US Farm Bill, which has now come into being, is taking more subsidies out of the package that was originally negotiated, and Europe seems to be giving all of the leeway, whereas America is not taking any of the pain? Is that a correct way to continue?

And, finally, if autumn is the deadline, the end of October is autumn. Winter starts on 1 November. So do you see a time frame there for that to be successful?

Mariann Fischer Boel, Member of the Commission. – In defining when winter starts, in my calendar it is December, but so be it. First of all, it is obvious that, when we look at the direction that the US Farm Bill is taking, it is not very productive in terms of supporting an agreement within the Doha Round, but we cannot prejudge the decisions in the Senate at the end of the day.

I am not going into a discussion on whether Brazil is a developed or developing country when we talk about the mix of agriculture and industrial products, but it is obvious that, in the agricultural sector – and in biofuels, which were discussed just a few minutes ago – Brazil is a very competitive country. Biofuels produced from sugar cane are very competitive in the global market.

Marian Harkin (ALDE). – Thank you, Commissioner, for your reply. You said that it is very important that the US make an offer. It has been strongly suggested in recent days that the US has in fact made a very significant and very interesting offer on domestic market supports. I would just like to ask you if this is so, and, if it is, could you give us any information?

My second question is: would you not agree that, certainly up to now, we seem to be the ones that are making the concessions? Can you confirm that Commissioner Mandelson has offered 70% cuts in support to EU farmers, and, if this is so, do you support this position? Would you not agree that such cuts would devastate European agriculture and, in particular, the beef sector?

Mariann Fischer Boel, Member of the Commission. – First of all, when we looked at the negotiating papers from the two chairs, Mr Falconer, who is responsible for the agricultural sector, put a paper with some gaps between the figures. And when we look at domestic support, which is the most difficult issue for the

Americans, it is obvious that they have now signalled that they will be able to operate within the gap or within the two figures mentioned in the Falconer paper.

The negotiations, or discussions, are ongoing, so it will be extremely difficult to say where the final game will end up. But I have to say, the difficult issue for the European Union is, as far as the agricultural sector is concerned, of course the tariffs. But even more important than the tariffs is the way that we treat our sensitive products. This is simply key and more important, actually, than the reduction of the tariffs in the different bands which we are operating.

So I can only encourage you to keep a close eye on the way to treat sensitive products as this will be key in the final game.

Jörg Leichtfried (PSE). – (DE) I do understand that we have to deal with these negotiations on quota prices etc., but what I do not see here is the negotiation or dissemination of what Europe represents, the dissemination of our way of life. Madam Commissioner, the question for me is whether you are entering into these negotiations and saying: we do not want any products that have been made by children! We do not want any products that have been made by forced or slave labour! We do not want any products that have not been produced in compliance with core labour standards! Is this the issue and are you making an issue out of it?

Mariann Fischer Boel, Member of the Commission. – We have actually tried to introduce a discussion on what we normally call the non-trade concerns, but it has been very difficult to relaunch this discussion with some of the other operators. I am quite sure that the issue on the products for which we ask for a certain level of taking care of the livelihood of employees and the health of the employees – of course, I think personally that there is a commitment to the companies that import goods from those countries. You can talk about towels from India with the type of colouring that they are using in specific locations. So I think if we are pulling in the same direction – all of us – I hope that we can find a decent solution.

Part two

President. – Question No 35 by **Georgios Papastamkos** (H-0594/07)

Subject: Doha Round negotiations on agriculture

What is the Commission's assessment of the progress of the Doha Round agriculture negotiations and the 'offers' by the EU's negotiating partners?

Is it true that it is minded to make a larger offer – in comparison to the October 2005 offer – on behalf of the EU in the agriculture sector, primarily with regard to access to the market? At all events, has it carried out a study on the impact on the European agriculture sector?

In the event of failure of the WTO negotiations, what are the Commission's priorities at bipartite and (inter)regional level in the area of trade in agricultural products?

Mariann Fischer Boel, Member of the Commission. – The Commission is still of the opinion that there is a window of opportunity for a positive outcome of the Doha negotiations in the very close future, as I mentioned in my previous answer.

I can only say again that, unless a breakthrough is achieved before the end of the year, I find it very difficult to see a possibility of finalising the negotiations, because of the upcoming presidential elections in the United States.

However, current offers made by some of our negotiating partners are still falling short of what could be required to obtain a balanced outcome to the negotiations.

Regarding the scope of a final EU offer, the ongoing common agricultural policy reform constitutes clearly the limits of the Commission's negotiating mandate, and this means that we cannot accept a deal that means that we have to reform our common agricultural policy again. It is clearly in accordance with the mandate given by the Council, and the negotiation limits that we have will also be, of course, the equivalent concessions from our WTO partners in agriculture and elsewhere, resulting in improving market opportunities for our exporters.

It is important that when we talk about the reduction of tariffs we sometimes fear that our agricultural sector will come under immense pressure from imported commodities. We have to remember that the coin has

two sides, which means that a reduction of tariffs will also take place on the new emerging markets that could be – and I am sure this will happen – of huge interest for European producers to enter into, such as, for example China, and India. So we are still striving towards a positive outcome of the Doha Round. It is obvious that a multilateral solution is to be preferred, whereas a bilateral one could be supplementary to the multilateral discussions.

We are doing our very best at this stage, but it is crucial, if we find a solution, for it to be a balanced solution – within the three pillars of agriculture but also between agriculture, industrial products and services.

Georgios Papastamkos (PPE-DE). – (EL) Thank you for your reply, Commissioner. I have the feeling that you are speaking more as a Commissioner for International Trade and less as the Commissioner for Agriculture.

Does Mr Mandelson, the Commissioner responsible for International Trade, also share your view that the review of the CAP will not do any damage? Does he share the view that accepting the modalities of July 2007, which go beyond the offer made by the EU in October 2005, does not exceed the negotiating mandate given by the Council of Ministers of 2005? If so, before you make any commitment to our trade partners, you need not ask for a new mandate from the Council.

Mariann Fischer Boel, Member of the Commission. – When the CAP reform was agreed among the Ministers in the Council in 2003, it was the mandate that was given to the trade and agricultural commissioners. Within this mandate we could negotiate. What we are now presenting – or what we will be presenting on 20 November – is the health check of the agricultural policy, and this is not a new reform. It is not a new reform and therefore it is not my perception that, whether or not we get a Doha deal, it will have influence on what we are suggesting as the health check of the common agricultural policy. So it will not be influencing or moving the mandate that we have already got.

Reinhard Rack (PPE-DE). – (DE) Madam Commissioner, genetic engineering in farmed foods makes many people in Europe uneasy, anxious and afraid. Is this subject again playing, or will it continue to play, a greater role in the Doha Round?

Mariann Fischer Boel, Member of the Commission. – It is obvious that what we have experienced throughout the last few months in terms of the price increases in Europe, especially as reported in the newspapers in Germany throughout the summer break, has of course raised many questions. These are quite new questions on agricultural policy in Europe, where we were previously fighting against overproduction, intervention stocks, and we are now in a much more balanced market, thanks, I think, to the decoupling of the direct payment to farmers, which allows farmers to react to the market instead of calculating the best outcome on the cheque from Brussels.

It is clear that in the Doha Round the *préférence communautaire* or the security of food supply is not in itself an issue. It is, of course, crucial to everybody round the world to be sure that they can feed their own people, but it is not exclusively a chapter in our negotiations.

Jim Allister (NI). – In addition to expressing unease about yet further concessions damaging to our agricultural interests, can I ask you what focus there has been in the negotiations on raising beef production standards amongst those who seek greater access to our market, so that we might end the prejudicial impact on our own producers of permitting food imports where traceability and quality fall far below the standards that we expect of our own producers?

Mariann Fischer Boel, Member of the Commission. – I think I have heard this before. I might be wrong, but it reminds me of some question raised by the Irish Minister and some Irish MEPs on the import from Brazil, traceability, and the opinion of the Irish farmers on lack of traceability. It is obvious that we are following this case closely, and I know that my colleague, Commissioner Kyprianou, will be meeting the committee in Parliament.

We want to ensure fair trade, which means that importers or exporters into the European Union have to meet the same quality standards as our own producers.

I will be visiting Brazil next month to see if they can show me what I want to see: that is, how things work in Brazil concerning the possibility of tracing back the products that are taken into the European Union.

President. – Question No 36 is inadmissible as its author is no longer a Member. Question No 37 by **Ioannis Gklavakis** (H-0636/07)

Subject: Amendment of the CMO in wine

On 4 July 2007 the Commission unveiled a proposal for a Council regulation on the common organisation of the market in wine (COM(2007)0372). Funds for the 'national envelopes' are allocated according to a key which is based to 50% on the historical input of Member States, 25% on area and 25% on production. Moreover, adjustments have been made in favour of certain Member States.

Will the Commission say which criteria were used in the selection of the specific allocation key and why the funds are not allocated on the basis of the historical payments of Member States over a representative reference period, as occurred in the case of all those CMOs which have so far been amended? Furthermore, given that the overall amount of resources is limited, how was it decided to adjust input for the benefit of some Member States, which necessarily results in a corresponding decrease for the others?

Mariann Fischer Boel, *Member of the Commission.* – In order to propose a fair share between Member States of the overall amount that will be allocated to the national envelope, and of the amount transferred into our rural development policy, we have actually been using three different criteria: areas under wine on the basis of all the available historical data that we have; secondly, the production in terms of volume on the basis of historical averages; and, thirdly, expenditure, on the basis of an historical average, except for Bulgaria and Romania where the budgetary requirements calculated within the framework of adhesion were used, as those were the only reliable figures that we could use. The weighting between these three different areas is 25% on area, 25% on production and 50% on the budget for the envelopes and the transfer into the rural development policy. 50% for area and 50% for production for that part of the envelope which is specifically related to promotion in third countries, which I consider to be a new and very important forward-looking policy for the wine sector. When we had this discussion on the redistribution between Member States' envelopes, we made a positive correction for three Member States so as to limit their reduction in view of the important divergence for these Member States between their share in historical expenditure and their share in the two other criteria. This correction was not made to the detriment of the amounts allocated to other Member States, meaning that we did not cut other amounts to find money for these three Member States, so we simply increased the total budget. This makes it possible to share Community support equitably by taking into account, on the one hand, the respective reductive capacity of each Member State and, on the other hand, effective implementation of the new measures proposed within the framework of the reform.

Ioannis Gklavakis (PPE-DE). – (EL) Madam President, Commissioner, at a time when the Commission believes that it is necessary within the framework of the law to make structural changes for some Member States, is it examining the possibility of reacting in a similar way to help Greek wine-growers recently hit by the catastrophic fires? Their income for the coming years will be significantly reduced. Huge areas covering thousands of hectares of vineyards have been burned; this means that the vine-growers have suffered loss and that their plants have been damaged.

In view of this, does the Commission intend to demonstrate solidarity and to help these people?

Mariann Fischer Boel, *Member of the Commission.* – First of all, I think that everybody who watched the devastating forest fires in Greece on the television wondered what would happen afterwards with the damaged areas. I have had the possibility to discuss it with Greek Members of Parliament, with the Minister, with the Ministry, with the Minister for Economics from Greece as well, while travelling round to find solutions.

And there are different solutions, and that will be for my next question. I can only say we cannot solve the problems of the forest fire within the CMO for wine. That is excluded. And I can tell you, if we re-open the distribution of money between the envelopes and Member States, it will be like opening Pandora's box, and I have no more money available than the present budget of approximately EUR 1.3 billion every year for the wine sector.

We have to find solutions to the consequences of the fires within rural development policy, within the regional funding, and I am quite sure that decent solutions will be found.

President. – As they deal with the same subject, the following questions will be taken together: Question No 38 by **Katerina Batzeli** (H-0655/07)

Subject: Payment of CAP support for areas hit by fires

The recent fires in Greece had a disastrous impact on farming, particularly in the olive oil, fruit and vegetable and wine sectors, with serious consequences for the environment and the development of these regions, posing a major threat to the continuation of farming activity.

How must the application of cross-compliance be redefined so as to ensure the legitimate payment of uniform decoupled aid to farmers affected?

How will the implementation of the new COM for wine be ensured in areas hit by fires, in particular as regards the Commission's proposals for granting direct aid to wine-growers who use practices that respect the environment?

What additional provisions and clarifications are required in the new regime for raisins so that immediate crisis-management measures can be implemented? Is it possible to increase the resources for operational funds in order to finance such measures in the event of emergencies?

Is it feasible to create a specific national programme to support farmers with funding from the COMs for fruit and vegetables and for wine?

Question No 39 by **Georgios Karatzaferis** (H-0661/07)

Subject: Funding of non-governmental organisations and bodies for immediate reafforestation in Greece

Greece recently suffered the greatest environmental disaster in its history. However, many Greek environmental bodies and monasteries located on burned land possess the know-how and the scientists necessary to organise the rapid reforestation of these areas by extensive planting operations.

How can the Commission provide funding directly to non-governmental organisations, monasteries, environmental bodies etc. (i.e. outside the framework of the third CSF) so that they can immediately restore the environment in Greece's forests which have been destroyed by fire?

Which Community initiatives could be used for this purpose?

Mariann Fischer Boel, *Member of the Commission.* – First of all, I can again only express my sympathy with all the people that have been hit by the consequences of the fires.

I think it is important to say that the single farm payment – the direct payment to the farmers – is not at risk. The possible destruction of the crops, of animals or of buildings, has no consequence on the decoupled payment since there is no obligation to produce.

As regards cross compliance, one important rule is that the reduction of direct CAP payments under cross compliance can only be decided as a result of actions or omissions directly attributed to the farmer. Therefore, forest fires like the ones we saw in Greece this summer would not result in the reduction of payments.

As far as wine is concerned, in the event of partial destruction, vineyards could be eligible within the restructuring scheme, under the current Regulation, and within the national envelopes that will be foreseen for the new CMO.

The reformed CMO for fruit and vegetables foresees new crisis prevention and management tools. However, this new regulation will only be in place from 2008, and there is no retroactive clause.

As for the last question, the financial rules do not allow the Commission to transfer possible savings from the market organisation budget to specific national programmes to support Greek farmers.

Concerning the specific question on non-governmental organisations, monasteries or environmental bodies, the Commission does not have the possibility to directly support these for the purpose of environmental restoration activities. European Union assistance is only possible through specifically designed programmes and interventions which are drawn up by Member States following the principle of subsidiarity and submitted to the Commission for co-financing.

I want just to mention some specific possibilities in our rural development policy which could be used to help as well. I referred to these in my previous reply. The first option concerns the programme 2000-2006,

and can involve modification of the programme complements of national operational programmes and the regional operational programmes in order to reconstruct agricultural potential after national disaster measures. This can, for example, mean that a farmer can get money for buying cattle, fruit and olive trees or to restore buildings that have been destroyed.

However, I have to repeat very strongly that it is not possible, via rural development policy, to compensate farmers for lost income.

The second option is the new rural development programme 2007-2013, which includes measures for restoring agricultural production potential, as well as forestry potential, following natural disasters.

It must be noted that interventions through these two options would be limited to reforestation and reconstruction of production potential, and again cannot be used to compensate for loss of income.

I want to conclude with the possibilities that will be available within state aid schemes. A disaster like the forest fires in Greece would normally be considered exceptional occurrences, which actually allows Member States to grant support to compensate for material damage.

Nationally funded assistance to agriculture and forestry may be given following notification of a state aid scheme, and is subsequent to approval by the Commission.

I would also remind you that there is a much easier possibility, which is to use what we call *de minimis* state aid, which means that Member States can pay farmers, with the new changes that have taken place, EUR 6 000 – and you can do that every three years. So, without asking anyone, you can actually pay direct to the farmer up to EUR 6 000 to help immediately, if necessary.

Stavros Arnautakis (PSE), *deputising for the author.* – (EL) Commissioner, I would like to ask if you have received a specific draft plan for the reconstruction of the regions affected by fire.

What will the procedure be for approving such a plan?

Mariann Fischer Boel, *Member of the Commission.* – As I mentioned, you have two possibilities within the programmes. Within the rural development programme, it is possible to find support for reconstruction to buy, as I said, new olive trees and new wine stocks. Then you have the regional policy, which falls within the responsibility of my colleague Commissioner Hübner. I know that there is a direct link and very good contact where Commissioner Hübner has been nominated to hold the ropes. I am sure that lots of constructive discussions are ongoing.

President. – Question No 40 by **Marie Panayotopoulos-Cassiotou** (H-0601/07)

Subject: Funding for research

Which sectors of research does the Commission consider are lagging behind in funding provision under the plans for the programming period 2007 - 2013? What criteria determine the priorities for funding? How does assessment of the usefulness and effectiveness of the research that was funded under the sixth research framework programme influence the selection of new research projects? What criteria determine the priorities for funding in each research sector?

Janez Potočnik, *Member of the Commission.* – Madam President, it is good to be here again. I would like to thank the honourable Member for the question concerning the funding for research. Her question refers clearly in the first instance to research funded by the European Union and in my answer I shall deal with these aspects. However, the need for increased investment in research at national as well as European level, private even more than public, is central to achieving the Lisbon goals. At the same time we have to make sure that this money is well spent to ensure the maximum effect.

The question is essentially in four parts and I shall reply to each of them in turn. At the same time, we must bear in mind that it is still very early to draw definitive conclusions and lessons from the sixth and seventh framework programmes. But before turning to the four aspects of the honourable Member's question, I should like to recall that European Union cohesion policy, especially the European Regional Development Fund and the European Social Fund, also makes an important contribution to the development of the European research area. The Commission estimates that cohesion policy support for research and innovation will more than triple in the programming period 2007-2013 compared to 2000-2006.

Turning to the first element of the question, what are the sectors of research that the Commission considers to be lagging behind in funding provisions under the plans 2007-2013? The Commission believes that it has a good balance between the more top-down thematic areas in the programme and other, more bottom-up activities in framework programmes, such as frontier research and fellowships. It would not be appropriate to single out specific areas in particular need of funding. The closer you look at our 10 thematic priorities, the clearer it is that we need more funding and more research in practically all of them. But, to give you an example, I could mention the research infrastructures of pan-European interest, for which the final budget in Framework Programme 7 is much less than the Commission had originally proposed. This is an important area where we have real added value in Europe. We are seeking to combine funding from many sources, especially from national and regional sources and the European Investment Bank. It is also evident, following the first call for proposals of the European Research Council, that we are faced with serious oversubscription. We have received many more excellent proposals for fundamental frontier research than we have money to fund.

Looking at thematically orientated research, we can clearly see the need to better support research areas such as energy and climate change. Here, Member States can help not only by increasing investment in research but also by exploring ways of combining research efforts rather than allowing them to remain fragmented. This is also one of the areas which we advocated in our Green Paper on the European Research Area.

Turning to the general criteria, the thematic priorities for funding are set out in the Cooperation Specific Programme. These research areas are the ones which will be supported through calls for proposals during the 2007-2013 period. Our proposal was made after an extensive consultation with stakeholders during 2004, including a web-based consultation on the cooperation themes as well as input from industrial stakeholders through the European Technology Platforms. It was also based on an extensive ex-ante impact assessment. Results from ex-post evaluation and monitoring exercises also form an important element in determining the priorities for research funding. This learning from past experience was indeed a key element in defining the priorities in the Framework Programme, as you suggest in the third part of your question to which now I turn.

You asked how assessment of the usefulness and effectiveness of the research that was funded under the sixth framework programme influenced the selection of new research projects. Here we have to distinguish two different ways of making that link. First, at the more detailed, operational level, we should note that the several thousand FP6 projects are monitored by the Commission services. These colleagues are in frequent contact with the research community and their up-to-date insight into the progress achieved within this project is an important element in preparing the Framework Programme 7 work programmes. But, in the second place, at a more global level, in 2008 the Commission will organise the ex-post evaluation of FP6. This assessment of the overall impact of the different research activities will be carried out by high-level experts. The results of this FP6 ex-post evaluation will be a major input in the forthcoming mid-term review of FP7 in the year 2010.

Finally, turning to the last part of the question, when considering the priorities for funding in each research sector, the topics to be funded are specified in the annual work programmes and the call for proposals. Each year, we undertake consultation with the right variety of stakeholders in drawing up the work programmes. We also call on the assistance of external advisory groups, key specialists in the area, who provide input on ensuring that the work programmes contain the most essential areas of research, taking into account ongoing projects that have been funded in previous calls for proposals. Once the individual proposals have been received in response to the calls, they are evaluated by expert peer reviews using a standard set of evaluation criteria. The proposals funded are those which receive the highest overall mark for the call or part of the call they address.

In conclusion, I believe that it is fair to say that for research funded through Community instruments we have a transparent system which allocates funding to the most relevant areas and also ensures it is then awarded to the best proposals.

Maria Panayotopoulos-Kassiotou (PPE-DE). – (EL) Thank you for your rather informative reply. I should like to ask whether international progress in research is taken into consideration when decisions are made on various actions, seeing that we live in a globalised world. To what extent do young people in Europe receive special funding for participation in research?

Janez Potočnik, Member of the Commission. – Of course there is no other way than to look at the global context. If you look in practice at what other major communities around the world are focusing their research

on, then it is the same as ours. More than that, we do combine our efforts in many areas. One of the things we really strengthened in the seventh Framework Programme was precisely international cooperation. We are funding and supporting that, and will do so more in the future, because we believe that in the world of globalisation the challenges which lie ahead of us – be it food, health, drinking water, climate change, security or energy – are global and it is for us all to deal with them in the proper way.

Justas Vincas Paleckis (PSE). – Commissioner, you mentioned among the top priorities the thematic subjects energy and climate change. That is a correct priority, and the European Union needs a breakthrough. How does the Commission intend to organise cooperation between the best brains in the EU to work on this subject, and maybe – even more so – to promote cooperation between the best brains in the world? Because this question is a crucial one.

Janez Potočnik, Member of the Commission. – Yes, we are truly focusing on that. It was basically that philosophy – it is shared in the existing framework programme – but the truth is that we are now also focusing on the preparation of a strategic technology plan for Europe. It should be adopted by the Commission by the end of the year. In that, we are of course consulting practically everybody in this area in Europe.

So we have consulted all the technology platforms which already exist. We have had very open talks with them. They are, from bottom up, practically all included in our activities and we are trying to find a proper way of having this coordinated.

You properly said that it is also vital that we share in the best possible way, in an international way, on how to address these questions. But in that respect, there are two things: when you also try to address it from the private sector, you have to do it in a balanced way, before or between the cooperation and competitiveness, and that is exactly what we try to take into account.

Paul Rübig (PPE-DE). – (DE) Commissioner, the Council has reduced research funding for 2008. How are you preparing for the health check, the mid-term review of the Financial Perspective? Do you believe that we can submit new initiatives and proposals here that also reflect the importance of research in the European budget?

Janez Potočnik, Member of the Commission. – I think it is more the principal question of how far this mid-term review should go. I think that is the question we have to answer. If the answer is that we have to address, because of the urgency, some of the issues that are inside the already agreed financial period, then I am sure that area of science and research would be one of the candidates that needed to be addressed.

President. – Question No 41 by **Esko Seppänen (H-0640/07)**

Subject: ITER project

ITER is an ambitious project that undoubtedly smacks of scientific serendipity: we can find things without knowing how to look for them. There are also many non-EU countries involved. Have the partners to date handled their commitments, economic or otherwise, in the proper manner?

Janez Potočnik, Member of the Commission. – The ITER project, as the honourable Member knows, is a project which is an international flagship of the world fusion energy research programme. Since its inception during summit discussions in the late 1980s, Europe has played a leading role in the successive preparatory stages for the project.

The Commission can be justly proud of the confidence shown by the ITER partners in according Europe the central role of the host party to the joint implementation of this project.

The JET facilities, designed and built through the joint action of Euratom and its members, provided an outstanding example of what can be achieved when leading fusion research organisations pool their expertise and resources. The ITER project extends this principle from the European to the global level of cooperation.

ITER technical objectives and design are based on the steady and scientifically rigorous prospect process of development, in fusion research worldwide which has witnessed dramatic increases in the performance of experimental fusion facilities over recent decades in an atmosphere of international scientific cooperation that has transcended political barriers.

Beyond JET, ITER extends the experimental side to the level where the scientific and technological feasibility of fusion energy can be demonstrated.

Since the signature of the ITER Agreement in November 2006, the ITER partners have all handled properly the commitments that they accepted through the ITER negotiations.

At the political level, all the partners have pursued to completion their respective constitutional requirements for ratification or acceptance of the agreement, which is now accepted to enter officially into force within October this year.

In the mean time, the partners have properly honoured their undertakings to abide by the terms of the agreement to the fullest extent possible until it enters into force.

The staff of the international ITER team and the ITER site in Cadarache in France is building up with representatives of all partners now present.

The partners are providing their financial contributions to the budget of the ITER organisation and are pursuing conscientiously the necessary joint technical preparations for the technical and scientific contributions to which they have committed themselves.

In the European Union, a joint undertaking for ITER and the development of fusion energy was established by the Council Decision of 27 March 2007. Its role is to prepare and coordinate activities for the construction of the demonstration fusion reactor and related facilities.

To date, its supervisory body, the governing board, has met twice and adopted a first work programme and the administrative decisions necessary for the joint undertaking to be operational early 2008. In particular, the headquarters agreement with Spain has been signed. The governing board also appointed the director, the chief executive officer of the joint undertaking.

ITER is indeed an ambitious project. In bringing it to fruition we shall be pushing back the boundaries of our experience in the scientific, technological and organisational domains. It is the nature of experiments that the results cannot be forecast with certainty. But ITER is not an enterprise that we have entered into lightly or in the expectation of serendipity. ITER consists of long-term international partnerships and commitments, bringing together partners that represent over half of the world's population to address issues central to our common future, the development of sustainable, non-polluting sources of energy at the service of humanity. The prospects for ITER rest on the strong scientific and technological foundations of the project and on the enthusiasm and commitment demonstrated to date by its partners – by all of them; or rather, by all of us. There was never such cooperation in the world as we have gathered in ITER.

Esko Seppänen (GUE/NGL). – (FI) Commissioner, our experience of one particular cooperation project, Galileo, is bad. The European Union had to finance it, contrary to the original plans, while not all parties shared in its financing as planned.

Is the Commissioner's answer to be interpreted as meaning that we may not have any problems with ITER as regards fulfilling the commitments made, i.e. we will not have the same problem with ITER as we did with Galileo, where the parties concerned neglected the responsibilities they had committed themselves to?

Janez Potočnik, Member of the Commission. – That is certainly correct. I can give a very short explanation. The commitments which are then done are done by governments. They are all public commitments. So, the commitments which were in Galileo from the public side were never really the question. Truly, the problem that arose in Galileo would not arise at all in ITER.

President. – Question No 42 by **Carl Schlyter** (H-0643/07)

Subject: Nanotechnology

Nanotechnology is a new branch of technology which offers many opportunities but also involves increasing risks. According to the Nano Dialogue Project, 48% of people in the EU want a moratorium on the use of nanotechnology in consumer products until its effects on humans and on the environment are known.

What legislation is in preparation for the sectors in which products containing nano-materials are used and are already on the market, such as cosmetics, skin care products, medicines, cleaning materials and other consumer products? Does the Commission envisage a sector-specific approach or horizontal legislation on nanotechnology in consumer products?

Janez Potočnik, Member of the Commission. – First of all, I would like to thank you for the question concerning the area of nanotechnology. The Commission takes the question of safety and consumer protection very

seriously and it is working to ensure that the public can benefit from the innovations that nanotechnologies may bring while being protected from any adverse impact.

Much effort is dedicated to addressing safety issues. Something like EUR 28 million from FP5 and FP6 has been dedicated to projects expressly focused on environmental and health aspects of nanotechnologies, and such research is planned to increase significantly in Framework Programme 7 too, both in size and in scope. As you know, the Commission adopted an action plan for nanosciences and nanotechnology for Europe 2005-2009 and Parliament adopted a resolution on it, in which the action plan was well received.

In the communication published this month on the implementation of the nanotechnology action plan, we fully address the second part of your question. A wide range of European and wider international, especially OECD and ISO, approaches are pursued, both regulatory and non-regulatory, to address the potential adverse impact of nanotechnologies.

The Commission is performing an assessment of regulatory aspects in relation to health, safety and environmental aspects of nanotechnology-based products. Preliminary results indicate that, overall, the existing Community regulatory framework gives good coverage with regard to nanotechnology-based products developed today.

Different aspects of production and products, such as the ones mentioned in the question, like cosmetics and medicines, are already subject to various Community provisions, albeit not specific to nanotechnology. Consequently, there seems today to be no need to develop new legislation for nanotechnology-related safety risks or to propose major amendments. Nevertheless, on the basis of scientific development or regulatory needs in specific areas which the Commission closely monitors, regulatory changes may be proposed where necessary. It is not nanotechnology as such where regulatory aspects should be considered but rather nanotechnology-based products.

The Commission is convinced that the moratorium on nanotechnology would be severely counterproductive. Apart from denying society the possible benefits of such technologies, it may lead to the emergence of technological paradises outside Europe, where research and innovation are carried out without regulatory frameworks.

Finally, I would like to mention another Eurobarometer survey, which was about new technologies and was carried out in 2005 on a sample of 25 000 people. If you compare it to the NanoDialogue exhibition, which you mention in your question, this one was based on 700 respondents. Eurobarometer found that, on the whole, Europeans supported the development of nanotechnology, with approximately 55% in favour. These technologies are perceived as useful to society and morally acceptable. Understandably, as many as 42% of respondents were uncertain about the effects of this new technology, but according to the survey almost 70% of the respondents who expressed an opinion as to its effects were optimistic.

Carl Schlyter (Verts/ALE). – (SV) I think we are agreed that the worst thing for nanotechnology would be if the products we release now are poorly monitored and damage the reputation of the technology in its early development.

I do not believe that traditional toxicity tests assess the risks of nanotechnology sufficiently reliably; on the contrary I think that the toxicity tests required in current legislation must be updated. I think that we need a labelling system so that consumers can choose for themselves, and I wonder whether the Commission is planning such legislation.

Janez Potočnik, Member of the Commission. – I fully agree with you and with the first statement. The worst thing would be if something happened, so we have to prevent that and we have to be on the safe side. That is the name of the game and I fully agree with you.

Proposing legislation does not fall within my responsibility, but falls within the responsibility of my colleagues in the Commission who deal with protection. I am sure they are looking at that very carefully. What I can say is that we are doing everything possible in research to try to analyse the potential risks that you mentioned, and this is certainly something done under my responsibility.

Paul Rübzig (PPE-DE). – (DE) Commissioner, where will the focus be in the nanotechnology sector in the Seventh Framework Programme for Research? The population has very high hopes here, particularly in the 'live a long and healthy life' sector. Do you too see totally new opportunities here in the medical sector for being able to live a long and healthy life?

Janez Potočnik, *Member of the Commission*. – Yes, the answer is clearly positive. This is one of the areas. Nanotechnology, if one were to compare it, is a bit like information technology, because there is a horizontal influence on many sectors. One of the sectors where the results are very promising is health, so this is also part of our research, which is also, without any doubt, orientated in this direction.

Piia-Noora Kauppi (PPE-DE). – Thank you, Commissioner, for your answers. I was very pleased to hear that you think that the common regulatory framework is developing in the right direction, and also that you challenge the NanoDialogue project and findings of the study to which the question is referring. I think that the Eurobarometer shows clearly that European citizens are in favour of developing nanotechnologies.

My question for you is that, in his question, Mr Schlyter says that nanotechnology involves increasing risks. Do you have any data now that shows nanotechnology would pose such a risk, which Mr Schlyter seems to say is already a fact?

Janez Potočnik, *Member of the Commission*. – Without any doubt, this is an area which needs attention, not least as concerns risk. When we enter into areas which in practice have this inherent potential then we have to act with caution. If we do not want people to turn against something which, if handled carefully, would certainly benefit them, then we have to do things in a way in which everything possible is done so that this does not happen. That is exactly our approach. At this very moment, of course, there have been no incidents connected to this area, but it is obviously one in which it is much better to take a cautious approach. That, surely, is the right way to proceed.

President. – Questions 43 and 44 will be answered in writing. Question No 45 by **Sarah Ludford** (H-0595/07)

Subject: London buses

According to figures released by the Greater London Assembly in June, the so-called 'bendy buses' (long single-deckers with two carriages) found in many European cities and introduced in London in 2002, were involved in 1 751 accidents in 2006. This is 75% more than other types of bus, and represents an average of almost five accidents per day or more than five accidents per year for each 'bendy bus' in London's fleet.

Given this clearly unacceptable situation, particularly in comparison with other types of bus, what steps is the Commission taking to ensure that there are adequate safety measures for the operation of 'bendy buses' and that drivers receive the necessary level of training? How can they be considered safe enough for operation in crowded urban conditions?

Jacques Barrot, *Vice-President of the Commission*. – (FR) The Commission is not aware of worrying statistics in other European cities that use articulated buses. However, Community legislation addresses the problem in several ways.

Directive 97/27/EC relating to the masses and dimensions of certain categories of motor vehicles and their trailers lays down the standards for the manoeuvrability of buses in general, as well as specific standards for articulated buses.

Directive 2003/59/EC on the initial qualification and periodic training of drivers of certain road vehicles for the carriage of goods or passengers is aimed at improving the level of driver training. In this respect, it would be desirable for national legislation transposing the Directive to make provision for special training programmes for drivers of articulated buses.

In terms of driver vision, European legislation addressed the problem of heavy goods vehicles by Directive 2007/38/EC on the retrofitting of mirrors to heavy goods vehicles registered in the Community.

However, the Commission is aware of the need to take account of other categories of vehicles, such as urban buses. That is why, as requested by the legislator in the abovementioned directive, the Commission will submit, when the time comes, a report on the results obtained, accompanied, if appropriate, by a proposal for the revision of existing legislation.

These are my answers to Baroness Ludford.

Sarah Ludford (ALDE). – I think my question is well-timed, as just today the Commission has published its Green Paper on urban mobility.

I cannot expect the Commission to address my personal sense of loss that the iconic double-decker London Routemaster bus has been replaced by these low-level continental-type 'bendy' buses (or 'articulated' buses, as the Commission put it), but I am grateful for his reference to various pieces of EU legislation which ought to apply.

Could I ask him actually to make contact with the Mayor of London and Transport for London to investigate why these buses have a 75% worse accident rate than other buses, and to examine whether these directives are being properly applied in the UK, and specifically in London?

Jacques Barrot, *Vice-President of the Commission*. – (FR) You are quite right to be insistent about the safety of these buses. If you do not mind, we will ask the London authorities about this problem.

It is true that articulated buses can be easier to drive than rigid buses, but once the driver has weighed up what the vehicle can do, he tends to drive a bit faster and have more confidence when turning, sometimes a bit too much unfortunately.

Therefore, you raised a good point and we will try, as I have just mentioned, to enquire whether in fact the existing legislation needs to be amended.

Having said that, you were also right to raise this in view of the fact I underlined earlier, before this Assembly, that practically two thirds of accidents occur in towns and cities, and that, therefore, all the causes of these accidents must be understood. Your highlighting of one of them has been timely.

President. – Question No 46 by **Silvia-Adriana Ticau** (H-0598/07)

Subject: Connecting Bucharest, Constanza and Sofia to the European high-speed rail network

One of the trans-European transport network's 30 priority projects is priority axis No 22, which includes the following railway sections: Athens-Sofia-Budapest-Vienna-Prague-Nuremberg/Dresden. Romania is included in this project with the 480 km railway segment from Curtici to Brasov.

Given that since the accession of Romania and Bulgaria the European Union has gained an outlet to the Black Sea and has increased its population by some 30 million inhabitants, I should like to ask the Commission what steps Romania and Bulgaria have to take to connect the cities of Bucharest and Constanza, in the case of Romania, and Sofia, in the case of Bulgaria, to the European high-speed rail network for passengers and goods?

Jacques Barrot, *Vice-President of the Commission*. – (FR) Mrs Țicău, rail priority axis No 22 must, in effect, link Germany with Greece via Prague, Vienna, Budapest and Sofia. A branch to the north of this axis will go, via Curtici and Brasov, to Bucharest and Constanza.

Romania and Bulgaria, as well as the other countries concerned, are making considerable efforts to construct this railway line so that eventually their respective capitals and the port of Constanza will be linked to the rail network of the rest of the European Union. These efforts should continue during the period 2007-2013. These projects are potentially eligible for Community funding through the Cohesion Fund or the Structural Funds, or even via the trans-European networks budget.

More specifically, Romania is prioritising the development of the Curtici-Brasov-Bucharest-Constanza railway line. A 92 km section to the north of Bucharest has already been built. Projects are under way between Bucharest and Constanza. These should be progressively completed between now and 2010. Romania has indicated, in its transport operational programme for 2007-2013, that it plans to develop the Curtici-Brasov-Predeal line using EUR 1.1 billion from the Cohesion Fund.

In terms of the Sofia link with the EU network, a major step was taken with the signing of the contract for the construction of the road and rail bridge over the Danube at Vidin-Calafat, financed by the ISPA Fund. The bridge should be completed in 2010. In addition, Bulgaria plans, in its transport operational programme for 2007-2013, to develop part of the Vidin-Sofia line. The cost of the work to be carried out up to 2013 comes to EUR 320 million, out of a total of EUR 1 380 million for the entire line.

Romania is committed to completing, by 2013, all preparatory studies for the upgrading of the Craiova-Calafat line to the north of the Danube bridge, so that it is ready to carry out the work shortly after 2013.

There you have it. I apologise for giving you all this information verbally, but obviously we can supplement this if necessary in writing, Mrs Țicău, if you request it.

Silvia-Adriana Țicău (PSE). – (RO) Mr. Commissioner, indeed, if possible, I would like to receive this information in writing as well. I would also kindly ask you to organize a seminar on structural funds in Romania, because I consider that the new Member States need to be supported in order to be able to gain access to structural funds and develop their transport infrastructure.

The European Union's access to the Black Sea is important and, for this reason, I believe that, for the mobility of passengers and goods, it is also important to develop the railway. I come back to the question regarding the high-speed train: the mobility of passengers is important and, for this reason, I request a dialogue in order to be able to achieve, step by step, whatever is necessary for this important project.

Jacques Barrot, Vice-President of the Commission. – (FR) Mrs Țicău, I am just as concerned as you are. I would really like the new Member States, particularly Romania and Bulgaria in this case, to make the best use of the Cohesion Fund. Certainly we must prioritise rail transport wherever possible, which will then help us avoid major problems later on in terms of environmental requirements and the risks of congestion on European motorways.

Thank you for your question. I will ask my colleagues to answer more fully. Once I have the chance to visit these countries, we will of course be able to provide you with even more information.

President. – Question No 47 by **Bernd Posselt** (H-0600/07)

Subject: High-speed rail links Paris-Budapest and Strasbourg-Brussels

What is the Commission's opinion, following the basic agreements on the Stuttgart 21 project, of the timetable for the construction of the individual sections of the 'Magistrale for Europe' from Paris via Strasbourg and Munich to Vienna/Bratislava or Budapest?

What possibilities does the Commission see for expanding this Magistrale by a high-speed rail link between the three 'capitals of Europe' Strasbourg, Luxembourg and Brussels?

Jacques Barrot, Vice-President of the Commission. – (FR) I will answer Mr Posselt. The Paris-Strasbourg-Stuttgart-Vienna-Bratislava railway axis No 17 is one of the 30 priority projects of the trans-European transport network. The Stuttgart 21 project that you mentioned is a major link in this priority project.

On 19 July 2007, an agreement was signed between Mr Tiefensee, the German Minister for Transport, and the authorities in the Federal State of Baden-Württemberg, the region and city of Stuttgart and *Deutsche Bahn*. This agreement is a key phase in the elimination of the bottleneck represented by the Stuttgart-Ulm section, since it includes funding for the work to start in 2010.

The Commission is keeping a close eye on the modernisation of the sections between Stuttgart and Ulm. In July 2005 it appointed a European coordinator for this line, Mr Péter Balázs, who has already submitted his second report. This report was sent to the Chairman of Parliament's Committee on Transport and Tourism. It is available on the website of the Directorate-General for Energy and Transport. The coordinator, Mr Balázs, is continuing to give great attention to the Stuttgart-Ulm bottleneck, which must be eliminated. In his report, the coordinator analysed the progress of the Paris-Bratislava priority project and concluded that most of the project could be completed in 2015. However, given the complexity of the Stuttgart-Ulm section, this section will not be built until 2019.

It is clear that a priority project does not exclude continuation to other destinations. Other priority projects, such as the Athens-Sofia-Budapest-Vienna-Prague-Nuremberg-Dresden axis, will extend the Paris-Bratislava project as far as the Black Sea and Greece, while the Eurocaprail priority No 28 project will link Brussels to Strasbourg via Luxembourg.

In July 2007 Member States submitted their proposals for Community cofinancing. These proposals are currently being evaluated. Based on this evaluation, the Commission will propose the RTE-T budget allocation for the period 2007-2013 to the European Parliament and Council.

Those are the answers I wanted to give you, Mr Posselt. Personally I am extremely interested in the Paris-Budapest axis, and I can tell you that Mr Balázs and I are really keen for every effort to be made to complete this major project.

Bernd Posselt (PPE-DE). – (DE) Commissioner, the historical credit for setting in motion what Mr Kohl and Mr Mitterrand had decided to do back in 1982, and which is now finally becoming reality, goes to you.

I have two brief questions. Firstly, the Strasbourg-Kehl-Appenweier and the Munich-Mühldorf-Salzburg cross-border projects are also highly complex. Is there any news on these?

Secondly: can you perhaps appeal once more to the rail companies – when we are already deploying so many European funds for cross-border routes – and ask them to stop cutting back cross-border train connections? We are expanding the railways with our money at the same time as the rail companies are hacking transport routing to pieces with national timetables.

Jacques Barrot, *Vice-President of the Commission*. – (FR) Naturally, I am quite ready to intervene.

Could you write to me on the subject, so that I can contact Deutsche Bahn? I will also look into how we might improve things at this stage, since this is also part of our job: not only to plan these major corridors of the future, but to improve the situation now.

I will look forward to receiving a short memo from you that we can act on.

President. – Question No 48 by **Dimitrios Papadimoulis** (H-0606/07)

Subject: Final judgment by the Greek Court on Olympic Airways (OA)

In the discussion of my oral question H-0091/07 of 13 March 2007 on ‘the court decision offsetting debts of the Greek State to Olympic Airways (OA)’, Commissioner Jacques Barrot said: ‘The decision of the courts is a new aspect that we are analysing currently’. And recent reports in the Greek press (3 June 2007) state that Commissioner Barrot, in his contacts with senior officials in the Greek Ministry of Economy and Finance during his most recent visit to Greece, ‘allowed some margin for offsetting debts provided that progress was made with privatisation of OA’.

What exactly is the Commission analysing? Is it considering whether the final judgment of the court of arbitration is in line with Community law? Can the Commission confirm that it is negotiating on acceptance of the court decision provided that the Greek authorities go ahead with privatisation of OA?

Jacques Barrot, *Vice-President of the Commission*. – (FR) Mr Papadimoulis asked me a question, which I will now answer.

The Commission has taken note of the Greek court of arbitration’s decision of 13 July 2006 on flights carried out as a public service requirement, and of the decision of 6 December 2006 concerning the relocation of Olympic Airways to Athens International Airport. The Greek authorities have already informally consulted the Commission on these decisions on compensation, which were the subject of a preliminary examination.

Based on that preliminary examination and the documents submitted at this stage by the Greek authorities, the Commission is still unable to adopt a position on the nature of these decisions under EU rules on State aid. If these decisions were to involve further aid, they would obviously have to be notified under Article 88(3) of the Treaty.

The Commission’s services informed the Greek authorities of this preliminary evaluation and we are awaiting their response.

Broadly speaking, the Commission is doing everything in its power to ensure that the aid which it has ordered to be recovered are actually recovered. That is the information I can give you, Mr Papadimoulis.

Dimitrios Papadimoulis (GUE/NGL). – (EL) Madam President, Commissioner, it is not just Olympic Airways that owes money to the state. The state also owes money to Olympic Airways, a very large amount. In total, Olympic Airways is demanding more than EUR 1 billion from the Greek state.

I would like to ask you whether the Commission intends to wait for, and especially to respect, the final judicial decisions by the Greek courts having jurisdiction.

I am informed that next week you are to meet with the responsible Greek Minister with whom you will be discussing these matters. Can you outline for us which points you agree on and where you disagree with the Greek Government on this subject?

In Greece there is considerable concern, and a significant section of public opinion blames the Commission for liquidating Olympic Airways while it was still in operation, for a token price, for the benefit of its competitors. What reply can you give on this subject?

Jacques Barrot, *Vice-President of the Commission*. – (FR) For the time being, we are awaiting clarification from the Greek authorities on the ruling of the court of arbitration.

We have not been in contact recently with the Greek authorities concerning any privatisation plans.

The issue is not whether the court of arbitration has taken the correct decision but whether the contractual relations on which it was based as a point of departure are compatible with Community law. I cannot say much more about it, Mr Papadimoulis, since, as you yourself stated, I have just agreed to a meeting with the new Greek minister. I think that we will have the opportunity to discuss this with him then.

That is all I can tell you at the moment. We need more information from the Greek authorities before we can take the necessary decisions.

President. – Thank you, Commissioner, and thank you for dealing with that last question.

Questions which have not been answered for lack of time will receive written answers (see Annex).

That concludes Question Time.

Jörg Leichtfried (PSE). – (DE) Madam President, please allow me to speak on the Rules of Procedure. I have been talking with my colleague, Mrs Madeira, and have also, of course, listened to the Commissioner's answers. We have been asking our questions now for about three years and have not managed to get an oral answer to a single question. Of course the written answer is also very detailed and correct, but it is easier to ask and make inquiries verbally and it makes the result even more interesting still. Do you have any advice or guidance as to how this could perhaps be achieved in future?

President. – Mr Leichtfried, thank you for your comments. All I would say, in connection with the Working Party on the Internal Reform of Parliament, is that conduct of Question Time is one of the issues that we are looking at very carefully, and your comments will be taken on board.

(The sitting was suspended at 19.30 and resumed at 21.00)

IN THE CHAIR: MR VIDAL-QUADRAS

Vice-President

14. European Institute of Technology (debate)

President. – The next item is the report by Reino Paasilinna, on behalf of the Committee on Industry, Research and Energy, on the proposal for a regulation of the European Parliament and of the Council establishing the European Institute of Technology (COM(2006)0604 - C6-0355/2006 - 2006/0197(COD)).

Ján Figel', Member of the Commission. – Mr President, I am happy to be here tonight to take a very important step with not only your approval but your engagement in proposing and establishing a European Institute of Technology (EIT).

As you all know, much progress has been made over the last month on this important proposal as a result of joint efforts. I would like in particular to thank Mr Paasilinna, the rapporteur on this issue; the Chairwoman of the Committee on Industry, Research and Energy, Ms Niebler; Ms Hennicot-Schoepges from the Committee on Culture and Education; and also Mr Böge from the Committee on Budgets, for their relentless efforts and very valuable contributions. Without these contributions we would never have achieved our current status and possible outcome.

The report adopted by the Industry Committee and the text of the general approach adopted by the Council clearly go in the same direction. I think this is very important. It undoubtedly makes it easier to move towards a compromise text. The EIT will provide an environment whereby partners from business, research and academia who are excellent in their respective fields can work together and spur their innovation potential.

We have agreed that the EIT should develop gradually. Two to three Knowledge and Innovation Communities (KICs) will be set up in a so-called start-up phase. Further KICs will then be developed in the second phase, subject to the evaluation of the EIT and KICs' activities. Long-term strategic activities or policy guidance will be provided by Parliament and the Council through the adoption of a strategic innovation agenda.

Your Parliament report contains useful amendments that clearly enrich the proposal and I thank you for them. By way of example, I welcome the proposal to report to the European Parliament and the Council on the selection process for board members, to ensure that this is done transparently. There is also a proposal to amend the name of the EIT to the 'European Institute of Innovation and Technology' but to keep its well-established brand 'EIT'.

I also welcome those amendments aimed at streamlining the EIT's financial management in clarifying that the procedure laid down in point 47 of the interinstitutional agreement applies to this setting-up.

The Commission can also support very many of your amendments, either as drafted or in spirit, where we need to adapt the wording. However, we have concerns with some of your amendments suggested by the Industry Committee. I will focus on four main issues.

Firstly, the education aspects. We need to be careful to avoid watering down the education dimension of the EIT, which is a cornerstone and one of the most innovative features of the proposal. We share Parliament's views that the mobility of researchers and the mobility of students will be instrumental and should therefore be highlighted. But I strongly believe that the wording on degrees and diplomas should remain untouched.

Second, the presentation of the EIT has been established on a pilot-phase basis. I think we all agree that the EIT should develop progressively and be subject to continuous evaluation. However, there should be no doubt as to the long-term vision and commitment of the European Union regarding this initiative. Uncertainty about this point – and especially at the beginning – will threaten the viability of the project altogether.

Third, the participation of third countries: we fully agree with the principle of facilitating third countries' participation in the EIT – this is one of the very important conditions. However, it has to come along with the principle of preference for EU Member States. The EIT is and should remain a European-driven initiative.

Fourth, the participation of the EIT and KICs in the Community programmes: there should not be a shadow of doubt on this. The EIT itself will not seek to participate in Community programmes, nor will its administrative costs be funded by them. The KICs, on the other hand, will be entitled to bid for funds but in no way benefit from privileged access – no preferential treatment. To make this crystal clear, I believe that the right approach would be for the institutions to agree on a political declaration to this effect to be annexed to the proposal.

The financing of the EIT is now the key outstanding issue. You know that last week the Commission adopted a proposal for a revision of the multiannual financial framework to accommodate the needs of both Galileo and the EIT. I hope that this will provide a solid basis for discussions and an agreement by the budgetary authority before the end of this year. This was requested by the European Council in June.

I am looking forward to the discussion.

Reino Paasilinna (PSE), rapporteur. – (FI) Mr President, the European Institute of Technology has been in preparation for more than a year and time has passed because the Commission's original proposal needed improving considerably. Parliament's committees, led by the Committee on Industry, Research and Industry, have been reworking the proposal to give it a new look. Parliament and the Council have been guaranteed more say in the matter, without jeopardising the EIT's autonomy. The election of the EIT's Governing Board will very much bring to mind the way the European Research Council was elected, and so the science world has been arguing over the procedure. Some attempt has been made to strengthen the opportunities SMEs might have to participate. That is exactly where the impact on employment will be greatest, and that is exactly where we find the flexibility speedily to implement innovation.

The European Institute of Innovation and Technology will, as its name suggests, focus on innovation. The two other elements of the 'knowledge triangle', education and research, will remain, but innovation is clearly the apex of the triangle and is the priority. Innovation must be given special attention because it is innovation which is Europe's Achilles heel.

It is incredible that the Americans file over a third more patent applications with the European Patent Office, our very own patent office, than we do ourselves. This is a good place to start. The sceptics may ask whether the Union will be competitive without innovation or increasing innovation. Well, we are talking about inventions and processes which can be widely introduced in the world of business. Do we not need more? We had better get a move on because the United States is forging ahead and China is not far behind us. The Lisbon Strategy is also urging speed. Why do we not even have faith in our own strategic decisions?

Research and development accounts for an increasingly lower share of the Union's GNP than in the other world economic powers. We spend less than 2% on it, whilst the United States spends almost 3%, Japan more than 3%, and just Sweden and Finland spend almost 4% on it.

Our high standards of education, training and research, however, produce far too few commercial applications, or at least they are not realised in Europe but in the United States – there especially. The problem obviously has many aspects and relates in part to how willing universities and colleges are to cooperate with the business world, together with the fact that our patenting system is awkward, and so on.

Of course, the EIT will not eliminate these problems, but it may to some extent ease them. The brain drain should be something to be taken seriously. Why is that? Because we are trying to become the world's leading knowledge-based economy and brains are draining away!

The EIT will offer the private sector a new kind of contact with the educational and research community. It will help create opportunities for the commercial exploitation of the results of research and strengthen cooperation in both directions. The Institute will not become a super-university which robs top universities of their best researchers and scholars. Parliament's amendments will see to that. The EIT will be able to offer the best universities and colleges a new and long-lasting opportunity to work closely with companies which are hungry for innovation. It may help the best universities to attract the world's best and most able students, scholars and researchers so that they may develop and utilise research and innovation and the processes and methods involved in its management working side by side with top companies.

It cannot be denied that the proposal contains areas which overlap with current instruments. The technology platforms under the Seventh Framework Programme and the broader-scale JTI's, as long as they are brought into operation, are largely based on the same principles as outlined for the EIT. The same goes for the Competitiveness and Innovation Framework Programme.

There may be some slight degree of overlap, but Europe is not witness to too much innovation but too little, so there is room for new competing enterprise. It is all a matter of how the EIT fits into the current jigsaw. I believe that it can be made to fit into the European research scene without offending against that environment. We have added a trial stage with evaluations to the project and increased the powers of Parliament.

A week ago the Commission announced a proposal to take cash away from administrative bureaucracy and to support agriculture, wine and potatoes if you like, and to put it into innovation. Should we not do that? It is an interesting idea. Crucial to the EIT's fate now is the willingness of the Member States to finance it, Member States which are not investing enough.

Do we all stand behind the Lisbon objectives? This will be a test of that. The EIT may produce more added value with a view to achieving the Lisbon objectives, but only if it does not cannibalise the Lisbon programmes. The Union needs innovation, ladies and gentlemen. People need it; our future needs it. Why would we not support necessity?

Nina Škottová (PPE-DE), *draftsman of the opinion of the Committee on Budgets*. – (CS) Mr President, ladies and gentlemen, the Commission presents its proposal to establish the European Institute of Technology as a project creating an important European institution that will integrate research, education and innovation and will help to transform innovative discoveries into commercial opportunities.

As a result, the Committee on Budgets examined the draft budget very carefully. Unfortunately, it turned out that the combined draft budget presents numerous problems and is very ambiguous. The main problem is that the funding was not explicitly included in the multi-annual financial framework for 2007-2013: the sum involved is EUR 308 million. There are doubts about a further EUR 1.5 billion given the proposal to finance the Institute from other programmes, in particular the Structural Funds and the Seventh Framework Programme for Research.

Although there have been a number of discussions with both the Commission and the Council since the Committee on Budgets adopted its opinion, the matter of the Institute's financing has not yet been solved satisfactorily. However, the additional funds could only materialise, as already mentioned, as part of a review of the financial framework.

Of course we will not know how effective and successful the EIT will be until it has been established. However, it has to prove its viability by attracting money from the private sector too, as the Commission also proposes. This can only be achieved if the projects are topical and they are of a high quality, and if the results are successful. I hope the Institute will succeed in these endeavours.

Umberto Guidoni (GUE/NGL), *draftsman of the opinion of the Committee on Budgetary Control*. – (IT) Mr President, ladies and gentlemen, in its report on policy strategies for 2007 the European Parliament expressed scepticism regarding the European Institute of Technology, stressing the risk of duplication of structures already in existence and fearing that it might compete with already limited funding for research.

Certainly, there is a need to improve Community efforts with regard to research, innovation and education, to create public-private partnerships and, above all, to facilitate access to new knowledge by small and medium-sized enterprises. We cannot, however, ignore the hasty manner in which the Institute has been put forward, which has long-term effects. These are all the more evident in view of the simultaneous launch of new strategic instruments such as the European Research Council.

It should also be noted that the financial resources of the Seventh Framework Programme were cut by 30% following the agreement on the Financial Perspective. In view of the limitations on funding for research at the European level, we need to ensure that the European Institute of Technology will not attract resources that would otherwise have been destined for other activities in the sector. The funding should be added as a supplement to the current Financial Perspective and the new resources should come from various sources – Community, national, regional and private.

Firstly, a transparent selection procedure needs to be ensured for the management committee, in which the Commission should at the right moment be called on to refer to the other institutions. In addition, the European Parliament and the Council must be able to express their consent in relation to the strategic priorities of the European Institute of Technology prior to final approval by the Commission.

Finally, the Institute's accounts should be fully visible to the European Parliament and the Court of Auditors. I believe that only after a comprehensive review of a pilot programme on the basis of an independent external assessment will it be possible to establish whether it is advisable to set up the European Institute of Technology as a permanent Community body or whether Europe could gain more benefit by directing the funding towards other Community activities relating to research and development.

Erna Hennicot-Schoepges (PPE-DE), *draftsman of the opinion of the Committee on Culture and Education*. – (FR) Mr President, it is a shame that the Commission launched the European Institute of Technology project without first securing funding for it. The Committee on Culture and Education approved the proposal after clarifying certain points, such as the award of training qualifications. This will in fact remain under the competence of the Member States and the partner higher education institutions. These training qualifications will bear the EIT label as a European mark of excellence, although the training qualification will aim to take account of the diversity of the higher education landscape in the European Union.

In addition, the EIT must make a positive contribution towards student mobility. In this respect, the issue of the transferability of grants still needs to be resolved. I am asking Members to vote in favour of Amendment 36 to encourage student mobility. Did you know that only 3% of European university students have taken advantage of mobility?

The EIT is a fascinating future project for cooperation, innovation and research, and the private sector will help ensure that higher education institutions are involved. This will be a real challenge for the future for European competitiveness. I would like to congratulate our rapporteur, Mr Paasilinna, and I would like to thank the Commission and the German Presidency, who really helped to make progress on the text.

Lidia Joanna Geringer de Oedenberg (PSE), *draftsman of the opinion of the Committee on Legal Affairs*. – (PL) Mr President, the idea that was floated in 2005, of setting up a European Institute of Technology, is in every way deserving of support. The proposed structure of the network of Knowledge and Innovation Communities has a chance to become an excellent stimulator of innovation throughout the EU.

Providing a proper legal basis and consequently enabling permanent funding of the Institute was my priority as draftsman of the committee asked for an opinion under the Committee on Legal Affairs. In this context, conferring on the Institute the status of an agency on the basis of the Interinstitutional Agreement of 17 May 2006, and specifically part C of it and Article 47, is of immeasurable importance, as is the Committee's proposal concerning the increase in the margin in section 1A in the budget for 2007-2013, guaranteeing the Institute EUR 309 million.

The birth of the EIT is especially important for the scientific milieu in the new part of the united Europe, which has an inherent vast and so far unexploited potential. I therefore warmly support the decision of the

authorities in Wrocław who are seeking to get the Governing Board or one of the knowledge communities to set up their offices in the city, where as many as 1 40 000 students are studying.

Finally may I convey my warmest congratulations and thanks to Reino Paasilinna for excellent cooperation, and my congratulations on a superb report.

Romana Jordan Cizelj, *on behalf of the PPE-DE Group*. – (SL) Mr President. Our brief began with the report by Wim Kok. His message was clear. We were responsible for guiding the Lisbon Strategy towards its most important objectives and for giving it the appropriate content. Together we devised the Seventh Framework Programme and the Competitiveness and Innovation Framework Programme. We thereby gave a European dimension to research and enterprise.

However, we were uncertain as to whether this was enough to increase European innovation. We were aware that there was a shortage of around 100 000 engineers and researchers in Europe and that we could not stimulate innovation per se merely by direct incentives and projects. We still had no link with the universities and thus no human resources management.

This deficiency is covered by the EIT. Its added value is the link it establishes between the research sector and the academic and business world. The research and academic groups which will become members of the knowledge and innovation community within the EIT will have to demonstrate their excellence. The EIT mark, which participants will be able to use, will therefore also be an external mark of the group's quality. I expect that participants will use the label to their advantage as a label of their quality.

At the same time, the EIT mark should also assist potential business customers. They must provide the critical mass of appropriately trained employees and respond to short- and long-term problems with research and development projects. The EIT mark will facilitate the choice of partners or managers for training and research projects.

The provision of appropriate funds for the EIT's operation has been an awkward sticking point in previous negotiations. We believe that we will be successful in securing public funds but that is only a small part. It will soon also be the turn of business, of the private sector, to respond to globalisation with the same commitment we have shown.

Hannes Swoboda, *on behalf of the PSE Group*. – (DE) Mr President, Commissioner, ladies and gentlemen, I would, of course, first of all like to congratulate my colleague, Mr Paasilinna, on this laborious work. It is truly a very difficult birth – not just the report to this Parliament, but also the Institute as such.

In fact, it is sad that the EIT has to begin such an important job with so little enthusiasm, particularly on the part of some Council members and perhaps on the part of the Commission too. I fully agree with the essence of the Commissioner's comments, even those concerning the KICs. As Mr Paasilinna, whom I warmly congratulate on his work, has also proposed, we need a limited number in order to assemble any pilot schemes at all. This is absolutely right. I hope that the schemes will also produce positive results.

As regards financing, I am also in agreement. It was very frivolous of some Council members to say: you want to do something new, alright, but nothing will come from new funding. Simply take the money that is available to you in the budget. There should be no frivolity where something new has to be created.

The fact that we are essentially using research funds is totally acceptable, but it is absolutely right to seek new funding opportunities, for this project as well as for Galileo for example, partly in the context of surplus budgeted funds, funds that have not been spent, and partly with new commitments by the individual Member States.

One important point – and Mr Paasilinna has also brought this up – is that the EIT and the KICs have helped us in holding on to, as well as winning back, high-calibre employees in Europe. We know from many analyses that people are leaving not necessarily because of finance, but because of opportunity. If we can recreate new opportunities through these institutions so that high-calibre employees stay in Europe or come back from America or other countries, then a substantial contribution will have been made to Europe once again becoming a hub for new technologies.

Jorgo Chatzimarkakis, *on behalf of the ALDE Group*. – (DE) Mr President, first of all I would like to thank Mr Paasilinna for his very effective cooperation. It was a very difficult piece of work, but you were always prepared to cooperate. I would also like to thank the Commissioner for the tenaciousness he has shown over many months and the loyalty he has shown to the project. You will see, Commissioner, that your persistence will

pay off in the end, despite all the resistance you have experienced, right from the very beginning, especially from the scientific world.

Since President Barroso was obviously inspired by the MIT and sowed the idea of creating a European institute of technology, this idea, this project, has been transformed. Today it looks different from the original version. This is just as well, because at the outset we were still somewhat vague as to the structure. A European project has now emerged and something new has evolved. We are a continent of ideas. We know that. We are very good at research; we are very good at science; but where we have difficulty is in converting these wonderful ideas that have revolutionised the world into tangible products. That is our problem.

Therefore, when it comes to defining research as financial investment in knowledge, innovation would be the reverse process. Out of knowledge comes a product, a licence, a patent, which turns back into money again. This is our weakness in Europe and it is precisely here that the EIT, the European Institute of Technology, can help. It goes without saying that this regulation text is not an unqualified success. This we can say straight away. But it is a good compromise and it is now up to us to take it to the people and particularly to clarify it with those involved.

The rapporteurs have been working very well together. We should not lose sight of the great objective in its entirety because the target audience of this EIT is small and medium-sized enterprises specifically. The aim is also to access knowledge at university institutions, but it mainly involves this networking process, which is not working so well for us.

I would like to respond to a few controversial points. The Commission is proposing that it should set the EIT's strategic agenda itself. To this I would say we should not be doing so. There must be autonomy here, too, as for the European Research Council. Otherwise the private sector has little chance.

The question of intellectual property then needs to be dealt with in such a way that it also becomes attractive for a medium-sized enterprise to participate in the EIT. Of course we need an EIT, which is a brand and has a brand name. We want a strong EIT and we do not just want a pilot project either because that would deter many investors, and we need investors.

Let me say something else about financing. I have been personally addressing the subject of the 'Lisbonisation' of our budget for some time now. This means we can 'Lisbonise' the large budget that we have in the sector of agricultural and regional policy and we are evidently at a point where we are talking about the subject of Galileo and EIT being lumped together. This is already coming very close to 'Lisbonisation', namely that we are investing in innovation.

Therefore: let us get on with it. I call upon Parliament to endorse this compromise tomorrow with a large majority. Congratulations to you once again, Mr Paasilinna, on your work.

Konrad Szymański, *on behalf of the UEN Group.* – (PL) Mr President, it is excellent that, despite earlier doubts, we now have the opportunity for constructive comments to be made in Parliament on the subject of the establishment of a European Institute of Technology. I would very much like this initiative to be a truly European one.

I think we should place emphasis on the principle of an even geographical distribution of the Knowledge and Information Communities. We should try to ensure that European funding of this project is a priority for a number of reasons, not least the weakness of patent protection in Europe. We will not be able to shift this burden onto private business.

Europe needs this institution. The best evidence of this is the lively response from businesspeople, local authorities and the scientific community in Lower Silesia. Before the legislative procedure for this has been completed, we already have a specially set up company, EIT+, we have a willingness to involve structural funds, we have letters of intent from the largest businesses in Lower Silesia, and we also have 35 000 signatures of people who live in Lower Silesia, who are calling for the Institute or institutions forming part of it to be located in Wrocław.

David Hammerstein, *on behalf of the Verts/ALE Group.* – (ES) Mr President, we are really sorry, but this proposal is not serious. Once again Europe wants to act but cannot. The Greens were in favour of the Institute project, but of a real project, and the proposals that are on the table are inadequate and incoherent.

After the negotiations, the question of funding has still not been resolved. The European proposal of EUR 308 million is clearly inadequate and, moreover, it is a much, much lower figure than what the European

Commission itself proposed based on its studies. We therefore have before us an invitation to gobble up and weaken other European projects such as the Seventh Research Framework Programme.

If the European Commission really wants to establish the Institute, as we do, the negotiations will have to be restarted on the financial perspective and a real budget will have to be created, a large budget of more than EUR 2 billion, which is what is needed. In short, if we want to promote research and technology, we need to back it, we cannot give cannon fodder to the eurosceptics, as we are doing with such an incoherent project.

There are also problems with the content. We have removed the ceiling on administrative expenditure; we have required a ceiling for all projects, but here we have removed it. We have also removed one of the main issues of life in general – climate change – which was going to be one of the issues, one of the main ones in fact, and has been removed. This is very shocking, very shocking. In short, here we have a project that obviously has no ambition, no money behind it and does not have a coherent project, which we deeply regret.

Derek Roland Clark, *on behalf of the IND/DEM Group*. – Mr President, adding an institute of technology to stand with the existing universities sounds a good idea, but that is not what is on offer. It is proposed to set up an institution with the Commission vetting the board, which then selects the knowledge and innovation centres with which it will at first work but which it will, in time, subsume unto itself. It will even issue qualifications bearing the EU logo, with no reference to the universities of which it has made use. Surely, this is about innovation, but you do not get that by wishing it. Especially this one, by encroaching on universities, will stifle enterprise, not promote it.

If you want to encourage innovation, look to individuals coming through universities. Look to individuals in the SMEs, and offer resources to help them develop and promote their ideas. If you are suggesting a network to enhance and spread ideas, do not bother. This Community already communicates across the world. Good ideas soon become international. For goodness' sake, drop this attempt to harmonise universities and consider the value of the varying contributions made by these different institutions.

If you have money to spare, use it to support innovators. They work alone or in concert with small teams. Europeans like Archimedes, Newton, Pasteur, Ehrlich, Röntgen, Fermi, Teller and Watson-Watt were brought on by no institute. They just needed time and space to think and conduct research.

Lydia Schenardi, *on behalf of the ITS Group*. – (FR) Mr President, ladies and gentlemen, one of the few areas in which we recognise that the European Union can offer real added value compared with national initiatives is research. That is why we are in favour of establishing a European Institute of Technology.

We also share the concerns, or questions, of the rapporteur. The future EIT must be complementary and must not compete with initiatives already carried out at European level in the field of research and innovation. Above all, it must not drain the budget allocated to the Seventh Framework Programme for Research and Technological Development – which is already meagre enough – but should receive additional funding.

In view of its design, which consists of bringing public and private partners together, it would be much better if its resources came mainly from private funding and from its operating revenue. This would be a sign of its usefulness and effectiveness.

Furthermore, the European Union should provide the impetus, rather than create yet another bureaucratic organisation that is a burden on European taxpayers.

For these reasons, it seems that the EIT label is a better idea than the possibility of the Institute issuing its own degrees and diplomas. On this point also, the EU must offer added value and not try to replace what already exists.

Finally, this fear of pointless duplication, as well as financial and functional competition with other programmes, has led us to support an evaluation at an earlier stage than that proposed by the Commission, although the frequency of subsequent evaluations, extended to every seven years, seems too long. If our fears materialise, we would have to act swiftly to make the necessary adjustments, or even substantial amendments, to the regulation. Alternatively, even though this is not the norm for Europe, we would have to put an end to the experiment.

Roger Helmer (NI). – Mr President, here we go again: more posturing, another hubristic attempt to emulate America. The US has the dollar, so we must have the euro; the US has a GPS system, so we must have Galileo;

the US has MIT, so we must have EIT. We have perhaps forgotten that MIT is privately financed, not state funded, which is a key reason for its success.

Great academic institutions grow from the bottom up, not from the top down. They do not spring up from the ground fully formed at the stroke of a bureaucrat's pen.

No one questions the need for innovation and research in Europe, but this is the wrong way to do it. State-imposed solutions will not work. The proposed EIT will duplicate and conflict with existing EU programmes, like the Framework Programme for Research, the Competitiveness and Innovation Programme and the Lifelong Learning Programme.

This proposal exists outside the current Financial Perspective and its funding is by no means assured. No wonder that established and excellent academic institutions in Europe are concerned that they may lose funding, they may lose key staff and they may lose research projects to the EIT.

I can well understand President Barroso thinking of his legacy, but we must not let his legacy damage European universities and research facilities.

Gunnar Hökmark (PPE-DE). – Mr President, we need to support innovations and research all over Europe. That is a crucial task for business life, universities and research institutes, Member States and the Union. It will require much more funding for research and innovations. That is why I would like to underline what the Commissioner stated earlier – that, regarding the EIT, the key issue now is the financing and funding. This is because we need to ensure that, not only is the EIT funded, but also that it is not funded and getting its finances via money that otherwise would have financed research and innovation in other programmes and projects.

I think this cannot be underlined too much, as the funding for the EIT must come from other items in the budget than those which today contribute to the efforts of innovations and research in the Seventh Framework Programme, in the CIP or other items under the 1A heading.

If we can manage to do that, then we can manage to bring additional resources to innovations and research in Europe and can contribute to the innovations. From the perspective of my group, I would like to underline that that is the crucial test that the Commission has to live up to and we need to contribute to because, if so, we can all contribute to Europe with more and better innovations. If we succeed with this, we will succeed with innovations.

Robert Goebbels (PSE). – (FR) Mr President, the rationale behind the European Institute of Technology is a fair one: namely that research is central to any economic progress. Research depends on scientists educated at leading universities. Universities must be able to count on significant and foreseeable public and private funding.

The European Union is lagging behind in all of these areas. Our funds for research are, on average across the EU, way below the public – and especially private – research budgets of Japan and the US. The EU – population 500 million – employs 1.2 million scientists. The US – population 300 million – has 1.3 million. On average in Europe, public and private funding for higher education represents 1.3% of GDP, compared with 3.3% in the US. Europe spends less than EUR 10 000 per student, the US more than EUR 35 000. However, all is not a bed of roses on the other side of the Atlantic. Out of 2 500 universities, only around 100 are truly excellent and these share EUR 32 billion each year of research funding. This figure should be compared with the paltry funds proposed for the EIT. If our governments do not set aside more money for research, the EIT and other schemes will fall by the wayside. Each year, the US produces some 40 000 doctors. One third come from the rest of the world. In physical and life sciences, the proportion of non-Americans is more than 50%.

Why is this the case? Because the US still believes in scientific progress. Where Europeans are quick to see risks and hide fearfully behind the precautionary principle, Americans see new opportunities. This applies to biotechnologies, nanotechnologies, even when it comes to tackling climate change. While Europe focuses on regrets, the US extols technological and scientific progress. Fear of the future and fear of progress are at the root of Europe's failings. Without a change in attitude, Mr President, the EIT will not make any difference.

Grażyna Staniszevska (ALDE). – (PL) Mr President, I would like to express the hope that the Knowledge and Innovation Communities that make up the European Institute of Technology will be spread evenly across the European Union. This is particularly important because the Institute should be an instrument that mobilises the whole of the Community uniformly, and should boost competitiveness and technological

progress, with the corollary of economic development for all the European Union, not just the old Member States.

I would also like to use this opportunity to give my firm support to the Polish proposal to locate the offices of the Institute's Governing Board in Wrocław. This is a rapidly developing city on the boundary between old and new Europe, on the borders of four states: Poland, Germany, Austria and the Czech Republic. It is a city with some excellent higher education institutions and nearly 150 000 students. Both the national authorities in Poland and the Wrocław local authorities, as well as the Polish academic world, are fully prepared to put this task into effect.

I would like to stress that locating the Institute's Governing Board and the Knowledge and Innovation Community in Wrocław will not in any way clash with the fundamental criterion for the EIT – the criterion of excellence; in fact quite the contrary. Polish research and academia is at a high European level, and in many instances is leading the world.

The Institute must become an instrument that promotes higher levels of innovation throughout the European Union. This is the only way for us to have a chance to meet the challenges of a global knowledge-based economy.

Ryszard Czarnecki (UEN). – (PL) Mr President, before the European Institute of Technology has even been born, its name has already been changed to the European Institute of Innovation and Technology. If this is supposed to help it to come into being, I am sure no one will have any objections.

It is worth pointing out that, in parallel to the work going on in the Committee on Industry, Research and Energy, some important matters have also come before our Budget Committee in connection with the European Institute of Innovation and Technology. It has been agreed that about EUR 400 million will be earmarked for this purpose for next year, and by 2013 the budget will be six times greater than this. The problem is, though: who do we take from to give to this Institute, since no provision has been made in the seven-year budget; not a single euro has been allotted. It is as if we were thinking that the Lisbon Strategy, of which this Institute was supposed to form a significant part, is just another piece of paper, and that these are just more politicians' fairy tales. I mean, the Commission did previously inform the Parliament, formally or informally, of the intention to set up the Institute, and at the same time we did not allocate so much as five euros to it. This demonstrates a certain lack of compatibility, xxx or even some sort of schizophrenia.

My city of Wrocław meets all the criteria to become the headquarters of the Governing Board of a European Institute of Technology. A decision on this should be taken by the European Commission as soon as possible.

Alyn Smith (Verts/ALE). – Mr President, surely in modern politics one of the most difficult things for a politician to say — other than 'I was wrong' — is 'let us stop and think again'. We could do with that in this debate. I am the first to acknowledge the hard work, in this House and in other places, that has gone into this proposal and into this report, and it is a matter of great regret to me that the end result really does not justify it.

It is a great regret for me personally because I was initially very enthusiastic about this proposal. I myself sold it to our universities in Scotland, to our SMEs, to various other parties, and I have watched the proposal become increasingly weaker, diluted, muddled, precarious and, increasingly, underfunded.

Surely, we all agree in this Chamber that Europe does not commercialise our research enough. We have agreed on the need to do something, but 'we must do something; this is something, therefore we must do this' is surely a bad logic, which will result in a bad, artificial, weak EU creation that will not achieve our hopes. So let us be brave and rip this up and start again, and innovate and research a better EIT for Europe's future.

Angelika Niebler (PPE-DE). – (DE) Mr President, Commissioner, ladies and gentlemen, first of all, my sincere thanks to our rapporteur, my fellow Member Mr Paasilinna, to all the shadow rapporteurs and fellow Members on the committees asked for their opinion, who have been working very constructively in recent months to bring the EIT into a form on which we can all make a decision tomorrow with a large majority.

The European Institute for Innovation and Technology has the opportunity and potential to become a European beacon. I am firmly persuaded of this and I regret that we have scheduled the debate on this important project so late in the day. This matter really deserved to be discussed in the morning. I very much hope, however, that the amendments to reject the Commission's entire proposal will not gain a majority tomorrow.

We were always of one mind in setting objectives for the European Institute of Technology: we want to strengthen Europe's capacity for innovation. We also have to improve the transfer of technology and know-how from research and training to industry and to the economy – here too we were always of one mind. The crucial question was always: can the European Institute of Technology make a valuable contribution to this?

I think that the EIT in the form we now have it in Mr Paasilinna's report really does have the capacity to carry out this work and generate European added value. We have called a halt to the way, unlike the Americans, we have been locating the institute out on its own and pumping a lot of finance into it. No, we are doing this our own way, the European way, by building up a networking structure here and promoting and supporting the universities, polytechnics, research establishments and teaching institutions we already have here. We shall then hopefully create European added value through an intelligent networking structure.

I am confident that the EIT will be a success and I am happy to be making my contribution to it. I will not now speak on behalf of Munich, which has also, of course, been lobbying for the headquarters of the EIT. It is important that tomorrow we give our blessing to the project with a wide majority.

Gyula Hegyi (PSE). – Mr President, according to legend, the scientists in Los Alamos who developed the atomic bomb in the Manhattan Project in the US during the Second World War spoke Hungarian among themselves. They turned to English only in the presence of Robert Oppenheimer. Indeed, Edward Teller, E. P. Wigner and Leo Szilard were born in Hungary and they studied in Budapest.

We Hungarians belong to a relatively small nation, but we are proud to have 50 Nobel Prize winners, mostly in the natural sciences. As our language is isolated, many talented young Hungarians attracted by the natural sciences seek to carry out activities where there are no linguistic barriers.

Our scientists and young researchers, mainly in mathematics, physics, chemistry and in the life sciences, are very respected all over the world. That is why my country, my compatriots and I are pleased to offer Budapest as a seat of the governing board and a centre of the European Institute of Technology (EIT). Of course, I urge that the decision on the seat should be taken as soon as possible.

As a new Member State, without the seat of any EU institutions, on the one hand, and with extremely rich experiences in natural sciences, on the other hand, Budapest would serve as an ideal seat of the EIT.

I fully support Mr Paasilinna's report. We do not need a huge bureaucratic organisation, just a network of the knowledge communities. An open and transparent selection procedure on a competitiveness basis for such communities is also of high importance. University research centres and enterprises should cooperate and we have to do our best to involve business in the work of the EIT. Making the EIT visible by labelling the qualifications added through such knowledge communities is likely to bring further added value.

As regards financing, I do not support the idea of financing the EIT from the common agricultural policy fund, as nobody can foresee the next year's harvest in agriculture.

Kyösti Virrankoski (ALDE). – (FI) Mr President, first of all I would like to thank Mr Paasilinna for an excellent report. The idea of a European Institute of Technology was only born in the Commission after the EU's multiannual financial framework had already been adopted. That is the reason why the financing for it was sporadic and its mission statement was vague. After Parliament's debate the proposal was considerably improved, even if there is still much to clarify.

EU financing is still problematic. Just as Mrs Škottová said, most of the financing is assumed to be coming from the Structural Funds and the EU research programmes. This is not at all obvious, however, because the Member States decide on how the Structural Funds are used according to their own priorities. Most funding for research is granted for reasons of competition. Despite the Commission's assurance, the principle of fair competition might be difficult to adhere to when the applicant is someone's 'own baby'.

Financing for the EIT's networks of Knowledge and Innovation Communities (KICs) is also, in principle, open. If funds are to be granted from EU programmes, the KICs should have to provide their own funds as well. EU budget money cannot be used for that: it has to come from elsewhere. How this will be done is not clear either. The amendment to the Financial Perspective proposed by the Commission last week is a partial solution to these problems. Hopefully things can only get better.

The EU's development into a viable European institution will take hard work. It cannot be achieved with money alone. That is why I wish the project success in the future.

Vasco Graça Moura (PPE-DE). – (PT) In March 2006 the Council recognised that the European Institute of Technology proposed by President Barroso would represent an important step to fill the gap between higher education, research and innovation. That is understandable. Since European research and innovation are known to be inferior to those of North America, it would be fitting to devise instruments enabling us effectively to compete with the United States in this area.

We all know that researchers enjoy much better working conditions and pay in the United States and also that investment in the public sector, in particular linked to the defence industries, universities and the private sector are incomparably higher than those in Europe. To be able to compete we therefore need a real European engine capable of reaching this goal and that engine needs to be given enough fuel, that is, sufficient budgetary means. The plan therefore was to identify and select public and private investors, with part coming from the EU's own resources, but Parliament took fright at that suggestion. It ceased to consider the fundamental objectives, turning its attention to that point, to some extent putting the cart before the horse. What we should do is give the Council the responsibility for providing the EIT with the necessary means as regards the Union's contribution. Budgetary temerity and probably some corporate academic interests soured the whole discussion. If the fundamental questions relating to the launch of the MIT had been dealt with in this way, there would still be no MIT today.

Thus I am very much afraid, Mr President, that when the Commission proposed a high-performance Ferrari, Parliament gave it only a small pedal tricycle. I shall vote in favour of the resolution, since it is the only one we have, because it is the only one left, but I regret that it did not go much further, which moreover might have entailed a special added value for us, ladies and gentlemen, since the building where we hold our sessions would become the seat of the EIT, thus doing away once and for all with the political, judicial, functional and financial aberration of having to come to Strasbourg every month for these plenary sessions.

Jerzy Buzek (PPE-DE). – (PL) Mr President, I hope I will be able to speak for two minutes. I congratulate the rapporteur on a balanced report and I thank the Commissioner for two and a half years of hard work. This project has changed considerably in comparison with what it was in the beginning, and the changes have been very positive. Competitiveness and innovation in Europe have perhaps been the most important issues for each successive presidency in recent times. And what we are talking about is very much that future competitiveness of Europe that the appearance of the European Institute of Technology is meant to promote. I have four points to make on this subject.

Firstly, the European Union already has a Joint Research Centre, it has its own Research Council, and it is currently instigating joint technology initiatives. It is very important that we do not allow European science and innovation in the European market to become fragmented. These institutions must not just begin working for themselves, in isolation. This is also a very important task for the European Commission.

Secondly, we must bear in mind that the institutions to which I have referred cannot erase the differences that exist between them. So let us not forget that the European Institute of Technology is meant to serve the full triangle of knowledge. Particular emphasis needs to be placed on cooperation in education/innovation, since no European institution is working on this *de facto*. This means that we have to promote education for innovation, as research is, after all, not required for every specific innovation. Sometimes a good engineer is all that is needed.

Thirdly, I support the creation of an institute, but all these scientific and research and development institutions will not be able to resolve every problem, as they only serve to pump innovation into the economy. Care needs to be taken to ensure that this mechanism works in another direction, and that depends on whether our market is open, whether we shall have sensibly restricted public assistance. In other words, it depends on how the common and free European market is going to function.

And fourthly, science, student exchanges, exchanges of competent engineers and innovations have always been the basis of integration between peoples and countries. The same can be the case now, and that is why institutions linked to the European Institute of Technology should be located in the new Member States. I would urgently appeal for this to be the case.

Teresa Riera Madurell (PSE). – (ES) Mr President, congratulations Mr Paasilinna, on your excellent work. It has not been easy. A great deal of effort has been made to design a viable institute, inspired by other models of excellence, but with the necessary adaptation to the complexity and diversity of Europe.

The result means that I can now express my support for the EIT, insofar as it is a new and promising instrument for integrating the three axes of knowledge: education, research and innovation, which we hope will add value to the existing instruments.

The EIT should also be a focus of excellence, based on a model of integrating the research institutions with companies, which we hope will serve as a catalyst for a culture of innovation, which is so essential for improving our competitiveness.

The funding of the EIT is the big agreement still to be reached. I agree that the initial funding and its governing structure should come from the Community budget, and that both the public contributions from Member States and the private contributions should be used to develop innovation and knowledge communities that are in line with the Institute's priorities.

Lambert van Nistelrooij (PPE-DE). – (NL) Mr President, we in the Committee on Industry, Research and Energy have, through excellent collaboration and consultation, added innovation to the name European Institute of Innovation and Technology, as it now reads. This is excellent. Commissioner Figel has also led me to understand that the Commission would also like to adopt this. Indeed, it is all about introducing (a) education, academics, engineers and (b) innovation from knowledge institutions and companies onto the market. The knowledge-skill-till chain is encountering increasingly strong competition worldwide and requires even more intelligent organisation. We must close this European gap with innovation and not allow ourselves to remain bogged down with education alone. Mr Paasilinna arrested our attention with great enthusiasm whilst discussing this subject.

A second observation is that it is no bad thing that we are now opting for a limited set-up and a restricted financial basis. If the formula is successful, we will also see from within the business community that that public partner, together with the public partner in the Member States, will start to provide financial support by means of structural funding or otherwise. The EIT title must be desired. In this instance, 'excellence' stands for 'world leader'. That is where you want to belong and there is also support for this. If you listen to the universities, the nanotechnology industry and the emerging climate-related industry, there is wide support for this. Having listened to the many arguments for Wrocław, I also ask whether a choice has already been made with regard to establishing a control centre in an effective location within central Europe. I hear that there is enthusiasm for this in many locations.

Finally, Mr President, there is a true niche, a gap between what we have in the previous instruments and educational programmes, between the various programmes. It must be created with daring and ambition. A strong leader is required. Something really must come of this and then, in 2010, we will say: sure enough, that was a good move. Investment pays off in time.

Silvia-Adriana Țicău (PSE). – (RO) Mr. President, Mr. Commissioner, first of all, I congratulate Mr. Rapporteur Paasilinna, who almost entirely rewrote the Commission's document, making it functional.

The triangle of knowledge – innovation, research and education – made up of universities, research centres and institutes and companies is indispensable for achieving the Lisbon strategy objectives, namely to have 3% of the gross domestic product invested in research, of which two thirds should come from the private environment. The knowledge and innovation communities will be a bridge between the private sector and the academic and research community.

I believe that the pilot projects proposed by Mr. Paasilinna are necessary and I hope to have such a pilot project in Romania as well. Investments are required all the way through, from production to dissemination and use of the research and innovation results. The financing of this institute is the first step, but we also need investments in the field of small and medium-sized companies and in the private sector, because there are people and resources for co-financing the research projects.

There has to be a long term strategy. Intellectual property is important, but we have to be careful for this initiative not to overlap common initiatives, *joint undertakings*. I hope this institute would work more in the field of climate changes, the information society and nanotechnologies.

IN THE CHAIR: LUISA MORGANTINI

Vice-President

Józef Pinior (PSE). – (PL) Madam President, Commissioner, the planned European Institute of Technology, often said to be the flagship of European innovation, links the three elements of the triangle of knowledge:

innovation, research and education. The key to the success of this undertaking is, in my opinion, good cooperation between academic centres and business environments. The European Institute of Technology must first and foremost be in a position to accumulate large amounts of private funding.

Today I want to draw the European Parliament's attention to the preparations being made for Wrocław to become the headquarters of the Institute, or else one of the centres of its Knowledge and Innovation Communities. Wrocław may be a symbol of European history; it is often called the Strasbourg of Central and Eastern Europe. There are currently more than 140 000 students studying in Wrocław; the city is one of Poland's main research centres. It has given birth to the EIT+ Centre for Innovation and Technology, which is lobbying to have the Institute located in Wrocław. One final comment. In the last ten years, Wrocław has become a city of modern financial services, a place that draws in capital from all over the world, a symbol of European creative energy and development, and a positive symbol of globalisation.

Dorette Corbey (PSE). – (NL) Madam President, yet another new institute. That may well be this evening's conclusion. In addition to the European Research Council and the technology platforms, the joint technology initiatives, Eureka, the CIP, the Seventh Framework Programme and the JRC, we now have yet another knowledge institute. The added value is innovation, because that is what is lacking in comparison with the United States, Japan and China. The idea behind this is that there are enough good ideas and scientific insights within Europe, but that they are not developed into concrete products. The question is of course whether a new institute can help in this process. The question is also whether SMEs can find their way amongst all these knowledge and research institutes. The lack of innovation should perhaps be ascribed to the complex legislation that hinders innovation, rather than to a lack of institutes. Nonetheless, the new institute with its Knowledge and Innovation Communities may provide a contribution and I hope that the EIT can provide a major contribution and will excel in the field of climate policy, because a great deal of reform and innovation is sorely needed in this area. Despite my doubts, I wish the EIT an excellent start and a successful future.

Ján Figel', Member of the Commission. – Madam President, thank you for not only giving me the floor but for the possibility of being at this interesting debate, because, when we reflect back to two years – or at least one and a half years – ago, we can see a total difference. I just want to react to some points and prepare for further cooperation, because we are not at the end. We are far from the definite establishment, but what we have already achieved in Council and Parliament is really something very significant.

First, a smaller point, which was raised by some colleagues from the Verts/ALE Group: according to Mr Hammerstein, climate change was dropped. We do not think so. In the proposal as it stands now, there is, *inter alia*, a field of renewable energy and climate change. We do not want to insist, we do not want to put it very narrowly, because it is for the governing board definitively to decide and define. But the global challenges or highly demanding issues which we face now are one of the reasons why we speak about the EIT, because we need to pool resources and put together the forces we have in order to respond in a way.

Mr Smith, I visited and gave a speech at the Royal Society of Edinburgh on higher education, and the EIT was a very strong, interesting debate, and also inspirational mutually. I would not be discouraged by such messages from Edinburgh or the rectors I met, but of course the scheme is under preparation. Participation is voluntary and I think we should see it as a common responsibility but with the full freedom to take some positions.

On overall content, I would like to make four points. First of all, my thanks for the innovative mood in this Parliament because, as some of you have said, it is about innovations, and you have to start innovations by addressing the way we deal with innovations. It does not happen just through technology; it must first of all come as a new approach, a new way of communicating and putting together institutions, conditions for mobility, for recognition of qualifications and so on – and, of course, money, but that is not the decisive element. It is not the first element. That is the mentality, the approach, along, of course, with some reasonable funding.

Since spring 2005, we have gone from ideas to concept to proposal, and you have always been involved. It is not just the Commission and bureaucrats or whatever, it is a kind of common work, and that is why we should be aware that if we try to achieve something together we will be much more successful than without such a committed approach as we see here.

If you recall, two years ago in the media it was about Strasbourg or about something false, not about a real commitment from Europe to innovate. Now we have many serious candidates. Just this evening, Wrocław, Budapest, Munich and many more were mentioned – I do not want to forget about them. I got many more messages from different universities. That is fine, because it shows that now we at least believe the idea or

want to offer something very serious. That is something Europe needs. We are not the 'United States of Europe'. It is not Massachusetts. It is about the way we will put together better conditions and one concrete project towards a more innovative Europe. The EIT is not the absolute answer. It is one of the answers. Some people have said it is a flagship. I would say it is rather an icebreaker towards a more innovative Europe, to create better conditions for intellectual property –you know how long it takes and how weak we are – and better acceptance and recognition of diplomas and degrees etc. – many issues.

If the three cities mentioned are not the seat, then they should at least be Knowledge Innovation Communities. But I want to say that it was wrong at the beginning to say it is about money and the place. No, this will come as part of the proposal, but it is not the most important part. The answer will come within 12 months after we have agreed definitely on the establishment. I am really happy that there are very credible candidates now, but this will come when we agree on the legal base. The Council will try to choose the best out of the existing serious candidates.

Secondly, on money: last week we proposed the way in which we could come to the final point where we say not only how much money but also from which source we can finance the body until 2013. It is for basic operations, but it must, as many of you have said, mobilise much more money. It is not, I would say, decisive in terms of overall volume but as a credible contribution of the Union. We cannot expect anybody to give a blank cheque or promises if we do not bring something credible. But there are many concrete responses, intentions to invest, even from businesses and associations of businesses, but we have to make our proposal full.

On what Mr Buzek said on initiatives or joint technology initiatives, networks and platforms, this proposal is not competing. It is a proposal complementary to existing policies and initiatives and we can imagine that some existing cooperation models will step up the intensity of cooperation and join with some other partners, either from universities or business, and apply for a place under the EIT. So I think that from platforms, from initiatives, from networks, to get into an integrated partnership is a reasonable change of the way we innovate.

Lastly, I wanted to mention the step towards a new culture of innovation. This is the right approach. The EIT is not so much about the place, one seat and the board, but a new and better culture for innovation in Europe. I think that is all I could, or wanted to, raise as points in my response, but thank you very much for a very positive and constructive climate here in this plenary. And thanks also to the rapporteur, Mr Paasilinna, once again, because I know it was not easy, and it is still not easy, and we are not at the end. But we can finalise this proposal. I am looking forward to it.

(Applause)

Commission's position on amendments by Parliament

Paasilinna report (A5-0293/2007)

The Commission can accept Amendments 3, 12, 14, 18, 20, 23, 38, 44, 45, 46, 48, 49, 50, 63, 64, 65, 66, 67, 68, 72 and 73.

The Commission can accept Amendments 7, 16 and 28 in substance.

The Commission can accept, subject to redrafting, Amendments 2, 15, 17, 26, 39, 29, 30, 32, 36, 37, 41, 42, 43, 51, 52, 53, 54, 56, 57, 59, 60, 61, 62, 70 and 74.

The Commission reserves its position on amendment 21 on financial aspects pending an agreement on the funding.

The Commission cannot accept Amendments 1, 4, 5, 6, 8, 9, 10, 11, 13, 19, 22, 24, 25, 27, 31, 33, 34, 35, 47, 55, 58, 69, 71, 75, 77, 78 and 79.

President. – The debate is closed.

The vote will take place on Wednesday.

Written statements (Rule 142)

Monica Maria Iacob-Ridzi (PPE-DE), in writing. – (RO) The European Institute of Technology has the ability to reduce innovation gaps between the European Union and its external competitors and to gain the interest

of millions of young researchers all over Europe. In order to achieve these objectives, it is essential to ensure the feasibility of the project.

The EIT, in the form proposed by the Commission, will use over 1.2 billion out of the funds designated for the cohesion policy and will draw from the resources of programmes that operate successfully in order to achieve the Lisbon strategy. This would mean centralizing the research funds into a single European project and reducing the financing possibilities open to private companies. The EIT should be a complementary innovation institution in Europe, not a substitute for small research and development centres. For this reason, together with the Council, we must find another financing formula for this project.

One of the provisions in the report states the necessity for the institute to be established in a European Union country where there are "centres of European academic excellence and reputation". As a country with an important research and innovation tradition, Romania possesses important academic centres and well-qualified series of graduates in technology. Selecting Romania as the host country for the European Institute of Technology would stimulate economic development in the entire region and would contribute to balancing the gaps still existing in the European Union.

Alexander Stubb (PPE-DE), in writing. – Education, research and innovation are windows to the future. They are the building blocks of what is called the 'knowledge triangle'. We need to be competitive. The knowledge triangle is one of the keys. Therefore I see the European Institute of Technology (EIT) as an investment to the future.

There has been scepticism to the added value EIT could offer. The network structure supported in this, Mr Paasilinna's, report will be a good solution. The expertise lies in the participating universities and higher education institutions. Therefore, rather than what the President of the Commission, Mr Barroso, has called a 'flagship' of European research, the EIT will try to be a label branding European research. I support this idea.

Remembering my academic years, I also support the report's idea of the EIT's 'Knowledge and Innovation Communities' (KICs) being autonomous. This way the EIT KICs will give the best kicks to European innovation.

15. Towards a common European foreign policy on energy (debate)

President. – The next item is the report by Jacek Saryusz-Wolski, on behalf of the Committee on Foreign Affairs, on a common European foreign policy on energy (2007/2000(INI)) (A6-0312/2007).

Jacek Saryusz-Wolski (PPE-DE), rapporteur. – Madam President, I am presenting to you an own-initiative report recommended by an overwhelming majority in the Committee on Foreign Affairs. Our report advocates a common EU foreign policy on energy in order to face challenges of energy security. It would bring necessary and substantial added value to efforts made at national level, according to the subsidiarity principle, and would allow better protection of Europe's energy interests.

What should this policy look like? It should be based on the following four principles: diversification; unity in defending the EU's interests and the EU speaking with one voice; solidarity in crisis; and strengthened cooperation with partners.

We need to develop a proactive broad energy diplomacy aimed at strengthening our cooperation with all major producer, transit and consumer countries, and to create an energy market based on the principle of reciprocity.

The report welcomes the proposals of the third energy package, as adopted last week by the Commission, which addresses these concerns and is in line with the report. The EU has to be active, determined and united. The geopolitical dimension of energy security has been so far neglected and it is high time to fill the gap. Hopefully the new Treaty will equip the EU with a legal basis for energy solidarity, thus allowing for the EU's institutional competence to negotiate an energy security framework with third countries. The report recommends including in our agreements with producer and transit countries a so-called energy security clause which lays down a code of conduct and explicitly outlines measures to be taken in the event of disruption of supply.

We should replace the current EU Member States' preference for energy unilateralism with a new common policy of energy solidarity based on a multilateralist approach. Meanwhile, there is a necessity to establish

a good practice of consultation among Member States on strategic decisions which may affect the EU or one of its members.

The new common foreign policy on energy must be consistent with all EU policies having an external aspect, e.g. internal market, competition, transport, trade, environment, consumer protection, budget and others. One cannot create a new common policy overnight. We propose, therefore, to adopt a gradual approach and furthermore, to be efficient, this new policy should be equipped with appropriate instruments.

We suggest the creation of a new post of High Official for Foreign Energy Policy after the new Treaty enters – hopefully – into force. This office would allow for the coordination of all the above-mentioned sectoral policies of the Union and especially those aspects related to the external side of energy security, working under the authority of the High Representative for the Common Foreign and Security Policy, who would, in future, also be Vice-President of the European Commission. That would reinforce the synergies inside the Union.

This institutional novelty therefore constitutes an important anchorage of the new approach. We also propose to elaborate a precise roadmap indicating short-, medium- and long-term objectives with a specific timeframe for implementing them and obviously subject to the European Parliament's scrutiny.

To be successful, we need to engage the EU's internal dynamic and to secure the necessary public support. The citizens' interest is in secure and affordable energy. This interest of our citizens should be at the core of the project, thus constituting one of the targets of our 'Europe of results' approach.

Common threats to secure energy for Europe should therefore produce a common response. But we may also achieve more: a new common policy can become a trigger for further European integration, giving it a new impetus and new strength to the EU as a global actor. A demanding and courageous approach should be an ambition of the European Parliament.

Today's European Union started a long time ago with energy. Then, it was coal giving an initial push to our reconstruction. We should not miss the opportunity to let it happen once again. We need energy for Europe, indeed, both in literal and in metaphorical terms.

Andris Piebalgs, Member of the Commission. – Madam President, I welcome very much the initiative of the Committee on Foreign Affairs and in particular the chairman, Mr Saryusz-Wolski, to propose a report on a common European foreign policy on energy. Recent developments have confirmed that this is a very timely initiative. The report serves to underline the growing importance of energy issues in the Community context, particularly the external aspects and the importance of the European Union speaking with one voice on external energy issues.

I appreciate that the report clearly highlights that substantial progress has been made over the past year by the European Union and its institutions towards the goal of speaking with one voice. This includes the establishment of the Network of Energy Security Correspondents (NESCO), in addition to the existing gas coordination group and oil supply group. NESCO has been active since the early summer, which has permitted a very useful and early exchange of energy information between Member States.

However, an earlier exchange of information on planned initiatives by particular Member States would still be highly welcome. Therefore, as the report underlines, a lot still remains to be done.

The call for a suitable Treaty basis for energy and energy security is particularly important and timely, as is the call for concrete provisions in the Treaties that will lead to the creation of a common European foreign policy on energy. I very much welcome this approach, including the proposal from the Committee on Industry, Research and Energy that the principles of the common energy policy be included in the EC Treaty at the forthcoming intergovernmental conference, so that there will be a solid basis for joint action in the energy field directed towards third countries.

I also note that the Committee has reflected further on the proposal on how to anchor external energy policies more firmly both in the Commission and the Council. We will need to reflect further on this important subject.

I believe that this version of the report is also balanced geographically, recognising the importance of enhancing our energy relations not only with our eastern neighbours but also with our Mediterranean, Middle East, Asian and other partners.

I already enjoy the genuine energy partnership with the United States but I do believe that we can achieve more in this area. I also believe that we need to continue to work with like-minded energy partners, such as Norway, Canada and Australia, to strengthen the consensus on the value of open, transparent and competitive international energy markets.

Recognising the value of the Energy Charter Treaty, I agree with the Committee that Russia's ratification would be very important. However, at the same time I firmly believe that the principles of the Charter also need to be included in a robust energy agreement within the framework of the post-PCA agreement with Russia.

I do have a practical concern about the number of reports that it is suggested that the Commission should produce. I know that each of them per se is important but I believe that most of the issues raised will be covered in the framework of the regular review of the Energy Action Plan or are already covered in the Commission's annual reports on the application of competition law.

I do, however, favour more involvement by Parliament and I will examine the suggestions proposed to my colleagues in the College to determine what, in practical terms, the Commission can do to address the concerns raised.

Finally, with respect to the substance, the Commission intends to press ahead with the work in which we are engaged since early last year and which reflects most of the priorities identified in the report, in particular, on the feasibility study to examine the existing legal arrangements in the EU if its neighbours' energy sectors fall short, and how to strengthen them.

Equally, it is important to put concrete proposals on the table on reciprocity, and I welcome the fact that your report recognises the importance of reciprocity measures aimed at protecting our internal energy market.

This is a very timely report, both politically and also in terms of substance. The Commission has been actively working over the past year and a half to reinforce the EU's external policy on energy and, as the report recognises, there have been a number of significant achievements.

However, we do need to go further and I therefore fully support the call in this report for concrete provisions in the Treaties that will lead to the creation of a common European foreign policy on energy.

With energy security, we are talking about the security of our economies and our way of life. As the EU is becoming increasingly dependent on imports of energy, it is crucial that we have a coherent and focused response to the challenges that this presents, not least in our relations with our major external energy suppliers. This has already been reflected in the Commission's latest package on the internal electricity and gas markets, and I very much welcome your appreciation of the proposal.

I can also announce that the Commission will be holding a rapid and in-depth review of the wider aspects of the EU's external policy in energy and that we will definitely make the results of that work public.

I would like to thank the Committee on Foreign Affairs and particularly the chairman, Mr Saryusz-Wolski, for taking this initiative and for giving Parliament an opportunity to debate this extremely important issue for Europe, and I look forward to continuing our cooperation in the future.

Jean-Pierre Audy (PPE-DE), *draftsman of the opinion of the Committee on International Trade*. – (FR) Madam President, Commissioner, ladies and gentlemen, my first words will be to congratulate my colleague and friend Mr Saryusz-Wolski for his excellent report.

It is now time for Europe to speak with one voice on energy, because we face serious threats to security of supply, transit and investment.

However, it is a shame that paragraph 62 of the report is too categorical as regards full ownership unbundling of energy production, transmission and distribution, since other solutions exist to reconcile the creation of a European energy market with the essential political security that we must maintain over our networks.

In terms of international trade, we need to insist on the inclusion of chapters on energy in any new trade agreement. Fair competition must be established at international level, particularly through and under the supervision of the World Trade Organization.

Finally, we must support international scientific initiatives such as the ITER thermonuclear experimental reactor programme, which, apart from the European Union, also involves a number of other partner countries around the world.

Umberto Guidoni (GUE/NGL), *draftsman of the opinion of the Committee on the Environment, Public Health and Food Safety*. – (IT) Madam President, ladies and gentlemen, the depletion of fossil fuels and changes in the geopolitical situation have placed energy security at the top of the European Union's political agenda.

The European Union's growing dependence on external energy supplies, mainly from unstable countries, gives rise to concerns regarding the economic and political interests of the Member States as well as the EU's overall security. I do not believe, however, that we can respond to these challenges and problems solely by increasing production and supplies from abroad, but should rather seek a response to energy demand within Europe.

It is for this reason that the Committee on the Environment, Public Health and Food Safety urged a focus on energy efficiency and renewable energy sources during the next decade, as the major way of reducing dependency on oil and gas. Since production and consumption of energy are the main sources of greenhouse gas emissions, an integrated approach to the environment and energy is required to achieve the objectives of a sustainable energy policy.

Therefore, combating climate change should not remain the preserve of environmental policies, but ought to lie at the heart of the European Union's policies, both internal and commercial. For example, with regard to biofuels it is vital for the European Union to ensure that they will not threaten security of food supplies worldwide and will not create pressure on the economy of the global South to expand monoculture and deforestation.

Support for the development and use of renewables can ensure a fair transfer of technologies to non-EU countries and bring benefits in terms of European leadership in the development of international markets. The proposal for energy partnership with Africa is therefore important, and we should add similar partnerships with China and India in view of the growth of these countries. The attainment of the millennium objectives for developing countries is a priority.

Lena Ek (ALDE), *Draftsman of the opinion of the Committee on Industry, Research and Energy*. – Madam President, the cornerstones of the energy policy for the European Union are transparency, reciprocity and the rule of law. And, as we have all experienced in the last two years, this is also a vitally important issue when it comes to energy and foreign relations.

We already have problems in Europe when it comes to security of supply, consumer rights and environmental concerns, and we have to do something about the greenhouse effect.

We also have a disturbance on the market that is severe, which Neelie Kroes's report showed us very clearly and which puts on the table the need to unbundle, which is also a foreign relations concern. This is a very important aspect of this issue. So we have to rebuild our energy system in Europe with regard to production, distribution and consumption.

I would like to thank the rapporteur Mr Saryusz-Wolski for very good cooperation. He has taken account of all the texts from the Committee on Industry, Research and Energy. What I am not so happy about is what he added with regard to the new Solana-like function, to be able to talk with one voice for the European Union. This new institution would, as I see it, cause uncertainty of roles, a divide-and-conquer situation, and it takes completely the opposite approach to our cornerstones in our energy policy. We cannot check on reciprocity with an institution like this, transparency is ruled out and the powers of Parliament are diminished, which is also completely the opposite of what we want in all other areas. We have therefore asked for a split vote on this topic tomorrow.

Finally, I want to agree with the Commissioner that it is vitally important that we add the energy issue to the new Treaty.

Christopher Beazley, *on behalf of the PPE-DE Group*. – Madam President, this report is a serious, thorough and inspirational piece of work. The rapporteur has rallied support across the Committee on Foreign Affairs but also across the other four committees that we have just heard from. In my view it will meet with widespread acclamation tomorrow, including my own support, and, I am very happy to say, that of my British colleagues.

Commissioner Piebalgs, you went a very long way in your introduction to support the initiative that the Committee chairman, Mr Saryusz-Wolski, has raised with, as I say, a lot of innovation and skill, because, to many, there were challenges.

I have two specific questions to which perhaps you might reply. You stated, in terms of one of our major suppliers, Russia, that you look forward to a new agreement under the action plan. What is wrong with the old agreement that Russia has actually signed, the Energy Charter, including the Transit Protocol? Because, if our neighbours and suppliers, with whom we have mutual dependency, constantly renege on agreements, what confidence can we have in the future? We are looking for harmonious relations, but we have to defend our own corner and not merely agree with those who are in a supply situation.

I disagree with Ms Ek in her reservations – perhaps she might listen – about the High Official. It seems to me that Mr Saryusz-Wolski is absolutely right in that we must have an institutional representative, whether it is yourself or whether it is, as we foresee, a double-hatted responsibility – both the Commission and Council. I disagree thoroughly with Ms Ek. This increases transparency, because Parliament would have a direct contact in the Vice-President of the Commission role of this High Official.

Could you dwell, in your reply, a little bit on this institutional issue, which seems to me to be extremely important and which Parliament is going to stress very strongly?

Justas Vincas Paleckis, *on behalf of the PSE Group.* – (LT) Madam President, I would like to congratulate the rapporteur and express my thanks for the good cooperation in coordinating the changes to the report on this new, brave issue.

The European Union is uneasily implementing its common foreign and security policy and is just starting to create its energy policy. It is proposing to go even further, that is, to create a common European foreign policy on energy. I believe that this is the right step, because the interlacing of foreign and energy policy is becoming more and more apparent and we need to look to the future.

Those countries that manage energy sources can fall into the temptation of managing the entire world or at least having a special impact on certain regions. This report presents ways of avoiding this by using a justified EU measure – solidarity. I am sure that the creation of a High Representative for Foreign Energy Policy with dual subordination is very important. Bringing to mind Henry Kissinger's well-known expression, the officials of countries that supply resources, transit countries and the representatives of large companies would call him and he would not be able to stop calls from the capitals of the EU Member States.

The Members of the European Parliament would expect to receive reports from the European Commission on the implementation of the proposed policy and the assessment of how third countries are complying with the principles of transparency and mutuality. If this policy is acceptable to the European Union, we will avoid any stumbling when bilateral agreements are concluded, bypassing their neighbours in the European Union.

The EU and Russia depend on one another in the areas of energy imports and exports. Both are searching for possibilities to diversify and they will not stop doing this. However, they will still remain natural partners in supplementing one another for quite some time. It is very important that agreements between the EU and Russia are based on international law and are transparent and clearly monitored. The way forward for this is also presented in this report.

(Applause)

István Szent-Iványi, *on behalf of the ALDE Group.* – (HU) Madam President, Commissioner, first of all I would like to congratulate Mr Saryusz-Wolski, who has written an excellent report on a very important and topical issue, and I would like to thank you for working together, for your cooperation and your willingness to reach a compromise.

There is no doubt that the issue of energy security is one of the biggest challenges facing the European Union. Nowadays this is not primarily a technical issue, or an economic issue, or even a matter of energy sector management. Fundamentally, it is a strategic issue.

The European Union as a whole currently obtains 50% of its energy requirements from outside the EU. According to estimates by experts, by 2030 it will be importing 70% of its energy requirements. This means that its energy dependency is very high. Even now, many Member States depend to a much greater degree on energy supplies from abroad, and a good few of the new Member States depend on a single external

supplier. Moreover, this supplier is one that is increasingly exploiting energy as a means of asserting its own political interests. Sometimes it is bent on punishing the Member States, at other times dividing them. Ladies and gentlemen, I am referring to Russia.

A common energy policy is urgently needed, an energy policy based on unity and solidarity, exactly as Mr Saryusz-Wolski has just set out. It is vital that we diversify our sources and our transport corridors since the areas of the world we are dealing with in both cases are unstable, or largely unstable, and this also poses a threat to our security of supply.

The report proposes appointing a High Official for Foreign Energy Policy, but the ALDE group does not support this. We are concerned that it could lead to conflicts over competences; we are concerned that the European Parliament's powers of scrutiny would be curtailed and we fear that it would not represent real added value.

At the same time, however, we believe a very important aspect of the report is that it highlights the significance of energy projects, notably Nabucco, as a major common energy undertaking of the European Union, which could represent the first step towards a real common foreign policy on energy.

The report, and Mr Saryusz-Wolski, deserve particular credit for drawing attention to the concerns surrounding the Nord Stream pipeline. These concerns are partly environmental, but they are also at least as much political, and this pipeline can only be constructed if we find satisfactory solutions and satisfactory answers to all of these concerns. The Energy Charter Treaty is especially important because it is the basis of European cooperation on energy matters, and Russia too must ratify it. Thank you.

Konrad Szymański, *on behalf of the UEN Group.* – (PL) We have a good chance of achieving a common energy policy. The most recent communication from the Commission indicates that we are on the right road. The report from Mr Saryusz-Wolski is also an important step in this direction.

In the first place, we have here a reasonable picture of the problems of energy trade in the context of foreign policy. The European Union has been avoiding this for a long time. It took the hostile abuse of energy by Russia to make us realise that trade in energy had become a narrowly political instrument. The report builds energy security into the EU's security priorities.

What we find here is a well-defined principle of solidarity and the requirement to diversify suppliers and transport corridors. We find very reasonable doubts about the Nord Stream pipeline, the demand for Russia to respect the principles of the Energy Charter, the involvement of the WTO and the expansion of our energy policy beyond the context of European Union Member States.

For all of these reasons, our political group is happy to support this report. I congratulate the rapporteur.

Rebecca Harms, *on behalf of the Verts/ALE Group.* – (DE) Madam President, ladies and gentlemen, I share the assessment of the rapporteur, Mr Saryusz-Wolski, concerning the problems of dependence on imports and the growing dependence on imports of energy fuels and I have little disagreement with it – the report describes it very well. I do not, however, agree with the solutions this report puts forward and am of the opinion that important strategic objectives of internal, intra-European energy policy should have been reflected in this report.

In my opinion, the most important instrument for reducing this growing dependence on imports is the reduction of energy consumption in all areas and I am also of the opinion that the 20% increase in energy efficiency which Europe has undertaken to achieve by the year 2020 has to be a target that must leave its mark on strategic foreign energy policy. When we realise that in the construction sector in Russia alone, as much gas is consumed unnecessarily as is otherwise exported from Russia to the European Union, then it is clear how much we can gain if we implement our efficiency strategies at home and then also turn the outward-looking energy strategy of the European Union into a viable method for Russia. This would therefore also involve influencing Russia's internal energy policy by example.

On the subject of oil – dependence on OPEC is always a disadvantage in the light of the heated debate about Russia – I would say: if Europe manages to make economical, efficient cars on a pilot model and implement an aviation fuel tax for aviation gasoline, then we would gain more than with heated debates with OPEC on markets and export opportunities.

We support some parts, Mr Saryusz-Wolski, but not other parts!

Tobias Pflüger, *on behalf of the GUE/NGL Group*. – (DE) Madam President, this is in some respects a very honest report. The wording is clear. There has been no Treaty basis for this energy policy to date. Correct! Then for me the question is: why is this initiative being taken?

The initiative is being taken – we have now heard this more clearly in the spoken contributions than could be read in the report itself – on account of Russia's energy policy. This base line is precisely the thread that runs through the entire report. It is an anti-Russian report – as clearly worded in a variety of ways at various points – and it is a report that clearly states that the European Union wants to be a global player and a foreign policy on energy is virtually a means to that end. This, too, is honest in some respects and something which may or may not be politically desirable. We do not want this!

Clear demands are being made in relation to certain projects. The lobbying policy for the Nabucco pipeline project, which is also being pursued within this Parliament, can also be found in this report. Countries are dealt with collectively: Turkey is regarded almost exclusively as the transit hub for energy supplies. However, Turkey is rather more than this. I find the wording with regard to the USA particularly good. Here it states: 'underlined the importance of enhanced energy dialogue with the US and other key energy partners that share EU values.' I would just remind you that the USA is conducting a war in Iraq with a range of allies, also partly because of energy issues. If these are the same values, we must be very clear about saying 'no' to this development!

The wording is clear that, in the G8, the various Member States involved will be backing interests in the energy sector, and a link will be established with the military components. As I have said: it is in some respects a very honest report. A colleague of mine has described it thus: this report has a whiff of the Cold War about it. I believe this is right and my Group will therefore be rejecting this report.

Bastiaan Belder, *on behalf of the IND/DEM Group*. – Madam President, time is pressing for concrete steps to be taken towards a European external energy policy. Mr Saryusz-Wolski's report does not push forward the Nabucco project in particular without good reason. Our Commissioner for Energy, Mr Piebalgs, eloquently dubbed this gas pipeline 'an embodiment of the existence of a common European energy policy'. Sure enough, words must be followed by action and it is for that reason that we also greatly welcome the appointment of Jozias van Aartsen to the position of EU coordinator for the Nabucco project.

The recent British and Austrian missions in respect of potential gas suppliers for Nabucco, Turkmenistan and Azerbaijan also serve as evidence of European decisiveness. In any event, the positive responses from Ashgabat and Baku offer perspective. Two issues are of essential importance for an effective follow-up to the Nabucco project, the cost of which runs into billions of euros. First of all, there must be harmony between the current group holders. In short, Austrian project manager OMV must immediately discontinue its stubborn attempts at a hostile takeover of group partner, Hungarian oil and gas firm MOL. A clearly urgent task for the new Nabucco coordinator and on behalf of the EU will be for Mr Van Aartsen to also be on the alert for further attempts on the part of Russia to infiltrate this interesting energy diversification project.

Madam President, in the event that the Nabucco project and similar European plans are unsuccessful, there will be insufficient energy diversification for the new EU Member States. This will result in a fragmentation of the European energy market and the diplomatic curtain will then unfortunately fall on a European external energy policy. The European institutions must never let it come to this.

Alessandro Battilocchio (NI). – (IT) Madam President, ladies and gentlemen, in common with the rapporteur, I also believe that it is necessary and important to align foreign policy with energy policy.

I hope it is not necessary to elaborate on how appropriate coherence between the two policies, which would both be strengthened by a common strategy, would lead to economic growth and prosperity for European citizens as well as greater political stability worldwide, and a probable domino effect for our major European partners.

The priority, however, should not relate exclusively to security of supply, but we should at the same time focus on a sustainable, efficient energy policy that makes Europe increasingly self-sufficient in energy terms and thus independent of external pressures that may have an influence, and at times a strong one, on the EU's commitment to the promotion of democracy, human rights and peace.

An effective common policy must be based on increased resources for research into renewable energy as well as investment in nuclear power, and so we should focus on what we have: skills, professionalism and technologies. If we also add political will, we can transform the European energy crisis into a unique

opportunity: gaining a full technological advantage in order, when the imminent world energy crisis arrives, to beat our major competitors at the economic challenge.

Tunne Kelam (PPE-DE). – Madam President, today's debate could well be titled 'who is going to have the upper hand in conducting the EU's foreign policies?' Will it be big corporations and third countries or will it be the EU institutions?

By creating a common policy on energy, as proposed by Mr Saryusz-Wolski, the EU will become a much stronger player on the world stage, better placed to defend the interests of all its Members. A common energy policy has to become an essential part of our common security policy.

As late as January 2006, the EU countries started to realise that energy has been used and will be used by Russia as a central instrument of its foreign policies. President Putin has openly defined the state-owned Gazprom in such a role. For my country, Estonia, this is nothing new: Estonia experienced a full-scale energy blockade 16 years ago, when Russia punished its former colony for trying to become genuinely independent.

This report shows that it is high time for a united approach. Too often, bilateral agreements have in fact led to looking away from democratic standards and have caused real damage to the EU's unity and credibility. For example, the Baltic Sea gas pipeline project should be seen first of all as a political tool, which will enable Putin's Russia to further divide the EU, by playing certain states against the others.

Therefore, I strongly support two key ideas of this report: creating a special EU official to coordinate foreign energy policies and including an energy solidarity clause in the future Treaties. But I am especially encouraged by Commissioner Piebalgs for his deeply professional, constructive and forthcoming approach and I look forward to our good cooperation.

Hannes Swoboda (PSE). – (DE) Madam President, I would first of all like to thank the rapporteur, Mr Saryusz-Wolski, for the opportunity to work with him well and to be able to reach a compromise. One of these compromises has just been mentioned and concerns those responsible for a foreign policy on energy. I know this is a difficult field, not without controversy, and the Commissioner will still have to do a great deal more work on it. If it comes to it, not only will the foreign affairs politicians need to be involved, but also the Commission's energy politicians.

One important aim of our foreign policy on energy is diversification. This does not mean that we want to take action against those countries from which we obtain crude oil or natural gas, but we do want to tap other sources. Even Russia is trying to gain access to sources in order to supply crude oil or natural gas to Europe. It is our legitimate right to try to gain this sort of access as well. In addition, the question of reciprocity is an important aspect in relation to Russia. For our Group this does not entail a policy vis-à-vis Russia, but a policy of equal rights. If Russia is opening up its markets, we shall do so too. But we cannot be asked to open everything up while Russia is closing everything down. It makes no sense for us.

The final point I would like to mention is a very difficult matter, also included in the amendment, and that is the relationship between energy policy and human rights policy. When I was in Azerbaijan for a short time with my colleagues, we did discuss this. Unfortunately, most of our sources of supply are in countries where the issue of human rights is not the top priority. This cannot lead us to say we will not source any more energy from these countries. But it must mean – if we want to remain credible – that we will do both: energy policy, but also human rights policy, and improving the human rights situation in these countries. It cannot mean that we say 'we are sourcing energy; nothing else is of interest to us'. We must offer a parallel strategy. This is the only credible thing to do.

Samuli Pohjamo (ALDE). – (FI) Madam President, I too wish to congratulate Mr Saryusz-Wolski on an excellent report on a very important issue. The report shows that the Union still has much to do to establish a common policy on energy.

I would like to emphasise the importance of renewable energy as a way to improve self-sufficiency in energy, diversify energy sources and control climate change. We still need to invest considerably in research and product development if we are to increase the share of renewable energy.

Member States must be able to maintain their right to take decisions on energy and exploit their own energy sources, but at the same time we need cooperation, an exchange of best experience and also common rules and regulations to promote the establishment of a common energy policy.

It is also important to implement joint projects on renewable energy in collaboration with the Union's neighbouring countries, so that all Europe's renewable energy resources can be used more efficiently, effectively and sustainably.

Inese Vaidere (UEN). – (LV) Ladies and gentlemen, firstly I would like to thank the rapporteur, Mr Saryusz-Wolski, for his very comprehensive and extremely topical report. Energy is a sphere in which EU competence is shared with the Member States. It is clear that under these circumstances working towards a common foreign policy in the energy sphere is not an easy task. Resolving the situation as quickly as possible, however, makes us dependent, for our energy supplies, on unstable countries with doubtful democratic credentials. Security of energy supply is an important element of general security. Experience to date has shown that energy can be a highly effective instrument of political pressure. The only counter-measure is a common policy and solidarity. One of the largest suppliers to the European Union is Russia, with whom a new partnership and cooperation agreement is currently being prepared. The principles of the Energy Charter need to be worked into this agreement, and of course Russia must ratify the charter. In relation to non-EU countries in which a growing need for energy can be observed, the European Union ought to ensure that technology relating to renewable energy sources is supplied to them on preferential terms. This will definitely be worthwhile in many ways in the future. Last week the Commission published a proposal for further liberalisation of the market. Unfortunately, this immediately met with opposition from certain Member States and from Russia. It is symptomatic that opposition comes from those countries where businesses have attempted in the recent past to benefit from the creation of special bilateral relations, ignoring the rights and interests of other Member States, as is the case, for instance, with regard to the north European gas pipeline project. I would like to hope that we will nonetheless be able to agree, and that this will also make us stronger in foreign relations. Thank you.

Marie Anne Isler Béguin (Verts/ALE). – (FR) Madam President, I would like to thank our rapporteur. Energy has become a geostrategic issue once again. It is also the Achilles heel of the European Union. Since it cannot meet its energy needs alone, the EU is striving to diversify its sources of supply under trade agreements signed with countries in Latin America, Africa and Eurasia.

The recent disagreement between the European Union and Russia over the Energy Charter is a sign that energy security has entered a new era. Faced with dwindling oil resources, the ever-present nuclear risk and the advent of energy powers such as Russia and Brazil, it is also vital to restate the EU's sustainable development policy. In this respect, a coherent foreign policy will reflect the renewable energy targets set by the Spring European Council. It will also make energy efficiency a premise of our external relations. It is not enough to insist on guarantees of uninterrupted supply from other countries, particularly neighbouring countries. We must also ensure that there is real coordination between the 27 Member States.

In fact, energy security means a loss of sovereignty in a European sector which has now become strategic. The pressure that energy supply places on governments should not make us rush these decisions or neglect the principles we have worked on together. As the previous President of the European Parliament reminded President Putin, human rights cannot be negotiated in return for our energy needs. On the contrary, we must make our supply conditional on respect for human rights.

Miguel Portas (GUE/NGL). – (PT) This report starts with a real problem – the Union's energy dependence – but it comes to the wrong conclusion. The enemy is not Russia, whatever our opinion of Putin, nor Algeria, whether or not we approve of their armed forces. Climate change, the fossil fuel burden and a way of life that involves high energy consumption, those are our adversaries – internal and external. We shall not beat them by focusing on security issues belonging to the Cold War era.

The obsession with security undermines cooperation and leads to an 'anything goes' internal policy: from nuclear fusion to reliance on biofuels. Only yesterday *Le Monde* revealed Paul Crutzen's conclusions: a litre of agrofuel can contribute up to twice as much to the greenhouse effect as the equivalent amount of fossil fuel.

In conclusion I should like to paraphrase José Sócrates: It would perhaps be a good idea to start listening to the scientists and economists once again rather than to couch geostrategists.

Thomas Wise (IND/DEM). – Madam President, when the EU talks of a common foreign policy on energy, you need to be very aware of exactly who you propose to do business with. President Putin is on record as saying 'The Commission should be under no illusions. If it wants to buy Russian gas, it has to deal with the Russian state.'

Gazprom is not a private company. It is a state-controlled tool of Russian foreign policy. It is, moreover, in the hands of President Putin's political henchmen and, allegedly, organised crime. Take, for example, Alisher Usmanov. This gentleman, the son of a Communist apparatchik, is Chairman of Gazprom Invest Holdings, the group that handles Gazprom's business activities outside Russia. He is the man we are doing business with. He is the man who cuts off gas supplies if client states dare to question Gazprom's demands. Allegedly a gangster and racketeer, he served a six-year jail sentence in the Soviet Union in the 1980s, his eventual pardon coming at the behest of Uzbek mafia chief and heroin overlord Gafur Rakhimov, described as Usmanov's mentor.

Usmanov bought the newspaper *Kommersant*. Three months later the journalist Ivan Safronov, a critic of the Putin regime who just weeks earlier had been vigorously interrogated by the FSB, as the KGB is now called, mysteriously fell to his death from his apartment window, still clutching a recently purchased bag of shopping.

According to Craig Murray, the former British Ambassador to Uzbekistan, it was Usmanov who ordered the cutting off of supplies to Georgia earlier this year. Please take note, Madam President, the Kremlin has now refused to sanction the construction of a pipeline to the EU over Georgian territory. These are the people you want to do business with. These are the people around whom you want to mould your foreign policy on energy. Commissioner, good luck. You will need it.

Godelieve Quisthoudt-Rowohl (PPE-DE). – (DE) Madam President, first of all I would like to compliment the rapporteur, Mr Saryusz-Wolski. You can see by the very high attendance at this late hour how important the report is and you can also hear how emotionally charged the atmosphere is as we listen to the various contributions from different nationalities and groups. It is therefore a compliment that the paper has actually been written and adopted.

As rapporteur for trade and economic relations between the EU and Russia, I would like to raise two aspects and then make a general comment.

The first aspect concerns the bilateral energy agreements. If I read it correctly, the Saryusz-Wolski report is 'towards a common European foreign policy on energy'. In other words, this common foreign policy on energy does not yet exist. While it still does not exist, it must therefore be possible to find other ways to talk about energy. The Member States are able effectively to agree among themselves – this is highly desirable, it is not a chore. It is not possible to impose a veto on bilateral agreements. It is a credit to the rapporteur's realism – because I know that he wanted something else – that he has written this in his report in this way.

My second point: combining the energy charter with Russia's WTO membership. Linking ratification of the energy charter with accession to the WTO is a backward step. It is also advantageous for the EU if Russia is a member of the WTO. Moreover, we are not able to make a decision on this alone.

The rapporteur's report in favour of the common energy policy leans towards Russia, but this is simply consistent with the situation today.

Libor Rouček (PSE). – (CS) Ladies and gentlemen, the European Union is increasingly dependent on traditional energy sources, in particular oil and natural gas. Many important measures must be taken to limit and reduce this dependence. For instance, it is necessary to make substantial energy savings and step up research in this area. It is necessary to start making greater use of alternative fuels, from wind, water and biomass to nuclear reactors. It is necessary to ensure territorial diversification of supply, with a greater variety of countries and routes.

All these challenges and tasks cannot be approached independently, at national level alone. It is becoming clear – and even the politicians in many Eurosceptic countries are beginning to understand this – that we have to find the solution together, through our common European policies. This also applies to the common European foreign policy on energy.

I therefore welcome the report by Mr Saryusz-Wolski as a necessary step and a vital element in the debate on introducing this policy. The report contains important principles and recommendations: the European Union should follow them so that it can defend the interests of all its members, so that it can speak with one voice, including to those outside the Union. Among these tenets and important principles is the very important principle of solidarity, solidarity in situations of crisis. It is possible to support all these tenets and principles. However, in order to realise them we also need a new, stronger legal basis, in other words we need a Reform Treaty. In my opinion, we should bear this aspect in mind when debating the establishment of our common foreign policy on energy.

Henrik Lax (ALDE). – (SV) Madam President, I thank the rapporteur for seeking to make the Russo-German Nord Stream project into a common concern for the EU. Indeed that is what it is in reality. The EU needs gas, and Russia needs its export income. At the same time the project gives rise to fear and anxiety among the inhabitants of the Baltic region and is perceived as a threat. We need confidence-building measures in order to dispel this mistrust. Russia cannot continue to fan the flames of antagonism between itself and the peoples around its most important export route. But only a united EU can turn what is now perceived as a threat into an opportunity and a step forward in relations with Russia.

For the project to be given the green light, the EU must demand the following: a reliable assessment of its consequences for the environment, guarantees of compensation in the event that the gas pipeline causes accidents and full inspection of operations by a monitoring body with representatives from the countries around the Baltic Sea.

Zbigniew Krzysztof Kuźmiuk (UEN). – (PL) Madam President, Commissioner, I would like to make the point that, from the aspect of individual countries and societies, there are three types of security that are paramount: energy security, food security and personal security. So my thanks go to the author of the report on European foreign policy on energy, Mr Saryusz-Wolski, for drawing up this complex set of ideas on the subject of European Union energy security. May I at the same time express the hope that a common energy policy will be written into the European Union reform treaty.

Poland, which I represent, is experiencing for itself the effects of a divergence of interests in energy policy between individual Member States. A striking example of this is the way in which Russia and Germany are implementing their Baltic Sea gas pipeline investment to the detriment of the interests of both Poland and the other Baltic States.

Two years ago, at a meeting of the EU Council, Poland announced a proposal for a common energy policy which could be described by the slogan 'one for all and all for one'. It is good that the report being discussed today is moving in that direction by proposing common solutions that would put the above principle into effect. There can, after all, be no doubt that without unity in protecting the energy interests of the European Union, without observance of the principle of solidarity in crisis situations, the European Union will not be viewed as a single body.

Jana Hybášková (PPE-DE). – Madam President, Commissioner, I should like to thank and congratulate you and Mr Saryusz-Wolski for your current work and achievements.

Allow me today to open a debate on a new proposal, not on a high commissioner but on a whole new issue. Let us create a European fund for alternative energy resources. You might be surprised at why I am speaking about this issue. Have you ever heard about one terrific night in a frozen US in 1965 which led to the baby boom? You must be able to recall early May 1986 – Chernobyl – hours, days and months afterwards. And, Commissioner, you probably did not have the opportunity to land and stay in Kuwait in 1991 when 300 oilfields were burning.

These are all cases of a lack of energy security. Why do we have this lack of energy security? Because we do not have freedom of choice; we are heavily dependent. As a granddaughter of the founder of ČEZ, I know that we can say that the *Česká republika* is no longer 'Česká', but 'ČEZká'!

When you asked for 2020 for 20% of renewables, Prime Minister Topolánek came to us and he told us, I could sign it because it is total nonsense. With this approach, we will stay insecure because we will not have freedom of choice. How to achieve it? Of course, not only by external diversification – we Europeans have to find our own resources. Therefore, using energy tariffs to create a European fund for alternative energy can help us, not to create another Lisbon Strategy for 2020, but to really reach such people as Topolánek and give us the ability to have new resources, so as not to be dependent.

Ana Maria Gomes (PSE). – (PT) This resolution reveals the glaring inadequacies of European policies in the field of energy. In fact, the European Union is not a global actor here. Those who, like me, believe that the European Union should guarantee itself a minimum strategic autonomy, can only view with consternation our vulnerability in this matter. It is not a question of aiming for a Utopian self-sufficiency, but rather of recognising the need for greater coordination of national policies, ensuring there is solidarity between Member States and developing relationships with global partners which are less asymmetrical but predictable and based on a truly European approach. For example, it is up to us Europeans to work against the 'divide and rule' attitude which has marked relations with Russia in this area.

This report underlines the political dimension of the European energy market. As long as the Member States, in an approach comparable to that adopted in the European defence equipment market, continue to insist on promoting, internally, a sovereignist and anachronistic protectionism and, externally, a liberalism that is more 'Adam Smithian' than Adam Smith's, then Europe will remain out of step in a world in which all the principal actors regard energy as an eminently political and strategic issue. The rapporteur's proposal to create a post of High Official is therefore helpful and we should act upon it as quickly as possible.

However, in this area the EU not only faces the strategic imperative of guaranteeing security of supply. The actual sustainability of the European energy policy and the environmental implications of lack of diversification of our energy sources require an urgent change of course. Europe cannot therefore continue to support corrupt and oppressive regimes in oil-producing countries. The EU's external energy policy must include imperatives concerning human rights, good governance and environmental sustainability.

In conclusion, pollution and the post-Kyoto scenario, oil prices, moral and human rights imperatives, political and economic instability due to dependence on hydrocarbons, the potential of new environment-friendly technologies to stimulate a new industrial revolution in Europe and throughout the world, everything around us means the EU must develop a multi-faceted yet coherent external policy.

Finally, Madam President, I should like to congratulate the rapporteur, Mr Saryusz-Wolski.

Šarūnas Birutis (ALDE). – (LT) Ladies and gentlemen, I would like to thank the rapporteur for an excellent report. I will repeat myself once again by saying that it is very necessary and well-timed, if it is not too late. I have already emphasised the issues of the common energy policy and the security of energy supply several times because these are issues of vital importance for Lithuania and the other Baltic counties.

Remember the report by Mrs Laperrouze on guidelines for trans-European networks considered two years ago. Unfortunately, here in Parliament, the understanding was completely different and still remains so in some countries, for example regarding the Nord Stream project. Life will show who is right.

Today it is gratifying that the situation is changing and the European Commission has taken brave initiatives. On 19 September the package with this report has finally begun to meet our expectations.

Anna Ibrisagic (PPE-DE). – (SV) Madam President, first let me congratulate the rapporteur on a report which is not just extremely good but is also timely. Mr Saryusz-Wolski has done an extremely important job in shifting the focus from energy as a matter of our convenience to energy as a question of geopolitical importance. It is precisely the geopolitical and security dimension which is uppermost in the minds of those of us who were born behind the Iron Curtain, but which western Europe has long neglected. For that reason, perhaps, it is the most important element that the rapporteur brings to this debate.

We need to develop a common policy in order to protect our common interests better in this extremely important strategic area. I am grateful to Mr Saryusz-Wolski for having the courage to present this report, which contains a number of important and innovative ideas. We should indeed bear in mind that secure energy supplies are of vital interest to hundreds of millions of Europe's citizens.

Finally, Mr Saryusz-Wolski is quite right to say that we need to speak with *one* voice on this matter, precisely because the energy question is also quite clearly a security question. All our experience of foreign and security policy shows that, every time we have failed to speak with a single voice, we have lost out and our citizens have paid the price. Hence I can only urge that we support Mr Saryusz-Wolski's report in its entirety.

Adrian Severin (PSE). – Madam President, Mr Saryusz-Wolski's report is important and timely. Energy today is strategic for the European Union, as coal and steel were decades ago. Yes, the European Union needs a common European foreign policy in energy. Starting from this statement, I believe two questions are legitimate.

Firstly, how could one have a common external energy policy without a common internal energy policy? We need a common agency for technological development in this field; we need a European budget funded in an appropriate way and from appropriate sources; we need a coherent strategy for the energy production; we need an integrated network of energy transportation, compatible systems of distribution and a European Union policy to balance consumption and production. We need a truly free internal energy market.

Secondly, how could one have a common foreign policy on energy without a general common foreign policy? The Russian factor is crucial. Unfortunately, Russia perceives any common European strategy on energy as being directed against its interests. How can we figure out a convincing win-win strategy on energy

in our relations with Russia? Russia's behaviour today is unacceptable. However, we could not only tell Russia to behave, we have to motivate it to behave. Therefore, I believe we should welcome Mr Saryusz-Wolski's report, but we should see it as one necessary important step in a long way towards our common goal.

Alejo Vidal-Quadras (PPE-DE). – (ES) Madam President, Mr Saryusz-Wolski should be congratulated because his report clearly states the essential points that the Union should take into account in order to establish a genuine common foreign policy on energy: reciprocity with exporting countries, the need to better coordinate our energy diplomacy at European level, and the importance of establishing an integrated and competitive market.

In the field of external energy policy it is crucial to remember that a business that controls its market from generation to the final sale, as is the case for electricity, is not the same as another business whose product is dependent on factors that are largely out of its control, as is the case for gas.

Moreover, we should not confuse protectionism, which we condemn, with protection, which is a cautious measure. We need to refocus the problem from the point of view of interdependence, as the Union represents around 500 million consumers, which gives us considerable weight on the global market.

However, we are repeating the error of not harmonising diplomatic efforts at national and European level, which weaken us economically and geopolitically. We need to ensure that the bilateral agreements between Member States and third countries do not endanger the efforts made at European level. A considerable number of Member States depend on imports for more than 90% of their energy consumption, which obliges us to maintain well functioning and stable relations with producer countries.

However, there are times when the links are weakened due to unexpected events, which tends to bring negative consequences for trade between regions, that we are currently suffering from in Spain and that we saw in Poland and other Member States in the very recent past.

I will conclude, Madam President; it is only through a genuine European external energy policy that we will be able to avoid similar situations in the future, and therefore any new legal basis and any new institutional instrument that contributes to building this has to be...

(The President cut off the speaker)

Roberta Alma Anastase (PPE-DE). – (RO) Ladies and gentlemen, first of all, I would like to congratulate the Rapporteur for the laborious work and the openness showed in approaching the multiple aspects of a joint European policy in the field of energy.

One of these aspects that I would like to mention in my speech is the importance of the Black Sea region in the above-mentioned future policy. Over the last years, we have witnessed several energy crises that have also affected the European Union. The objectives of ensuring stable energy delivery, as well as a transparent market, have become an unquestionable priority for the European Union.

In this context, the Black Sea region represents an important key to securing the European energy sector by diversifying the energy sources and transit networks, and the European initiative to consolidate the Black Sea regional cooperation, by creating synergies, and should be used to the maximum for this purpose. I particularly emphasize the strategic importance of the Nabucco and Constanța-Trieste projects.

Consequently, I welcome the attention given to these projects in Mr. Sarvusz-Wolski's report, as well as the recent appointment of a European coordinator of the Nabucco project. The objectives to consolidate the network of energy coordinators and to implement the Energy Community Treaty are no less important. I hope that these initiatives will be followed by even firmer steps in establishing a joint energy policy, steps that will turn to good account the Black Sea region and will lay the foundations of a dialogue with the external partners, based upon reciprocity and mutual confidence, joint values and, of course, on complying with the international obligations.

Bogdan Klich (PPE-DE). – (PL) Madam President, this excellent report from Jacek Saryusz-Wolski shows that the most important aspect of the EU's energy policy is currently security of supply. We are already half dependent on foreign supplies: in the case of gas this is actually 57%, and in the case of oil 82%. What this means is that any crisis involving a supplier and the European Union, or involving a supplier and a transit country, could have a disastrous impact on our economies and our citizens. This makes it all the more important to introduce the principle of solidarity between Member States in the event of crises into our legal order together with the reform treaty.

For this principle to be observable in practice, however, it is essential that we set up a system of strategic reserves, increase the number of links between transport networks, and, in short, construct a working response mechanism that would provide technical assistance to countries that have suffered the most as a result of crises. Solidarity between Member States must also be manifested in the shape of a common foreign policy on energy, and it is good that the Commission is assuring us that it has the intention of creating such a policy, as we have heard from the lips of Mr Piebalgs, the Commissioner. Member States still need to be convinced of this, to get them to give up their self-interests in favour of a common approach and the common good.

It is important that this policy be based on the principle of diversification of both sources and suppliers, and further, of routes and methods of delivery of energy. It is therefore necessary to ensure political and financial support for new infrastructure projects like the Odessa-Brody-Płock pipeline, or the Nabucco gas pipeline. However we are also obliged to act against projects that are divisive, for example the Baltic gas pipeline. And finally a constant element in the game the European Union plays with its neighbours, especially the nearest ones, as part of the European neighbourhood policy, should be an energy clause following the model of the anti-terrorist clauses which we in this place, the European Parliament, insist are included in agreements with third countries.

Andris Piebalgs, Member of the Commission. – Madam President, I will start by thanking the rapporteur.

I think you see how complex the issue is, and it is very difficult to address all aspects, but it is good to try to address the complexity of the issue. In my work, I am not pretending to be ‘Mr Energy’. There are three pillars of external energy relations: one is supply transit (and here I work with my colleagues Benita Ferrero-Waldner and Peter Mandelson); the second pillar is clean energy and energy efficiency such as launching a global energy efficiency platform (here I work with Stavros Dimas and Janez Potočnik; and the third pillar addresses energy poverty (where I work with Louis Michel).

That indicates how complex this is, and on top of it we have the Member States. The Treaty, and also the Reform Treaty, says a very important thing: each Member State is responsible for its energy mix. That is why I think the report calls for speaking with one voice. I think that is the main message that I got from the report. This is far from simple, and we are far from being there. I believe that this report gives us a good chance of advancing the whole Union along this path.

I now come to Mr Beazley’s question, because I think it was addressing the heart of the whole process: Why do energy issues need to be addressed in a partnership and cooperation agreement, a post-PCA agreement with Russia, if you have an Energy Charter?

The Energy Charter is a multilateral instrument. For Russia, our relations on energy are definitely much bigger. We invest in Russia. Russia invests here. A Russian nuclear reactor will perhaps be constructed in Belarus. That means we need to build confidence on both sides, and confidence could be built if there are very clear legal requirements describing both sides’ duties and also rights.

If these are described, then we can also conclude that there are areas where we also need an External Energy Representative. I hear this call for a High Official coming from other partners. If we have Treaty provisions making provision for Union development then we should agree to a mandate – by a mandate I mean on a basis like Committee 133 for external trade policy – then on the basis of this mandate the person delegated could speak with external suppliers, transit countries, or any other participants in the energy market.

If we deal with this separately, then definitely it loses all power. We should see it as a symbiosis because it is not a separate issue from speaking with one voice. If you do not speak with one voice, then you do not need a messenger. If you speak with one voice, then you definitely need a messenger.

So I will stay with this position. I would like to thank you for a very good debate. It was very interesting. After the Commission produces this paper on external energy relations, I believe that Parliament will return to the issue because you cannot resolve this issue with just one report. That would be too optimistic. Again, I should like to thank the rapporteur for very good work.

President. – The debate is closed.

The vote will take place on Wednesday.

Written statements (Rule 142)

John Attard-Montalto (PSE), in writing. – Today, more than ever, economic powers are scrambling for energy resources. China is providing enormous amount of aid without strings to developing countries in recompense for energy supplies. Russia is using its gas and oil clout so as to become once more a global player. The United States is foreseeing a future more dependent on nuclear technology. Where does this leave the European Union?

It has become essential to close ranks for the supply and security of energy. Problems facing those EU countries such as Malta which have the potential of becoming energy suppliers have to be dealt with by the European Union as a whole. Just as in issues of illegal immigration, where questions of energy arise, it is the EU which should intervene. A common foreign policy on energy should not only be limited to supply and security but must also encompass two essential subjects: the emission of greenhouse gases and secondly the quest for alternative energy. A common foreign policy on energy can only make sense in this wider context, a triangle, with supply and security at the top, climate change and alternative sources at its base.

Avril Doyle (PPE-DE), in writing. – In our efforts to tackle climate change we should not jeopardise efforts to protect biodiversity, ecosystems and Europe's food security. The 8/9 March Council conclusions specify that the 10% target for biofuels is an appropriate target only if it is subject to sustainable production. The impacts of first-generation biofuels maybe greater than originally thought, for instance the USA's desire to use bioethanol has led to a massive increase in the use of grain for biofuels production. This demand is having a negative effect on European grain supplies with predictions that it will get much worse as the US surplus of grain diminishes. The OECD-FAO foresees a significant impact of biofuels production on agriculture commodity prices with possible knock on effects on food importing countries. A comprehensive international certification scheme for biofuels is therefore needed – as referred both in the Saryusz-Wolski and Thomsen reports – where both exports and imports to the EU are certified. The certification criteria should be designed to ensure that biofuels provide significant greenhouse gas savings over the whole life cycle and that their production does not cause a loss in biodiversity or major socioeconomic problems such as serious food price inflation.

András Gyürk (PPE-DE), in writing. – (HU) The report entitled 'Towards a common European foreign policy on energy' makes the important point that Europe's energy supply depends to a growing extent on unstable and non-democratic countries. This increasingly evident dependency is exacerbated by the fact that energy is being used more and more often as a means of exerting political pressure.

These processes make it all the more urgent to create a common European energy policy based on solidarity.

Large-scale European energy management projects may be the way to implement a common policy in practice. The recent appointment by the European Union of a coordinator to head the most important of these projects, Nabucco, is therefore to be welcomed. This, along with the fact that the hitherto reluctant Hungarian government has decided to support the construction of the pipeline, could mean that the gas pipeline connecting European consumers with energy sources in the Caspian Sea region could now become the symbol of a successful common energy policy instead of being an emblem of vacillation. Within a few years the Nabucco pipeline, which represents a diversification both in terms of sources and transport corridors, may demonstrate that common action means increasing security of supply and affordable prices for consumers. This is in the interests of all Member States, but it is especially important for Hungary, which at present is reliant solely on Russian gas.

Marian-Jean Marinescu (PPE-DE), in writing. – (RO) The European energy policy has focused on creating, stabilizing and regulating the internal market, a visible trend in the latest energy package of the European Commission as well.

It has been believed that the internal market liberalization will turn the EU into an important actor on the international energy scene, but it has been found that, in fact, the Union lacks an external and homogenous energy policy dimension.

The new reality, in which competition and liberalization are interconnected with climate changes and security of resources, generates not only external challenges (fear of energy dependence on a single supplier, which uses its position as a political weapon), but also an important internal challenge, which tests the Member States' ability to place their national interest second in order to create the premises for developing a joint and coherent energy policy.

The next step is to diversify resources through enhanced cooperation with neighbouring countries, especially with those from Eastern Europe and Central Asia. This way, the convergent development of Member States

and their neighbours is ensured and regional and interregional cooperation is encouraged, which is indispensable for making the European external energy policy more efficient.

The enlargement of the European Energy Community towards the East would stimulate the completion of energy liberalization, providing a joint advantage for possible future European Union enlargement.

Gay Mitchell (PPE-DE), in writing. – It is vital we ensure that the principles and goals of the EU's development policy are respected and promoted through the measures foreseen in the field of energy and foreign policy. Access to energy is an essential enabling factor for economic growth and for the provision of basic living conditions for all human beings.

EU Member States and European energy companies cooperate extensively with developing countries in the field of energy, yet it is not always clear how much the citizens of these resources actually benefit. For this reason, I support all steps aimed at promoting transparency, the rule of law and improved governance in the energy sector.

Economic development does not have to mean repeating the polluting practices of the industrialised countries. Many developing countries are heavily dependent on high carbon-emitting sources of energy. They need assistance to be able to diversify their sources of energy to achieve a more sustainable mix. I deplore the widespread use of coal-fired power stations in China. We should take all reasonable steps to encourage their transition to clean technologies through building sustainable energy capacity and facilitating the transfer of clean technologies.

16. Set aside for year 2008 (debate)

President. – The next item is the proposal for a Council regulation, under examination by the Committee on Agriculture and Rural Development, derogating from Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers, as regards set aside for year 2008 (COM(2007)0523 - C6-0302/2007 - 2007/0194(CNS)).

Mariann Fischer Boel, Member of the Commission. – Madam President, I can tell you that the cereal market outlook is clearly at the forefront of our minds, as we are in a situation where the prices have shown unprecedented growth in the recent months. This is not only the case within the European Union but all over the world.

With too much rain in certain parts of Europe and with droughts in other parts of Europe, the climatic conditions within our own regions this year have been adverse to cereal production and, with an estimated output of 258 million tonnes, the 2007 harvest is below average. A compulsory set-aside of the present 10% in the old Member States, the EU-15, is not compatible with the present market situation. Against this background, the Commission has proposed to set 0% on set-aside for the autumn 2007 harvest and the sowing in spring 2008. According to our estimates, this will mean extra production within the European Union of between 10 and 17 million tonnes, and I think this will send a positive signal to the sector and, hopefully, also contribute to stabilisation within the grain sector.

A rapid decision on this matter is clearly needed so that farmers can decide their next production year and, in this context, I am actually very thankful for the fact that Parliament obviously understood the urgency of the matter and agreed to follow the fast-track procedure. I really am very grateful.

Finally, our legal proposal will be as short and as simple as possible and it will not imply any new administrative burdens.

Looking further ahead, it is necessary, within the health check, to take a good look at whether the set-aside is still an appropriate tool in the present and in the future market circumstances. We also need to consider how we can retain the environmental benefits within our set-aside system, such as maintenance of permanent pastures, the protection of riparian strips and measures that are also linked to climate change.

So, thank you for a quick reaction. It is nice to see that Parliament can really move when it is badly needed.

Neil Parish (PPE-DE), chairman of the AGRI committee. – Madam President, Commissioner, yes, Parliament can move very quickly. Of course, the thought that Parliament could be blamed for the fact that farmers would not know what to plant on their land this year did concentrate our minds quite a lot, so we were

delighted to work with you to be able to get to this firm decision. I also compliment my own committee, the Committee on Agriculture and Rural Development, on its unanimous decision.

The points I would like to raise really is, what a difference a year makes! Twelve months ago we were talking about EUR 90/tonne for wheat. Now we are talking about EUR 250-270, so we are talking three times the price. Now is the time, therefore, to look seriously at bringing set-aside down to 0%. I would even go further back than that. When you think that for 20 odd years now in Europe we have been talking about food surpluses, farmers are not really needed, that we have to turn the land over to something else and that food security does not really matter. All of a sudden food security does matter.

I think there is a moral argument here as well. When the world has plenty of food, then perhaps Europe does not need altogether to do its share of production, but when the world is short of food and the prices go up, then Europe is morally obliged to produce food. Europe is never going to starve, whatever the price of food is, because we basically have money to pay for it, but many parts of the world will. All of a sudden we are in a different world and one that we must face up to. The Commission is proposing a set-aside of 0% for 2008 and at the beginning of the marketing year 2008, like I said, the market is characteristically high in price.

As the Commissioner said, we have had droughts in some parts of Europe and we have had floods in others. We also see, throughout the world, changing situations on grain, where in Australia you have salt coming up through the land and it is becoming very difficult to plant. We are also seeing China and India taking in unprecedented amounts of food because of their economies increasing and wanting more food. All this is taking its toll on the wheat and cereal production throughout the world. We are now probably at about half the stocks that we historically have and stocks are getting low, so now is the time to do it.

I believe, Commissioner, and I am sure you do too, that if we have a common agricultural policy that is decoupled away from production, we cannot really have set-aside in many respects because, if ever there was a policy that was linked to production, then set-aside must be that, so now is very much the time to remove it.

As we remove set-aside, we must remember that there have been some environmental benefits to it and we must remember, too, that farmers will have the choice now as to whether to plough up set-aside land or not. Under single farm payment systems they could still carry on using it if they so chose, but the economic benefits of actually growing cereals will mean that many of them will plough the land. We can still have the six-metre strips around the fields and hedgerows on environmental means and I think that is also very good.

It is not really something to be debated tonight, but I think, in the health check, one of the things we will deal with is that there is no doubt that we will have to move to second generation biofuels and not actually use wheat and oil seed rape for biofuels. Again, a year ago I was very much in favour of that when prices were low, but now when prices are high we will literally only fuel that.

I recommend to Parliament that we deal with this swiftly. I thank all the groups for their support and I thank the Commissioner very much for her speedy response. Together I think we can come to the right decision. There are a few amendments here from the PSE Group and the Verts/ALE Group, most of which we will be able to support. One, however, I cannot accept – and that is a tax on the export of grain, because farmers have suffered low prices in the past. As soon as prices rise, please do not actually put a tax on it because that would not be quite right in my opinion. If we are going to deal with market forces we are going to have to face up to the realities of life.

Esther de Lange, *on behalf of the PPE-DE Group*. – (NL) Madam President, I would first of all like to thank the Commissioner for her presence this morning and now once again at this debate, which was added to the agenda at the last minute. Most of all, however, I would like to thank her for her proposal to remove the compulsory set-aside for the coming season. She complimented us on our speed, but the Commission has also shown that it is able to respond relatively quickly to developments within the market, which is now enduring a period of dwindling cereal supplies in the EU. It is expected that stocks will reach an all-time low at the end of this season at worldwide level too.

An instrument to control supplies, such as the compulsory set-aside that was introduced in 1992, therefore no longer has any real purpose. Consequently, it is only logical that the Commission is proposing that this obligation now be removed. It is also logical that the Commission is retaining the set-aside system and is only reducing the compulsory percentage from the current 10% to 0%. This will keep the debate on track. After all, only when it is time for the health check is it time to discuss a potential change to the existing regulations and structures.

Furthermore, I understand that, should we agree to this proposal and should the Council also make a swift decision, it is likely that we will break a record for passing legislation quickly. This will also send out a signal to citizens and to farmers in particular that, when necessary, the EU can also make rapid decisions.

There is just one more thing, however, that I would like to get off my chest, Madam President – not as a PPE spokesperson, but as a member of the CDA in the European Parliament from the Netherlands. There are yet other sectors in which, given the current market development, a certain degree of flexibility would seem appropriate. Take the dairy industry, for example, in which demand is increasing sharply and Europe is probably not making the most of its full potential. One option is probably to make quotas that are not fully utilised in certain Member States marketable across borders, or to increase the quota even further on 1 April 2008 by a few percent.

Finally, Madam President, I would therefore like to make a personal appeal to the European Commission to show the same drive that is now being exhibited in respect of cereals in other sectors too, as and when necessary.

Luis Manuel Capoulas Santos, *on behalf of the PSE Group.* – (PT) I too am pleased to see the Commissioner here and should like to say that current conditions on the cereals market oblige us to reflect, but above all to act, and I congratulate the Commission on its proactive stance.

The Socialist Group in the European Parliament shares the Commissioner's analysis of the present situation and agrees that, within the health check, we shall have the opportunity to examine this issue in depth and take more fitting definitive decisions for the future. We are also fully aware that the problem facing us cannot be solved merely by eliminating set-aside in the context of the transitional measures we are preparing to take, but agree that they might help significantly to redress the balance of the market in the coming year.

We share the opinion that this measure might, in a pessimistic scenario, bring at least half of the current 3.89 million hectares back into production and that could represent, in a year with normal climate conditions, additional production of between 5 and 10 million tonnes at least, even though some land is of the less productive variety, which is naturally why the farmers set them aside.

We think, however, that in order to achieve this objective, it would be appropriate for the Commission to extend this derogation slightly, that is to extend the validity of the measure to two years rather than one; and it is understandable that it should be prolonged because it is obvious that there is a lack of programming for agriculture and at the beginning of the next Autumn-Winter season we shall still not have a definitive decision on the outcome of the debate we shall be holding within the health check. I therefore call on the Commission to take into account the amendment we will be tabling to that effect and which, I am sure, will merit a majority in tomorrow's plenary session.

On the other hand, we are all aware that bringing all this area back into production will have obvious negative impacts both as regards the release of CO₂ from the ground, and as regards biodiversity, since everyone nowadays acknowledges the environmental added value which set-aside brought. We therefore think that it would be appropriate for the Commission to carry out an impact study as soon as possible so that we are able to have all the relevant factors available for taking the decision which we shall be obliged to take within a year on this same subject.

Friedrich-Wilhelm Graefe zu Baringdorf (Verts/ALE). – (DE) Madam President, Madam Commissioner, yes, we have worked quickly, but the Commission has also been late in submitting its proposals. This has been discussed for a long time and the growers' impatience has pretty much been fuelled by the question of when it will finally be over. We have not held up anything, that is true, nor did we want to do that.

Your justification is that prices are high and some stabilisation was needed here. I hope we are both pleased – and especially your husband with his enterprise – that money will finally be reaching the enterprises. This has been long overdue, and we should be careful to say here that we must do something to push down prices. What is more, this somewhat contradicts your statement this morning in relation to sugar. You will remember that you said: with the price of grain as it is, people are now perhaps going faster into cereals and out of sugar. If you force grain prices down again now, your own logic and your own intention could be undermined with it.

You address the fact that this entails crop rotations. Yes, that is correct. Originally, this was a measure associated with crop rotation, since crop rotation also needed vegetation. This means we have to attend to

the environmental aspect, even though this has been very much neglected in recent years, simply by making continual set-aside possible, whereby a large proportion would be taken into production for energy products.

We are asking you in an amendment not just to deal with what you have in mind for 2008, but also to tell us in Parliament how crop rotations are to be arranged with a view to environmental protection.

Vincenzo Aita, *on behalf of the GUE/NGL Group.* – (IT) Madam President, ladies and gentlemen, I believe that Parliament ought to see this as a new element, one which opens up a new period of reflection and a new debate on agricultural production in Europe. The point is not only that we have had a change in climate and that in some rural areas we have had production difficulties. The issue is that the entire system of agricultural production in this sphere is changing because, and there were some references to this in the previous debate, today many crops are being produced using different production systems, as we have heard.

The point is that we should now review the policy implemented for agricultural production in recent years by the European Community. It is not only grains that are the issue, but in a few months' time we will also have to tackle the problems of meat production and dairy production, because there are already changes in production and drops in production in this field. I therefore believe that the Commissioner and the Commission ought to have a careful period of reflection and enable Parliament to give a definitive response to these problems, to avoid the current situation: a rise in food costs that is causing problems for many families in Europe and elsewhere.

Jim Allister (NI). – Madam President, at a time of spiralling and punitive increases in feedstuff prices, which is so hurting our intensive sector, it would be criminal to lock out of production land capable of decreasing our reliance on foreign imports. Thus set-aside must go and must go now.

But more is needed, including a proactive plan to address the looming crisis in our intensive sectors. For my part, such must include hands-on pressure on the multinational supermarket chains to give up the pricing strategy which suppresses farm-gate prices. If this does not happen, we are facing wipe-out in much of our intensive sector. Such would be the greatest failure of agricultural policy of our time and something, Madam Commissioner, which you must urgently address.

Esther Herranz García (PPE-DE). – (ES) Mr President, to start with, I welcome the European Parliament's decision to adopt, by urgent procedure, the immediate abolition of mandatory set-aside.

I think that European consumers and farmers are the main victims of the massive increase in the price of agricultural raw materials. I think that the current situation should lead us to undertake an in-depth discussion on the shift that is currently occurring in the common agricultural policy, and we should ensure that the decisions adopted in this area are in harmony with the global context, in which the demands of third countries are growing at a staggering rate, in particular due to the growth in consumption of countries such as India and China, which play a decisive role in the global economy.

If this deficit situation continues, I think that the European Union should think about creating new mechanisms to avoid unsustainable increases in food prices.

For years we have been hearing that the common agricultural policy involves excessive costs for European taxpayers, but I would now like governments to explain to citizens why they will now have to pay more for bread and milk. I would also like governments to explain the measures that they are prepared to adopt in order to guarantee a fair price to consumers and prevent an excessive burden being placed on producers, which would endanger the profitability of many farms.

The world needs more and more food, and the exponential growth in consumption will not be resolved by an agricultural policy that is increasingly mean and stingy towards European producers. I think that European leaders should think twice before putting producers between a rock and a hard place.

I think that the European Union should use the health check on the common agricultural policy to introduce mechanisms that avoid serious deficit situations in the future, if we do not want other global producers to monopolise the international markets.

Rosa Miguélez Ramos (PSE). – (ES) Madam President, it is true that cereal stocks have decreased in recent years and we have already heard some reasons relating to the current climate – increasing consumption in emerging countries, adverse climate conditions in producer countries or production being reserved for internal consumption in exporting countries. Neither can we forget the impact of certain speculative

movements on the markets concerned, such as Paris or Chicago. All of these issues have contributed to prices reaching historic highs.

However, according to data from the International Cereals Council, in addition to the problem of supply there is a problem of reserves: global reserves, which are below 17%, which according to the FAO guarantee food security, and Community reserves, which are practically exhausted in a market with prices that are above international levels.

In my opinion, Commissioner, in view of the health check we should think about the role in this crisis of the disappearance of the Community instruments to regulate the market.

The European Union is obsessed with the costs of managing stocks and the pressure from the World Trade Organization; it has reoriented its agriculture policy towards containing production and liberalising the markets and has turned its back on producers and consumers, abandoning the fundamental principal of the CAP: guaranteeing self sufficiency.

Bernadette Bourzai (PSE). – (FR) Madam President, Commissioner, ladies and gentlemen, I would first of all like to express my support for the recultivation, on a voluntary basis, of land that is currently set aside in order to boost European production of cereals and oilseeds, to replenish stocks and thus ensure our self-sufficiency.

However, two production and marketing years seem necessary to allow farmers to adapt to this change. It is also important that we apply quotas to cereal exports so that Europe's needs are met first.

Conversely, I am more cautious about the proposal for a measure abolishing taxes on animal feed. I am well aware that the increase in food prices makes things very difficult for farmers, but I would not want this measure to open the floodgates to imports of genetically modified soya and maize. However, I am in favour of promoting and encouraging the development of a European GMO-free animal feed industry, which would be in a better position to guarantee both our food security and our independence.

I would also like to point out that, although set-aside is no longer economically justified, it is vital for biodiversity and for soil and river protection, and this should be recognised and maintained. The Socialist Group is therefore asking the Commission to carry out an environmental impact assessment of the effects of scrapping the set-aside scheme. I am mainly thinking of the consequences that the abolition of set-aside would have on the necessary diversity of sources of pollen and nectar for bees, at a time when this sector is going through a serious crisis.

Finally, abolishing set-aside now will not help us resolve all of the problems at the heart of the CAP review in 2008 and 2009.

Mariann Fischer Boel, Member of the Commission. – Thank you, Madam President, and I should like to thank the Members very much for all the positive comments, for all the endeavours to stabilise our cereal market. I feel quite well equipped now to continue this discussion in the Council tomorrow with the Member States and I hope that the legal act can be published within a short period. I am quite sure farmers will be keeping an eye on us to see what decision will be taken here in Parliament and in the Council tomorrow.

I shall just speak briefly on the four different groups of amendments. On the idea of extending this one-year 0% set-aside to two years, I must say that we will have the possibility of discussing the communication during the winter and the legal proposals next spring and summer, when we will have a clear idea of which direction we are moving in. So I will not be able to support the idea of extending the one-year period, but we will return to this issue.

On the environmental benefits of the set-aside, it is obvious, as I said in my first intervention, that we will have to look into this in the health check to see whether we can find solutions to maintain the benefits of the environmental biodiversity issue in the set-aside.

On the monitoring of the cereal market, it is obvious that we will do everything possible to keep up a strong dialogue with Member States, stakeholders and the public at large to see in which direction the market is moving.

On Amendment 8 on export restrictions and the possible introduction of an export tax, I must say that this is not the way we want to follow. It will send totally different and wrong signals to the market. It will bring

us into a situation similar to that of Russia and Ukraine, which we have both accused of using this tool to keep their production for themselves, and therefore this is not the way to follow.

Regarding the other idea that you mentioned on the import side, we will look – and we have actually started doing so already – into the suspension of cereal import duties. They do not fit with the present situation. A change of the entire policy, the stock policy, would, I think, be an option for us to discuss in the health check to find the best way to tailor-make solutions both to farmers and to cereal stakeholders, to the cereal sector.

Thank you, again, very much. I do really appreciate the enthusiasm with which Parliament and the Committee on Agriculture and Rural Development have acted in this case.

President. – The debate is closed.

The vote will take place on Wednesday.

Written statements (Rule 142)

James Nicholson (PPE-DE), in writing. – A serious situation has developed through rising grain prices throughout the European Union which is being driven by high world prices. It is necessary that we have security in our food supply. We no longer have that. The cost of grain has continued to spiral upwards. This can only be dealt with through rising prices to the consumer. The Australian government last week said that Australian production this year will be down by 30%. We must have market access to cereal substitutes from the United States or the supply of beef, sheep and chicken meat will become more difficult. I call on the Agriculture Council and the EU experts to approve new cereals at a faster pace to guarantee us security of supply.

17. Agenda for next sitting: see Minutes

18. Closure of sitting

(The sitting was closed at 12 midnight)