

WEDNESDAY, 24 SEPTEMBER 2008

IN THE CHAIR: MR PÖTTERING

President

1. Opening of the sitting

(The sitting was opened at 9.00 a.m.)

2. Statement by the President

President. – It is with great sadness that we have learned of the dramatic events in Kauhajoki in the west of Finland, where 11 people have lost their lives in a very tragic incident at a school. A number of people were also seriously injured by the perpetrator, who then turned his gun on himself.

On behalf of the European Parliament, I would like to express my deepest sympathy and solidarity with the families and all the relatives of the victims. All the victims were innocent young students at a vocational training school, where they were studying for careers in the service sector.

This tragedy occurred less than one year after a similar appalling killing spree at Jokela High School. As we all know, Finland is regarded as one of the most peaceful and safest countries in Europe, so we can understand that the people of Finland are speechless with shock, and we share their distress.

Unfortunately, we often see similar patterns repeated in these acts of bloodshed. In this instance, although the perpetrator posted threatening videos on the Internet before the killing spree, it was not possible to avert the tragedy. As responsible politicians in Europe and in all the Member States, we must do our utmost to ensure that such acts of violence are detected and prevented in time.

Once again, on behalf of the European Parliament, I would like to express our deepest sympathy and solidarity with the victims and their families.

3. Texts of agreements forwarded by the Council: see Minutes

4. Priorities of the European Parliament for the legislative and work programme of the Commission for 2009 (debate)

President. – The next item is the debate on priorities of the European Parliament for the legislative and work programme of the Commission for 2009.

Hartmut Nassauer, on behalf of the PPE-DE Group. – *(DE)* Mr President, ladies and gentlemen, this morning we are debating the legislative and work programme of the Commission for the coming year, 2009, which is an election year. Next year, a new Parliament will be elected and there will be a new Commission. No one's position is certain: not that of the Commissioners and not even that of the Commission President, who is unfortunately unable to be here this morning to present his programme in person.

During any election year, it is always a temptation to do right by all our voters, assuming, that is, that we know what they want, or at least what they should want. The question, then, is this: how should the European Union present itself to Europe's citizens in the coming year? Like all politicians, our task is to try to respond to citizens' concerns. The European Union has an outstanding opportunity to do this. We have many possible ways of responding to people's needs and concerns.

Peace has been a fundamental concern throughout human history, and the European Union has safeguarded peace in Europe for many decades. We are able to find answers to external threats, such as international terrorism or the conduct of large neighbouring countries which occasionally trample the rules of international law under foot. We can make a contribution to ensuring that Europe has a secure and sustainable energy supply, while doing what we can to protect the climate. We can safeguard social security and justice in Europe by unleashing the growth potential of our successful European economy, and we can safeguard innovation and the competitiveness of the European economy, with the associated opportunity to create and safeguard

jobs. Europe can become a haven of security in a changing world. My colleagues will have more to say about the finer points of detail on many of these issues shortly.

What are the prerequisites for successful action in the European Union? I would like to mention two in particular: firstly, we need appropriate institutional bases, and that certainly means the Treaty of Lisbon. This Treaty will create more transparency and more democracy and enhance the EU's capacity to act, thus enabling it to perform its functions more effectively. We can only appeal to the citizens of Ireland to reconsider their position on this Treaty. I share many of the criticisms levelled at the European Union, but we cannot ignore the fact that this Treaty provides sound solutions to many of these points of criticism. Thus the Treaty of Lisbon is vital.

Secondly, however, we also need the backing of Europe's citizens, which has declined to an alarming extent. That became apparent from the referenda in France, the Netherlands and, not least, in Ireland. It is not about whether we need more or less Europe, as I recently had the opportunity to say to the Commission President. The real issue is where we need Europe, and where we do not. That needs to be decided. If I may cite an example – and I admit that this is my very favourite example – soil protection is not something that we need to deal with at European level. Soil protection makes work, but it does not create jobs. That is why Europe will be successful and will generate support if it acts where Community action is undoubtedly required, and where action at European level can achieve more than action at national level.

The Commission would therefore be well-advised, in my view, to attach greater importance to the issue of subsidiarity in its action during the coming year. That will boost Europe's acceptance and we will probably all be re-elected by more of Europe's citizens than was the case at the last election.

Hannes Swoboda, on behalf of the PSE Group. – (DE) Mr President, Madam Vice-President, the European Commission has done outstanding work in the last few years in many areas, notably environmental and climate policy, and here in this House, we are in the process of translating this into legislation. As regards the development of the common market, however, we see major shortcomings, especially where the social dimension is concerned.

The current financial crisis is sufficient reason to discuss this issue, and that is what we have done in the context of the Rasmussen report. It is not only my group and I, and indeed many others, who are deeply disappointed by what Commissioner McCreevy has said – or has not said – here. That is the major problem.

If we read the lead articles in any conservative newspaper today, whether it be the *Financial Times* or the *Frankfurter Allgemeine*, the headlines could have been written by socialist groups in this House, but not by the Commission President and certainly not by Mr McCreevy.

The *Financial Times*, for example, has had the following headlines:

'Modern history's greatest regulatory failure' or 'After the crash: why global capitalism needs global rules'.

While Damien Hurst's *The Golden Calf* broke art auction records, the financial institutions have suffered record losses, prompting the following comment from the *Financial Times*:

'How we were all blinded by the golden calf'.

(DE) Unfortunately, this applies to the Commission, or at least to those members of the Commission who should be responsible for these issues. Frank Schirrmacher, the editor-in-chief of the *Frankfurter Allgemeine Zeitung* and hardly a left-winger, writes: 'Neoliberal ideology created a rational and fortuitous connection between the individual and globalisation which was rooted solely in the economy', and laments 'the self-destruction of the social welfare discourse'.

It would be nice to have detected at least an element of this in the words of the Commission President or Commissioner McCreevy. After all, I am not demanding a large amount of left-wing criticism or self-criticism, but what we are demanding, time and again, as Martin Schulz recently made very clear, is the strengthening of the social dimension and scrutiny of all Commission projects in terms of their social impacts. Unfortunately, this is still not happening. There is no response from the Commission here.

What we are also demanding is a stronger common economic policy in Europe, which could also help to cushion or avert the type of crisis now spilling over from the US. Here, too, the Commission has been notable for its omissions. Another area where the Commission has failed – and I am sorry to address these comments to you as I know you can do very little about it – is its failure to tackle the growing inequality in Europe of its own accord, or to urge the national governments to act. We will be debating this issue this afternoon in

relation to energy poverty, another topic which we have repeatedly raised and where we have received no response from the Commission, which has yet to produce any real initiatives here.

It is unacceptable for the Commission – with its commitment to inclusion and social justice as a matter of principle – to stand by and watch while social inequality in Europe steadily increases during this particular phase of economic and social life. That is unacceptable, and we should not be accepting it.

Europe's citizens expect the Commission to take their needs and concerns seriously, to present appropriate proposals and to act as a moral authority, notably in the context of the financial crisis. It should not be left to the French President, Mr Sarkozy, in his capacity as President-in-Office of the Council, to take a clear position here; this clear position should come from the Commission, the Commission President and the relevant Commissioner as well.

Madam Vice-President, you are very eloquent in your endeavours to inform citizens about the Commission's work, and we pay tribute to and fully support your efforts. However, it is not just about form; it is also about substance. The Commissioners must provide you with appropriate content. When it comes to the financial crisis, regulation and the social dimension, the social market economy is supplying you with too little content. That is why you will often find it difficult to present a credible case to citizens.

We say 'yes' to the ecological restructuring of our economy and society; we are completely on your side here and will translate this into action. However, my urgent message to you is this: we need to take a step back – or a step forward, if you like – towards policies based on social responsibility, and that means the Commission as well, for what we are getting here is too little, too late. I would ask you to ensure that this situation is remedied in the next few months.

Silvana Koch-Mehrin, *on behalf of the ALDE Group.* – (DE) Mr President, Madam Vice-President, next year – 2009 – is indeed a very important year for the European Union, for it is the year in which the European elections are due to take place, and more generally, the major question as to the European Union's future course must be answered.

The elections will take place: that we do know, but what we do not yet know is the exact basis on which we will be working together thereafter. That is a question to which our citizens are quite rightly expecting an answer. From the European institutions' perspective, how do we envisage the future of Europe?

The Commission's legislative and work programme of course offers an opportunity to provide a comprehensive answer to this question. That is why we, as the Parliament, have agreed to set out our own requirements of the Commission's work programme first, before it is presented to us and we then react to it.

The European Union faces these major challenges of direct relevance to its future. What will that future bring? At the same time, so much is happening in the world which directly affects citizens in their daily lives, such as rising energy prices and the financial crisis. Here, we need clear words from Europe to explain how the European Union intends to respond. For that, we need conviction and leadership.

That is why it is important for the European Commission to set out very clearly how it intends to respond to these crises and, in its work programme, to define exactly where the political priorities must lie.

In this context, it is important, from our perspective, for the Commission to keep the European Union's competitiveness in mind. In an increasingly globalised market, it is important for us to define this as one of our continued political priorities.

Other aspects which are equally important, however, are strengthening and protecting civil rights, expanding research, and finding a solution to climate change. These are other issues which have been very important topics in the House for many years. These areas should be defined by the Commission, and above all, it should also ensure that Europe is able to take credit for any successes achieved. It is often the case that if something is achieved which is entirely in line with citizens' interests and wellbeing, the Member States take the credit. I would like the Commission to pay more heed to this in future.

In that respect, I am very pleased to see you, Madam Vice-President, here today. There are one or two of our fellow Members of the House who have to accept that Mr Barroso, the Commission President, had something else in his diary for today. I am pleased that you are here, Madam Vice-President, because you are responsible for driving forward communication in the European Union and this might present an opportunity for today's topic – namely the Commission's work programme – to be fully debated in the national parliaments as well,

so that we have this type of interplay from the outset. In the German Bundestag, this now takes place in most of the committees, but it is something which should undoubtedly form part of the plenary agenda in the national parliaments throughout Europe as a whole.

Europe's hour has come: that much should be obvious. We are facing global challenges, and Europe has no option but to develop a joint response.

Eva Lichtenberger, *on behalf of the Verts/ALE Group.* – (DE) Mr President, colleagues, ladies and gentlemen, members of the Commission, the debate about the work programme is, as always, the moment of truth. It is here that we see what the statements made in public on so many different occasions are really worth. If we look at the programme in more detail, it becomes apparent, unfortunately, that these announcements are not being acted on, notably as regards the financial perspective or the Commission's forward planning.

We have before us a climate protection programme which suggests that the Bali conference never happened, as if Europe had never positioned itself as a key pioneer to avert the dangers of climate change at global level. The car industry has applied the brakes, and the Commission is sitting back and watching. The Member States are being given their heads and allowed to undercut each other in introducing ever-lower environmental standards for their own industries and making ever-greater concessions to their own car manufacturers.

Unfortunately, we see the same thing happening across the board in the industrial sector. As ever, the focus is on nuclear energy: an industry which squanders capacity, finances and energy. Even though Europe has an innovative renewables sector, the European level has nothing but small change to spare for this sector after it has given its commitment and allocated its financial resources and planning elsewhere. That is completely unacceptable. If we are to remain market leaders here, we must send out a clear and unequivocal message, and that means setting the priority where it is needed.

We have the same problem, unfortunately, when it comes to employment relations. I would underline just one issue here: the Working Time Directive which has now been agreed, and where considerable concessions have clearly been made. It is a slap in the face for all our young people who want to build a future for themselves. This is not how we should be treating our workers.

Finally, we have the debate about the financial markets. I can only endorse what the previous speaker, Mr Swoboda, said. The last remaining champions of self-regulation of the financial markets are here in this House. Even in the US, regulations are being considered, but on this side of the Atlantic we seem to be pretending that this will all happen of its own accord. We should be signalling our willingness to create a sound framework so that the financial markets can no longer evolve in the same direction as before, where nonsensical financial products took precedence over sound economic policy. From my perspective, this whole programme is a huge disappointment.

Ilda Figueiredo, *on behalf of the GUE/NGL Group.* – (PT) Mr President, at this very worrying juncture – when the people of Europe and the world are facing fundamental challenges, it is unacceptable that the European Commission has not presented any proposals that make a break with the policies that have made the social situation worse, pushed up unemployment and precarious and poorly paid work, brought about the financial, food and energy crisis – which is affecting in particular the economically weaker countries and the more vulnerable sections of society – and increased the militarisation of international relations, with all the dangers that this represents for world peace.

Despite being aware that there is clear opposition and resistance by workers, consumers and public-service users to privatisation and liberalisation, to unfair health and social security reforms, and to the ever-increasing distribution of income to economic and financial groups, thus worsening social inequalities, the European Commission is insisting on maintaining and continuing with the same instruments and policies that led to this situation, in particular the Stability Pact and its irrational criteria, the liberal Lisbon Strategy and the false independence of the European Central Bank. It is insisting on proposals for unacceptable Directives such as the Working Time Directive.

At such a time, the priority must be to halt the process of ratifying the draft Lisbon Treaty and to respect democracy and the result of the Irish referendum, which was a sovereign decision by its people, following on from identical results in France and the Netherlands. It is time for the leaders of the European Union to learn the lessons from these votes and from the opposition and resistance of workers and citizens to neoliberal, militaristic and anti-democratic policies.

At this moment in time, the priority must be to make specific proposals such as those in our Group's motion for a resolution, including revocation of the Stability Pact and an end to privatisation and liberalisation, with a monetary policy and a reorientation of the European Central Bank giving priority to employment with rights, to the eradication of poverty and to social justice, including through a progress and social development pact. We need to give hope to our citizens, create jobs with rights for young people and ensure equality for women and equal rights for women.

Graham Booth, *on behalf of the IND/DEM Group*. – Mr President, the whole climate change programme has given the EU yet another excuse to flex its muscles and show the world how important it is, claiming that this is an issue that nation states cannot deal with alone. The 20 20 20 slogan is a typical example of a catchy phrase to work with: 20% of energy in the EU from renewable sources; a 20% reduction in carbon emissions – all by the year 2020. But you are missing the most important point: is any of this necessary?

We were told recently by the IPCC that 2 500 scientists were all in agreement that CO₂ was responsible for global warming and that we humans were the culprits. Al Gore's infamous film confirmed that view. Since then, however, over 30 500 scientists and climatologists have signed the Oregon Petition and the Manhattan Declaration which directly challenges the IPCC conclusions with some very compelling evidence. So whilst we are urged to believe the IPCC's 2 500 scientists, we are being told to completely ignore the 30 500 scientists who are painting a different picture.

The EU is persuading nations across the world to spend billions of taxpayers' money, at the very time when the world is facing dire financial problems, on something that might not only be totally unnecessary, but could well prove to be counter-productive if the latest evidence of global cooling proves to be correct. We must have a full and open debate to prove exactly who is right. What do supporters of the IPCC's position have to fear?

You will no doubt be pleased to hear that this will be my very last speech in this Parliament since I retire after this session.

Sergej Kozlík (NI). - (SK) The European Parliament's motion for a resolution on the Commission's work programme for 2009 can be agreed in principle like the document expanding on this programme.

I would personally like to point to the complexity with which Parliament's resolution emphasises the importance of ensuring stability on the financial markets and reassuring consumers during the current financial crisis. There is no doubt that there is a need to develop regulatory measures so as to improve investor transparency and to improve the standards for valuation, supervision of business caution and the work of the rating agencies. The Commission must develop a detailed plan to bring about an improvement in the legal regulations for financial services and review the directives on the activities of credit institutions and capital adequacy. This will make it possible to achieve an improvement in the financial regulatory framework and increase the confidence of market participants.

Paragraph 27 of the resolution rightly includes a call for the Commission to consider what kind of transitional arrangements should be put in place in the field of justice and home affairs pending the entry into force of the Lisbon Treaty. If, however, the situation actually arises whereby the Lisbon Treaty does not enter into force before the 2009 elections, this request to the Commission will have to have a far broader scope. Otherwise, our dear European Commission will be caught with its pants down.

Ryszard Czarnecki, *on behalf of the UEN Group*. – (PL) Mr President, allow me to pose a question to the House. What are Parliament's legislative work and the Commission's proposals all about? The answer is that they are about creating authority amongst Europeans, amongst people who are citizens of the Member States of the European Union. I firmly believe that Parliament and the European Commission should concentrate on legislative work relating to job creation and the promotion of economic growth. It is only by demonstrating that the European Union and its structures are close to the people that we can develop the authority of the Union's institutions. The latter have been somewhat weakened in recent years.

In my view, our main priority at present is not ratification of the Lisbon Treaty. We should be focusing instead on making it abundantly clear to the citizens of the Union that we want to create more employment and that we are concerned about existing jobs. There is also the issue of cybercrime, an entirely new problem affecting many people. I am calling for a suitable hierarchy to be established when it comes to the priorities; I cannot make one out at present.

Margot Wallström, *Vice-President of the Commission*. – Mr President, let me first thank Parliament for taking up my suggestion to make the interinstitutional dialogue on the Commission's work programme a more political exercise with the involvement of the political groups, the plenary and the committees. I think this has been given a good start with your speeches so far.

This year's work programme will be the last one of this Commission, and it has been prepared under very special and specific circumstances: the follow-up to the war in Georgia, the situation in our neighbourhood, the uncertainties surrounding the Lisbon Treaty after the Irish 'no', the escalation of fuel and commodity prices, the increase in food prices, inflation threatening purchasing power and, last but not least – and you have all mentioned it – the financial crisis affecting banks and other credit institutions.

I will not need to remind you that what we do in the first half of next year will also set the scene for the European elections. This is why, in our presentation of the annual policy strategy last year, we underlined our intention to stick to our ambition of delivering a Europe of results and bringing concrete benefits to citizens.

The main policy priorities which the Barroso Commission envisaged for next year are still structured around five pillars, but the circumstances are different and we are facing new and urgent questions.

The first pillar is promoting sustainable growth and jobs. More than ever we need to address today's concerns: what we can do to boost growth, jobs and social stability in a period of growing inflation; what we can do to improve financial stability, building on and reinforcing the instruments available to the Union – and available to the Commission as well, which is an important discussion. As you know, the financial crisis is at the top of our agenda every week too, and we have established a kind of road map, but we have also discussed the preparation of a proposal on capital requirements for banks to tighten existing rules; we are also preparing a proposal to regulate rating agencies, which, as you know, played a very important role in the financial markets and in this crisis as well. Of course, we think that well-thought-through proposals also play a very important role in ensuring that we can deal with the effects of the financial crisis. So we are active, and will continue to be active. Another concern is what we can do to respond to the rise in oil, food and commodities prices. Our job is not day-to-day micro-management but, in a single market, we need to look carefully at how we can bring long-term stability into the financial system. That is the first pillar.

The second major effort will be put into promoting the transition to a low-emission and resource-efficient economy. The Copenhagen meeting will be a major global rendezvous with a view to reaching a global climate-change agreement for post-2012/post-Kyoto. Europe must prepare its ground well and also maintain its role as a pioneer on climate change; we will also need to pursue work on how to assist with adapting to the impact of climate change so that we can be the leaders in development of smart growth.

The third pillar has to do with a common immigration policy. We want to make a reality of a common immigration policy, following up on our communication in June, as well as to work on a pact on immigration, and we will need to move from pacts to acts if we are to make this a reality.

The fourth pillar is how to focus our intentions on delivering policies that put our citizens first. The revised social agenda and the EU health strategy will also guide our action in this area, as well as the question of how we can further strengthen the rights of consumers.

Finally, we will pursue our objective of consolidating the role of Europe as a global partner. On the external front, the challenges for 2009 are well known: the enlargement process, relations with our neighbourhood, the fate of the Doha negotiations, improving our record on development assistance and establishing full cooperation with the new US Administration.

This debate means that Parliament is involved early, because the programme does not exist yet, so we are taking this as input into our discussion and we will take your suggestions on board. On the other hand, to be credible and to have a real impact, the demands from Parliament to the Commission must remain focused, and this is particularly true for 2009. On different sides of the House you have different views on how we should prioritise over the next year.

I hope most of us can agree that we must work together to forge a positive agenda for 2009, concentrated on the essentials. I think we must only consider initiatives that can really make a difference. In addition to choosing our proposals carefully, we need to communicate them well, so that European citizens can make a fair judgement on what the EU does and can do for them.

So I am grateful for this debate at the very moment when we are preparing the programme. We intend to adopt it next month and to present it in plenary with the whole college present on 19 November. I have taken good note of your views, and you can be sure that they will help us to build a work programme with concrete initiatives bringing tangible, concrete change for European citizens.

Piia-Noora Kauppi (PPE-DE). - Mr President, as Mr Nassauer has already said, the PPE-DE Group is very happy with the contents of the annual legislative programme. I think that, due to the improved process, Parliament has already come on board, which makes it very easy for us to improve the annual legislative programme.

As a representative of the Economic and Monetary Affairs Committee, I would like to concentrate on your first pillar – growth, jobs and European competitiveness. I think that a key factor is how we respond to the financial crisis. In the PPE-DE Group we believe that, as we already have quite good legislation in place in Europe, everything we do now should be based on the existing legislation and its improvement. We do not see the need for a very radical overhaul in Europe. We think that, firstly, soft-law measures should be considered because that is also the most effective way to respond to global issues. Financial markets are very global and we cannot act in Europe as though we were in a vacuum. We also believe that there are many improvements in the present regulatory and supervisory framework, the so-called 'Lamfalussy Framework', and we support completely the Commission's work on that area.

The second issue is climate change. Climate change will influence growth and jobs in Europe. We should not take the fundamentalist view about climate change that Europe must act now and must do everything at once without global support. Thirty per cent of emissions, even if we were to go that far, is not enough to tackle climate change. We need a global, effective deal and that will probably come from Copenhagen. Until then we should not punish ourselves. We should not punish European competitiveness too much, but take a realistic approach to climate change policies in Europe.

Finally, my third point concerns SMEs. SMEs are the key to European growth. For example, in the social package we should always take on board their views and how they see the social framework environment in Europe. The social package should not be a burden to European small and medium-sized companies.

Jan Andersson (PSE). – (SV) Mr President, Commissioner, I want to concentrate on the social EU. When the social agenda came, we said that it was too little too late. When we now look at the Commission's work programme and also at the joint resolution, we see that employment and social affairs issues are not particularly highly prioritised. They are a priority for people, but not for the Commission. That does not accord with the demands of ordinary people.

In the resolution from the Social Democrats, we raise a number of questions. One concerns people with atypical jobs, a group which is constantly growing, and the need for those who have atypical jobs to be given proper protection. People who are vulnerable to and affected by unjustified dismissal. There must be minimum standards for this in the common labour market. We must also look again at the Globalisation Adjustment Fund and see whether we can further improve prospects for those affected by unemployment due to restructuring, so that they can get training and find new jobs. We have a number of proposals in the field of working conditions.

Finally, I would like to raise the question which was discussed in the Committee on Employment and Social Affairs on Monday. Because of judgments in the EC Court of Justice, people today are terribly afraid that there will be social dumping in the EU, that it will become the policy. We succeeded in drafting proposals to open out the Posting of Workers Directive in order to guarantee equal treatment and to establish in primary law the principle that fundamental rights, such as the right to strike, are not subordinated to freedom of movement. I hope that the Commission will now take this up. It is good to know that you are organising a forum, but you must also present concrete proposals to prevent social dumping and to give workers reasonable pay and reasonable working conditions.

Diana Wallis (ALDE). - Mr President, when we last had this discussion with Commissioner Barroso about the work programme, I said it was good that the Commission tried to avoid what I called 'end of term-itis'. It is, however, very difficult for Parliament up front of the European elections. Each of the groups will want to stamp its own imprint on the programme that goes forward. That is only natural, but we also have to try and speak to you in this dialogue with one voice so that some clarity comes forward. You will find that the group of Liberals and Democrats has joined the joint resolution, but also we pick things from other groups as well, to try and provide what is often our role: balance in the House and some equilibrium.

These are really unnerving times for Europe's citizens. Everybody is uncertain about the future with the global financial turmoil, which brings worries about debt, unemployment, health costs, pensions, and it breeds an atmosphere where fairness and equality can fly out of the window when there is a scramble for everybody to save their own position.

Climate change brings its own worries about adapting our lifestyles and about fuel costs in a very different world.

This time of global problems should, of course, be a time when the EU comes into its own because we have a multinational reach, but as Liberals and Democrats we would say, OK, let us use that reach, but it should not reach too far. It should produce an umbrella, it should produce some control, but it should also give individual choice so that individual citizens can begin to feel in control again in these times of uncertainty.

So, yes to greater oversight of financial markets and players, but also yes to greater consumer choice and greater consumer redress. We do not want another Equitable Life in Europe. Yes to greater labour mobility, yes to greater joined-up social security, but yes also to fairness and non-discrimination. Yes to greater choice in health and to patient mobility. So, let us give our citizens a choice in how they live their lives.

If you are worried about the future, the one way you can begin to feel more secure about it is if you feel you can do something about it, you feel you have control, and that will be the theme running through the choices made by Liberals and Democrats in this resolution. Yes to Europe, but yes also to individual choice and empowerment.

Seán Ó Neachtain (UEN) - (GA) Mr President, the Commission, the Council and, of course, Parliament's greatest concern is that Europe's economy improves without delay. Europe will have no social cash fund to help those who are disadvantaged, unless the economy improves. We must face this challenge immediately.

In light of what happened in the financial markets, I do not think that we can continue in the way we have this year. The current meddling with the rules of the financial markets must stop. The public is very worried about this and we must reassure them. We must act very soon.

All of us, in the European Union, must invest more in research and development. I am delighted that EUR 55 billion will be spent on these areas between 2007 and 2013. We must keep up-to-date and competition must be ensured in these areas, in order to create employment and to guarantee that the world we now live in has a strong economic base.

Andreas Mölzer (NI) - (DE) Mr President, we are currently facing an explosive mix of social decline, cultural conflicts, increasing democratic deficits, the threat of supply bottlenecks, inflation, imported security risks and a speculation bubble which could burst at any moment. For far too long, the worrying developments in the labour market and citizens' concerns have been ignored.

It is high time to set the right priorities. As regards the food crisis, I believe that renationalisation of agricultural policy is essential to maintain our self-sufficiency capability. Problems of illegal mass immigration have to be resolved at last, and a sensible family and birth policy must be introduced for Europe's native population. Citizens must be protected from EU-subsidised business relocations, and the waste of taxpayers' money and tax fraud must also be stopped. We must halt the sell-off of the EU's family silver, which is being sacrificed to over-zealous privatisation, and we must also finally accept that the Lisbon Treaty project has failed.

If the EU shows itself to be amenable here, we can ride out the current crisis. Otherwise, we are likely to witness the steady decline of the European Union.

Salvador Garriga Polledo (PPE-DE) - (ES) Mr President, my Group simply wants to highlight that the current budgetary and financial framework for 2007 to 2013 makes it very difficult to respond effectively to the new political priorities. Both this Parliament and my Group said that it was impossible to adopt new political priorities without ensuring sufficient funding.

We are now seeing that there is no room for the new political initiatives taken by both the Council and the Commission, such as food aid or aid to Georgia, within the current financial framework and we therefore need to find solutions. However, we must not allow the solutions adopted to harm existing plans and available funds within the Interinstitutional Agreement. In this respect, we believe that we must be extremely strict.

We must ensure that the necessary resources are fully available. We must use all aspects of the Interinstitutional Agreement, during its remaining years, to ensure adequate financing of our priorities and we must use

something that we have rather forgotten about, namely the current review of the budget, to adequately solve those problems that are going to arise as the developing situation imposes new political emergencies.

We therefore ask the Commission to make an additional effort to move forward, as quickly as possible, with its proposed review of the budget.

Evelyne Gebhardt (PSE). - (DE) Mr President, Madam Vice-President, citizens' scepticism about the European Union can be felt very strongly nowadays, and there is a reason for that. It is due to the policies which have been pursued over recent years and the way in which they have been conveyed to citizens.

For that reason, it is extremely important for the European Commission and other EU institutions to gear policy-making far more strongly towards the lives of citizens and to convey the impression and demonstrate to them that the European Union is genuinely doing something for its citizens.

To that end, it is also important – for example, in our analyses of what is needed – to focus more strongly on what we should be doing. For example, a consumer scoreboard is a very important instrument which must be further expanded so that we can take better account of citizens' concerns and interests in this area.

The second point which is also important in this context is better monitoring of the impacts of EU legislation. It is not enough simply to assess the economic impacts. We need clear impact assessments in the social sphere as well, so that we are aware of how the legislation that we are forging is impacting on citizens, and so that we can demonstrate that what we know what we want and what we are doing, and that what we are doing can generate positive outcomes for their lives.

It is also important to grant the same rights to citizens throughout the EU. I would therefore urge you to work on the further development of class actions and common legal entitlements. That would send out a very important signal to citizens.

Bernard Lehideux (ALDE). – (FR) Mr President, Madam Vice-President, the Commission seems to be behaving like an inattentive pupil rushing to finish his homework on time. Yes, the social package exists, but it is not complete and can be seen only as one step towards a full engagement by the Commission with social concerns.

The Commission President has not realised the scale of the warning given by citizens in France, the Netherlands and Ireland, which would, unfortunately, have been issued elsewhere if referendums been held. These results are a call to order. If people want more Europe, it is in order to build a better society and not merely to adopt yet more obscure directives.

Legislation on the internal market is certainly necessary, but it is far from being the most important concern. The 2009 programme, just like its predecessors, incidentally, is going to miss the point. People do not expect the Commission to restrict itself to adding to or even streamlining legislation. They expect the Commission to be up to the task assigned to it by the Treaties: to be the driving force behind the Union, its suggestion box.

To that end, it is not enough for its President to sit quietly and nicely behind the Council President. We expect the Commission to behave like a key player in the examination of the sort of society we need to build. However, what sort of society does this programme envisage? The 2009 programme contains no serious flaws, but it is not the programme our fellow citizens need.

Mr President, it will be up to the new College to take up its responsibilities. I only hope that it will be more attentive to the voice of the European people than the present one.

Andreas Schwab (PPE-DE). - (DE) Mr President, Madam Vice-President, colleagues, ladies and gentlemen, the diversity of the messages coming from the plenary to the Commission today cannot be ignored. I will therefore focus as far as possible on a few key points which I hope my fellow Members will endorse.

In my view, what we are able to agree on – and Madam Vice-President, you mentioned this earlier – is that the European Union must maintain its commitment to the fundamental principle of the social market economy while promoting the interests of the business sector and consumers alike. At an individual level, that is a difficult balancing act whose outcome may, of course, vary according to one's political standpoint. However, I believe – and here, I would like to follow on from what Mr Nassauer said – that during the coming months, the Commission must develop a better sense of what is required in terms of subsidiarity.

If we look at the type of proposals you presented on the procurement of eco-friendly vehicles or what you intend to propose as regards eco-friendly procurement in the work programme, you clearly take the view that our cities' mayors, as ordinary mortals, are not able to make eco-friendly decisions themselves, and you therefore feel a need to prescribe what they should be doing from your position at Europe's centre. In our view, this is the wrong approach. We want individuals themselves to understand that environmentally friendly procurement is in their own interests. To that end, we need more subsidiarity in these sectors, more best practice and less dirigisme.

Madam Vice-President, may I also encourage the Commission to adopt a more courageous approach in its negotiations with Member States in future, for example when it comes to the issue of how we should harmonise consumer protection legislation in the European Union in the interests of companies and in the interests of consumers. Proceeding with this harmonisation will only make sense if we genuinely harmonise the entire sphere of consumer protection law and leave the Member States no further scope to tinker on the margins of this harmonised *acquis*. Otherwise, it is a pointless exercise.

Claudio Fava (PSE). - (IT) Mr President, Commissioner, ladies and gentlemen, 2009 is a year in which we will not only be going to the polls but will also have to provide some answers to specific questions asked of us by our electorates. One such question will concern the area of freedom, security and justice: why do we mean to create it, how do we mean to create it and when do we mean to create it. We need to provide an answer in the form of an ambitious programme of legislative policies which, Commissioner, the Commission has not yet put on the table.

We expect strong legislative proposals with respect to immigration policy, especially on entry policies and asylum policies, in order to safeguard this fundamental right throughout the European Union and to avoid drawing a distinction between policies on legal and illegal immigration, which seems to us altogether inappropriate. We believe that a common policy framework and regulatory environment is necessary: alongside containment measures we need integration measures and legal immigration channels.

We expect strong proposals on judicial cooperation in criminal and police matters, founded on mutual recognition of procedural guarantees. Mutual recognition is still lacking, and without such proposals the fight against organised crime and terrorism is likely to remain nothing but rhetoric.

Lastly, we expect a bolder approach to the protection and safeguarding of fundamental rights, which remain the primary objective of judicial measures. The new Fundamental Rights Agency should become the main instrument of this activity once the Treaty of Lisbon enters into force.

We expect, Commissioner, to find evidence of this intention in the programme to be unveiled to us by the Commission within the next few days.

Jean Marie Beaupuy (ALDE). – (FR) Mr President, Madam Commissioner, ladies and gentlemen, the Commissioner said that she herself wanted a Europe that was more visible, that meant something to citizens.

Now, the largest budget item today, accounting for 36% of the Union's budget, is concerned with cohesion policy. If there is one area in which our fellow citizens can see the practical and tangible effects of Europe's achievements and determination, it is the Cohesion Fund.

As has already been stated, 2009 will be a significant year, as we shall see the formation of a newly elected Parliament and Commission. This means that it will be a 'blank' year, a year off in certain areas. However, in terms of cohesion policy, we cannot afford to take any time off. We cannot stop the programmes that are under way and, above all, we cannot stop their effectiveness. Everyone here will surely have in mind the improvements brought to the daily life of people of Portugal, Spain, Ireland and all the countries of Europe thanks to our cohesion policies.

The Commission must therefore be able to present to us a detailed work programme for 2009 as regards cohesion, which is, I repeat, the European Union's largest budget item and also the most tangible expression for citizens of our achievements, so that 2009 is not a 'blank' year but a year of progress within the 2007-2013 programming period.

I thank the Commissioner and her colleagues in advance for their proposals on this matter.

Françoise Grossetête (PPE-DE). – (FR) Mr President, Madam Vice-President of the Commission, the year 2008-2009 represents a transition period, as we are living through an unprecedented economic crisis. It is also European election year, meaning, unfortunately, that it is in danger of being wasted.

We must therefore do all we can to maintain the competitiveness of our businesses and persuade our fellow citizens that Europe is the answer. Unfortunately, the programme is full – too full – and has come too late, and not for a lack of warnings on this subject over the past several years.

On climate change, Mrs Wallström said that we should be pioneers of smart growth. We all agree, but the efforts must be joint or not at all. Europe cannot do this alone. It should not shoot itself in the foot. The consequences of the decisions we take will weigh heavily, socially and economically. We cannot talk about a global climate change agreement if China, the United States, Brazil and India are not on board. An agreement without China's signature is not an agreement.

As regards health, we have been told that there is pharmaceutical package. At last! We have been asking for this package for years. It has come just as we are about to begin preparing for the elections. However, it is still a source of great frustration. How can we justify our slowness to tackle the counterfeiting of medicines when it represents a real health threat and is a serious crime? We could have begun long ago to work on the traceability of medicines and the ban on repackaging.

Finally, it is imperative that we strengthen our consumer protection policy, particularly in the light of all the crises and food scandals the world is experiencing.

I therefore urge you, Mrs Wallström, to make sure that 2009 is not a wasted year!

IN THE CHAIR: MR BIELAN

Vice-President

Libor Rouček (PSE). - (CS) Ladies and gentlemen, Europe has in recent times become accustomed to relatively strong economic growth and economic prosperity. I fear that this period is now coming to an end, at least temporarily. The main priorities for the Commission, Parliament and also the Council next year should therefore be directed at restoring economic growth and strengthening social cohesion. There is a need to improve the system for regulating the financial markets in the Union; it is essential to strive for more effective economic and fiscal coordination, including coordination of the system of direct taxes and clear measures against tax fraud. There is an urgent need to put forward a complex proposal for an external policy in the field of energy, including active support for the construction of energy infrastructure. In a period of economic uncertainty, it is also essential for the Commission to reaffirm its commitment to support social rights far more strongly than before and I need not remind you that the main priority next year should also include completion of the ratification of the Lisbon Treaty and, of course, its implementation.

Lambert van Nistelrooij (PPE-DE). - (NL) Mr President, Commissioner Wallström has just talked about reaching the citizens. Well, cohesion policy with thousands of small-scale regional and municipal schemes is the most visible form of action of the European Community. With those we shall be actively reaching out to citizens in the future. I am thinking, for instance, not just of the regional and municipal open days here in Brussels in the next few weeks, but also of many different activities in the Member States. So far so good.

However, changes are also needed and I shall mention two. First of all, it is the fervent wish of Parliament to make the European Union Solidarity Fund more flexible. Citizens want quick action in natural disasters and floods. We have a view on that and the European Council has already been obstructing that debate for a couple of years. Let us in any case make sure that it is opened up.

Secondly, the Green Paper on territorial cohesion expected in October must be the basis for cohesion policy after 2013: not renationalisation, but a long-term European effort, a single integral European policy. We are seeing concentration in a number of regions in Europe; that is a consequence of globalisation and it is necessary. At the same time, however, we must have a view of how balanced development can be made possible in Europe in all areas with their own characteristics in the broad spectrum of agricultural development, R&D, ecology, and so on.

The internal market has brought many benefits and it is nearly completed, but cohesion policy is now entering a new phase. The Green Paper will provide the basis for that and legislative steps should then follow in the new phase.

Katerina Batzeli (PSE). – (EL) Mr President, let me begin by thanking Commissioner Wallström. Her participation has truly enabled us to find common ground on a communications policy and on the schedule of priorities for the European Commission and the European Parliament, within the framework of an interinstitutional agreement, which we have consolidated and shall be presenting.

Commissioner, as you have very rightly said, we all know that the first-pillar issue concerning social policy must be the priority for the communications policy and indeed at the core of an EU that does not simply respect its citizens but wishes to impose its own outlines, structures and order in this international context of the globalisation crisis.

On this point, then, no-one disagrees. Allow me, however, to point out to you that in your proposal there is a lack of certain individual recommendations focusing on specific markets or handling important issues such as the protection of intellectual property rights. From now on the Commission needs to arrive at a decisive solution to the problem because in its recent communication it avoids making a specific recommendation and confines itself to 'technocratic' issues rather than issues of substance.

As regards education and immigration policy, I think these are issues that you should highlight in your text.

Georg Jarzembowski (PPE-DE). - (DE) Mr President, Madam Vice-President, I would like to water down, if only slightly, the praise you have received from the House, at least as far as the issue of passenger rights is concerned.

We urge the Commission to submit a comprehensive package of proposals for passenger rights throughout the transport sector. It is gratifying that we already have passenger rights in the air transport industry, although these require urgent review, given that a number of airlines are not applying the relevant regulation in the way that we would wish. This year, we have also agreed a package of passenger rights for rail users, to be implemented next year.

However, Madam Commissioner, it was announced that passenger rights for people taking long-distance buses would be introduced, and a debate about passenger rights for ferry services has already started. We do not see either of these proposed measures included in the work programme. We need these proposals, as we want to have passenger rights for the entire transport sector, for we agree with the Commission: if we want to put the citizen first, one of the best ways of doing this is to introduce passenger rights that apply right across the transport sector.

The second point which I would briefly like to mention is this: we hope that the Commission will implement the planned traffic management systems as envisaged. Specifically, this means SESAR for a single European sky and ERTMS as the single European Railway Traffic Management System. With these systems, Madam Vice-President, we are not only making transport safer and cheaper, we are also helping to protect the environment. You therefore have our full support for the rapid deployment of these systems.

Ingeborg Gräßle (PPE-DE). - (DE) Mr President, Madam Vice-President, ladies and gentlemen, there are no new issues in the sphere of budgetary control. Budgetary control is ongoing, and we would have been gratified to see some progress being made on the issues already on this agenda.

I have five points to make. Firstly, we would urgently appeal for some support for Romania and Bulgaria in establishing the rule of law, the justice system and financial control. We do not want to be in the same position in two years' time, so this issue is very important to us.

The second issue is the statement of assurance for the budget as a whole after the phased control procedure involving the national courts of audit. In the last half-year remaining to the Commission, it would be nice if we could achieve some major progress here, or at least agree on a common way forward. As budget controllers, our expectations are quite modest.

The third point is simplification. We should be giving the lower tiers of administration in the Member States more help in implementing EU law. It is clear that they are completely overwhelmed by many areas of EU law, which is why the failure rates are so high.

Fourthly, foreign aid: here, I would like to mention Kosovo in particular and the issue of cooperation with the United Nations. The Committee on Budgetary Control has been to Kosovo, and I would like to announce at this juncture that Kosovo will be something of an issue when it comes to the discharge of the budget. In my view, we are falling far short of the opportunities available to the European Union and have considerable ground to make up here.

My fifth point is improving cooperation among the Member States in combating fraud. Here, we have homework for the ladies and gentlemen of the Council in particular. In November, the House will be voting on the regulation which provides the legal basis for combating fraud, and we will need to consider how we

take this forward if we want to achieve better results in this area. At least, that is something that we have always agreed on until now.

Genowefa Grabowska (PSE). - (PL) Mr President, much has been said in the House concerning the Commission's strategy. The main aim of the latter is to bring the Union closer to its citizens. We reiterate this year after year. Nothing has been achieved, however, despite the Commissioner's determined efforts, which I certainly appreciate, and despite the actions for which I am grateful. The Union is not closer to the citizens. I still believe that the reason for this state of affairs is to be found in the information policy. I have studied the point concerning information on Europe. There is one important reference in the action presented by the Commission, namely the launch of a grass-roots campaign concerning the social dimension of the Charter of Fundamental Rights. This is a good point. The remainder, however, concerns information on the European Union's work and intentions, rather than on its actions. The citizen expects to be informed about results, not about what the Union is planning or intending to do. The man in the street wants to know what the Union has achieved and how it has affected him.

Finally, I should like to ask the Commission why Mr Ganley's campaign in Ireland produced better results than the campaign undertaken by the Irish Government and the European Union regarding the Lisbon Treaty? Was there some mysterious power at work or did Mr Ganley's funds have something to do with the outcome? Perhaps the Commission should consider the matter.

José Ignacio Salafranca Sánchez-Neyra (PPE-DE). - (ES) In 2009 the European Union will have to strengthen not only the internal dimension of the European project, but also its external influence, through an external policy that must be consistent and effective in responding to the challenges currently being posed by the global agenda.

To do this, we will have to adjust our relations with Russia following the crisis in the Caucasus. We will have to, in some way, adapt the neighbourhood policy, firstly within our own continent, through association and stabilisation agreements and then through the enlargement policy, and also outside our continent, through the Union for the Mediterranean.

I believe it is also important to maintain our presence in the conflicts of Central Asia, Iraq, Iran, Afghanistan and now also Pakistan, to reinforce our presence in the Middle East conflict and to maintain our relations with the emerging powers of China and India. We must, in particular, develop the Association Agreement with the African, Caribbean and Pacific States.

I believe we must pay very close attention to the result of the US elections and, last but not least, we must also give priority to the conclusion of the association agreements with Mercosur, the Andean Community and Central America.

Finally, Mr President, Madam Vice-President, this is a huge task that I feel would be much easier to tackle if we could use the instruments provided to us, in the area of external policy, by the Lisbon Treaty.

To end, I must say to you, Madam Vice-President, that you already know that you can count on the support of this Parliament.

Szabolcs Fazakas (PSE). - (HU) Thank you for the floor, Mr President. Contrary to expectations, the financial crisis that started in America a year ago, far from abating, has hit the whole world again and again in ever bigger waves, including the financial markets and thus the economies of Europe.

The Central Bank has to pump enormous sums of money into the financial markets in order to ensure their survival. However, in order to remedy the economic and social impact of the financial crisis, the Commission must make progress in two areas.

The first is that a common European financial supervisory authority must be established as soon as possible and must be charged with avoiding similar speculative dangers, thus also ensuring that Europe gradually takes over the role of America's broken financial and capital market. Secondly, it must make the European financial sector concentrate on funding real economies, which have been neglected up to now, instead of on speculative transactions. In order to do this, naturally, it would also be necessary for the European Central Bank to treat economic growth and the creation of jobs as priorities, in addition to keeping a tight rein on inflation. Thank you very much.

Gunnar Hökmark (PPE-DE). - Mr President, 2009 will be, to put it mildly, a crucial year for achieving the goals of the Lisbon process. There are four matters that I would like to raise here today. The first one is the

need to make real progress on the process of better regulation, where we all agree that we should reduce administrative burdens by 25% by 2012, and I think it would be appropriate for the Commission to demonstrate here in Parliament, year by year, that it is moving ahead in really making better regulation.

The second thing is research and innovation. The budget review is coming to an end, and it is crucial and of strategic importance that we now ensure that we can move ahead and put Europe in the forefront of research and innovation by contributing the proper financing.

The third thing is mobility of workers. That is one of the more dynamic aspects of the European Union where we have seen enormously good achievements that are contributing not only to the economy of Europe but also to individuals all over Europe. It is important not only that we do not make it more difficult – that we defend opportunities – but also that we make it easier also by discussing and reforming education in the framework of the Bologna Process, making mobility a reality to even more people.

Finally, 2009 will be an important year to take action on energy policy, where we currently have a number of legislative items going forward. There is legislation on the energy markets (which still has to be completed), on renewables, on effort sharing and on emission trading. Now it is also time to ensure that we can finalise this process and implement it in reality so that we have a good basis, not only for 2010 but for the further future, for being the best knowledge economy in the world.

Jan Olbrycht (PPE-DE). - (PL) Mr President, Commissioner, 2009 is an election year. This does not mean, however, that Parliament and the Commission should focus on the election programme to the exclusion of all else. There is a tendency to promise a great many things in such programmes. We attach great importance to the joint action to be undertaken up until the middle of 2009 and in the second half of 2009. The citizens expect clear and comprehensible information too.

I should like to refer to one of these elements, namely the fundamental change to be proposed by the European Commission in October. The change involves amending cohesion policy by introducing a spatial feature, namely territorial cohesion. The Commission has referred to October, yet we cannot find any reference to the matter in the 2009 programme. We already know, however, that the issue will arouse great interest as well as controversy. In this connection, I should like to highlight that 2009 is particularly important with regard to the issue of cohesion policy, notably territorial cohesion and integrated action. I trust additional information will be forthcoming.

Danutė Budreikaitė (ALDE). – (LT) It is, of course, a pleasure to discuss a programme that should be a continuation of earlier programmes from previous years. In the first pillar we see the battle against the global financial crisis. This reminds me of firefighting. The crisis has been going on for a year now and we have failed to notice it; no measures have been taken.

I would like to draw your attention to the energy policy. Three years ago we decided to have common energy policy. This is a lengthy, complex process that requires hard work. It is essential that our actions are consistent. Meanwhile, I am not aware that any actions regarding energy issues have been mentioned. The legal acts we have adopted will not create energy policy, common energy policy, by themselves, nor will they implement that policy.

There are no connections, the search for alternative energy resources is non-existent, and nothing is being done about the problems of the Arctic, the potential resources in the Arctic. In fact, there is no long-term energy perspective and the outcome could be similar to the situation with the financial crisis. We will be taken by surprise when something happens as regards the energy situation, and only then will we take action. I suggest that we perhaps continue the work we have started.

Monica Maria Iacob-Ridzi (PPE-DE). - (RO) I would like to emphasize two priorities which the European Commission should take into account next year, with regard to social and employment policy.

First of all, the European Commission should encourage the employment of young people. A recent European study showed that fewer and fewer young people enter the labour market, because they are discouraged by barriers such as the lack of employment in their chosen field of study, the lack of experience and the lack of professional skills. It is imperative that all young people should have access to the best education and that they should obtain qualifications which are demanded on the labour market. Therefore, I believe that the educational system should be correlated with the labour market, and that the transition from theory to practice should be done smoothly, through various professional training programs or EU internships.

Secondly, the European Union should support, coordinate and perfect the actions taken by the Member States in the field of sports, by promoting competitiveness and the affiliation of children and youth to sports clubs, as well as an unbiased and transparent attitude in competitions. Sport also needs financial support, and I am in favour of creating a new budget line dedicated to European sports programs.

James Nicholson (PPE-DE). - Mr President, I would like to make a few comments on this, and I welcome the opportunity to do so. I want to speak on the situation as regards the Solidarity Fund. I am a supporter of this fund, because I think it has the ability to bring Europe and Brussels closer to the people.

Europe is now 27 Member States, so it does not really matter if it is floods in my region in Northern Ireland or forest fires in Greece, or Spain, or Portugal. You see some terrible instances where people have almost been wiped out. So we are not talking about giving them a lot of money, but we are giving them some hope to restart again. I certainly would like to make an appeal that this Solidarity Fund is kept and supported, and please do not make it too complicated. Keep it simple, where either a national or a regional government can apply and can go back to their local area and tell the people that this fund is coming from Europe and Europe is giving them some support.

So let us make it simple, keep it simple, but let us not do away with this Solidarity Fund.

Margot Wallström, Vice-President of the Commission. – Mr President, honourable Members, thank you for this debate. I think it reflects very well the full spectrum of issues that the European Union deals with, from sports – a budget line for sports – to how we label medicines, to what we do in the Caucasus, or how we try to help the situation in the Middle East. We do all these things at the same time. It also represents the ultimate challenge from a communication point of view.

We have also heard some very detailed proposals here today. I want to assure you that the role of the Commission is to make sure that we can balance all of these interests, because the Commission cannot be seen as representing only one interest or only one stakeholder or only one issue. We have to cover this whole spectrum of political challenges. Sometimes we can choose the issues, others are chosen for us, and I think that, even if some people say that they had warned of the financial crisis, nobody knew exactly when it would occur or the full consequences of this financial crisis. So we have to deal with that as well. We have to be able to respond.

The way we do it, of course, is that we are the guardians of the Treaties, and that also sometimes restricts our capabilities or our capacities to act. We cannot suddenly make up new competences or enter into areas where we know that it is actually sometimes the Member States that have the competences, or we are at least limited in what we can propose, or we have to work together with the other institutions. That is what forms the framework for whatever we do.

When we met last time in a small seminar – and this is the message I want to pass on to Parliament as well – we said first of all that we will stay on message. We will not change our overall objectives of prosperity, solidarity and security. These will still guide everything we do, and prosperity means defending growth and jobs in Europe. Nobody should doubt our determination to continue to fight for growth and jobs in Europe. This has been even further reinforced by recent events and the financial crisis. It is all the more important that we have a very forceful policy and that we are careful about what we do right now. I do not think that anybody is ignorant of the fact that this is one of our major priorities, has been from the very beginning, and will continue to be one of our most important priorities.

On the topic of solidarity, this is about energy and climate change and about how we use the solidarity fund, because defence today is also defence against natural disasters or threats that we did not have, say, 10 or 20 years ago. Now we need proper cooperation and defence against these things too.

I do not like the doom-and-gloom atmosphere on energy and climate change. You know what, I think we have an enormous opportunity in Europe. I think we have the know-how, we have the technology, we have the resources, we have the people, we have hope for the future and, even if there is a cost to it all, I think we can do it and it will actually bring something very positive to Europe. It will bring a better quality of life and I think it offers new opportunities also for creating jobs in Europe.

I think that we have to turn it around and not only see it as a cost, a burden, an effort, but actually as part of the future. This is a solution for the future, and it is Europe that can take the lead, that can create innovation, jobs, creativity in Europe. It will bring us a better quality of life, especially by bringing the future into the picture for once and also by bringing the rest of the world into the picture.

We will also continue to deliver. Concrete results are the most important for this Commission. We will not be a caretaker Commission. We will continue to present proposals to this Parliament and to the Council until the end.

I thank you for all your concrete proposals and I would just like to respond to a few of them because I think, for example, the whole issue of consumer protection is a very important one, and we have a very ambitious project. We will present a proposal to undertake a complete review of the existing legislation on consumer protection, simplifying it and making it more accessible to all. We hope that Parliament will be able to deal with this major proposal before the elections. We will also, before the end of the year, present a proposal to extend the possibility of action on the European Globalisation Adjustment Fund, another important fund. We want to be able to also use this in the context of globalisation and to meet the effects of globalisation.

Since Jan Andersson also mentioned the whole social issue – and again it is the role of the Commission to make sure that we balance all issues in which the social agenda plays an important part – the forum that the Commission will be organising in November can, I hope, also look at questions about the functioning of the Posting of Workers Directive and help us to decide on the way forward. We will not shy away from looking at these issues as well. We know by now how important they are and how they affected even the Irish referendum.

On that topic, Mrs Grabowska, you also know the saying that ‘the lie is already halfway to Damascus while truth is putting its boots on’. I do not know exactly if this is the English expression, but you know the meaning. I think that this is part of it. If you are well-funded, if you can use and mobilise fear as well, this is very often more effective than maybe having to explain a treaty text that is not always that clear or that helps to simplify things. At the same time in this debate you have, however, given some of the best examples of why we need a new treaty, why that would help us to act and speak with one voice in the world and also be more effective in our decision-making, and why that would help citizens.

We continue to deliver, for example, with the proposal yesterday on the telecoms package which will give lower prices to all those of us who use mobile phones and make sure that roaming charges go down.

Finally also on the budget review, I would like to say that this consultation process on an initial so-called reflection paper can help us from the end of November to propose a new way of constructing the budget. I think it will be an opportunity to look at the question about what Europe is and how it should act over the coming years. That is only to comment on a few of the more detailed things that you have raised.

All of this I will take back to the Commission and it will feed into our discussions on the work programme. I have very much appreciated the full range of issues that have been mentioned here, and we will come back in a few weeks with a new proposal and present it in the full college. I also want to underline how important it is that we have a framework agreement that we also abide by and follow, and that we can agree on the way the institutions should work in an efficient, effective and democratic way together.

President. – I have received six motions for a resolution⁽¹⁾ pursuant to Rule 103(2) of the Rules of Procedure.

The debate is closed.

The vote will take place on Wednesday.

Written statements (Rule 142)

Tunne Kelam (PPE-DE), in writing. – The year 2009 is a crucial year, as the European elections, renewal of the Commission and, hopefully, also the ratification of the Lisbon Treaty will take place.

The main political priority of the first half of 2009 will remain the ratification process of the Lisbon Treaty. Unity and better functioning mechanisms are crucial to remaining a strong player in the global arena.

More than ever we need better coherence in our energy policy, with a perspective of enhancing energy independence. Solidarity between Member States and the search for alternative energy resources should become EU priorities.

Reaching the goals set in the Lisbon Treaty has to get a new boost. Innovation, entrepreneurship and promoting a science-based economy are the key aspects to bear in mind. The completion of the internal

⁽¹⁾ See Minutes.

market has to be finalized. More efficient tools for SMEs have to be provided to further support their role as the main creators of jobs.

A new approach must be established on how to bring EU closer to citizens. This approach has to be a two-way road. We as politicians are not only leaders but first of all servants and attentive listeners to our citizens.

Magda Kósáné Kovács (PSE), in writing. – (HU) Of the tasks set out in 2004, the Commission has failed to deliver on the most important one, namely halting or significantly reducing indifference to and the lack of confidence in the idea of Europe.

Next year's programme also fails to reflect the perception that this Europe is different from that of the past. The economic potential of the EU-27 is much greater than that of the EU-15, and it occupies a more serious position in the global economy. At the same time, the economic and social problems of the EU-27 are different, and internal tensions and fears are also different and stronger.

The free movement of labour and services has brought fierce conflict to the surface. This is shown clearly by the French 'no' votes that derailed the draft Constitution, and the Irish votes are making the fate of the Treaty of Lisbon more difficult, partly because of the tensions surrounding employees of the special mission.

The 2009 work plan also fails to mention what plans the Commission has for monitoring Member States that want to make use of further restrictions after the 5-year restriction, in the interests of the free movement of labour.

In connection with all these things, I regret to say that the ever more frightening presence of racism and xenophobia in Europe is not inciting the Commission to act.

These problems are unavoidable, and come back like a boomerang. The only question is whether we will deal with them while the tension can still be dealt with, or when neo-fascist groups filled with hatred run riot in Europe's cities. I hope that we will choose the former.

Marian-Jean Marinescu (PPE-DE), in writing. – (RO) The European Union is facing major difficulties due to the unexpected fragility of the international context.

The instability of financial markets, the oscillating price of fuel, terrorism, the spectre of the Cold War, the acute need for energy security, the accumulating effects of climate change are threats which the European Union can overcome only by means of unity and consensus.

The consequences of the crisis in Georgia and of the US financial crisis, as well as the escalation of terrorism should outline clear lines of action in the legislative and working schedule of the Commission.

2009 is a crucial year for institutional stability, due to the Lisbon Treaty, the ratification of which should be the main priority for the next period. The program should include those aspects on which the future evolution of the Union depends: the common energy policy, the common foreign and security policy, reforming the neighbouring policy and strengthening commitments to countries in the West Balkans, Moldova and Ukraine, which need the European Union and which the European Union needs in turn.

2009 is also the year of European Parliament elections, and the Eurobarometer does not look promising. The legislative and working schedule of the Commission should show that the main goal of European institutions is to meet the demands and ensure the well-being of European citizens.

5. Preparation of the EU-India Summit (Marseille, 29/09/08) (debate)

President. – The next item is the Council and Commission statements on preparation of the EU-India Summit in Marseille on 29 September 2008.

Jean-Pierre Jouyet, President-in-Office of the Council. – (FR) Mr President, ladies and gentlemen, I welcome your interest in strengthening our relations with India. The European Union-India Summit, which, as Mrs Wallström reminded us, will be held on 29 September 2008 in Marseille, in the presence of the Indian Prime Minister, Manmohan Singh, the Commission President, Mr Barroso and the Council President, Nicolas Sarkozy, is one of a dozen summits we are holding with third countries during the French Presidency.

You will notice that the calendar of meetings features plenty of summits with major emerging countries. In July, a summit was held with South Africa and summits will take place – we hope – with Korea, and with

China and Brazil in December. This series of meetings is a unique opportunity for the European Union to develop a dialogue with the major emerging countries on subjects of mutual interest, and the summit with India ties in perfectly with this approach.

I am aware that Parliament's Committee on Foreign Affairs recently took part in a fruitful workshop on European Union-India relations, which was attended by a number of experts. It has fanned a deep desire to enhance dialogue and cooperation between the European Union and India.

The Presidency is driven by the same will as Parliament. With a population of more than a billion, which should overtake that of China in 2025, and annual growth of more than 8% since 2005, India is set to become an essential partner of the European Union and we consequently want this summit to be an important step in deepening our relations with the country.

Since 2000, when our first summit was held, we have enlarged the scope of our dialogue and cooperation. The European Union is now India's main trade partner. It is also one of the biggest investors in the country and in many key sectors of its economy: energy, transport and telecommunications, in particular, and the summits we have held have contributed decisively towards strengthening our relations.

This was the case in 2004, when we raised our cooperation to the rank of strategic partnership. In 2005, we came up with an action plan to boost this partnership and, in 2006, a free trade agreement was concluded. However, we need to do more and ensure that our political dialogue and cooperation with India reflects the country's true potential.

We hope that the Marseille Summit will serve this purpose. We also hope to strengthen our cooperation with India in areas that are currently priorities for the Union: climate change and energy. These discussions with our major emerging partners are far from easy, but we must have them and we must work with our Indian counterparts to achieve certain aims.

Firstly, we wish to adopt at this summit a new action plan that is shorter and more operational and enables us to adapt our partnership to the new concerns of energy security and sustainable development. We also want to secure future cooperation in the area of research and new technology, for example regarding solar energy and the ITER project.

This action plan should be accompanied by a work programme on energy, clean development and climate change and should envisage cooperation in the areas of energy efficiency, clean coal and renewable energy use.

These measures could, where need be, be supported by the new European Business and Technology Centre. The new centre should open in New Delhi by the end of the year. Of course, we shall also discuss at the summit regional concerns that are crucial for international stability, be it in relation to Afghanistan, Pakistan, Burma or Iran.

We also wish to make progress at the summit in our strategic partnership with India through the launch or continuation of specific cooperation ventures. We hope to be able to sign a very important agreement regarding aviation. This agreement was initialled by negotiators at the beginning of the year. We are keen to sign it, because it will enable us to bring national legislation in line with Community law at the same time as improving legal certainty for European operators. I am referring here only to flights between India and the European Union. As for the rest, I hope that we are on track as regards Community legislation.

We wish to bring fresh impetus to the negotiations through a trade and investment agreement. It will naturally be the Commission, which has responsibility in this regard, that will negotiate the agreement. We would like to assure the Commission, via Mrs Wallström, of our full support, as our relationship with India is worth strengthening. The signing of a trade and investment agreement would be a major step forward.

While there is great potential for the development of relations with India, it should be remembered that the country is only the European Union's ninth trade partner behind South Korea, a surprising situation indeed.

The three documents that we intend to adopt at the summit, the revised joint action plan, the work programme on energy and the agreement I mentioned just now, are currently being negotiated with India, along with the joint press release. I am unable to go into detail today regarding these documents, given that discussions are ongoing with our Indian partners, but I think I can say that we are optimistic about what can be achieved by this summit.

In conclusion, I would like to congratulate Parliament on the highly constructive role it has played in relations between the European Union and India. The creation in 2007 of an individual Delegation for relations with India has boosted communication with the Lok Sabha, the Indian Parliament, and Parliament's delegation will certainly be called on to play a leading role, particularly in terms of the drafting of future parliamentary resolutions on sensitive issues affecting relations between India and the European Union.

Finally, I would like to take the opportunity to give a special mention to the chairman of the Delegation for relations with India, Mrs Gill, and to praise the dynamism with which she fulfils her role.

Margot Wallström, *Vice-President of the Commission*. – Mr President, honourable Members, Mr Jouyet, I am speaking on behalf of my colleague Benita Ferrero-Waldner, and it is a pleasure to speak to you today on the preparation of the summit with India in Marseille on 29 September 2008.

Europe's relations with India, I have learned now, have been growing in importance for several years, not only because of growing trade and investment but also because of a shared commitment to, and experience of, multilingual and multicultural democracy. In this Parliament you have recently demonstrated the political importance of relations with India, both by setting up a new parliamentary delegation and also by inviting President Abdul Kalam to address the House last year, which was the first time an Indian Head of State had done so.

At this summit we hope to turn this growing political commitment into stronger concrete cooperation, and we can already report a good deal of progress since we agreed a Strategic Partnership with India in 2004 and a Joint Action Plan in 2005.

The first thing to mention is the political dialogue and cooperation that has been strengthened, and there is now a regular calendar of summits and ministerial meetings, an annual security dialogue has been established, and new formats for dialogue in the Asia-Europe Meeting (ASEM) and the South Asian Association for Regional Cooperation meeting, and this has fostered cooperation even on sensitive issues such as counter-terrorism.

The second point to mention is that the contacts between the EU and India are intensifying, particularly in education, where the European Union has provided funding for over 900 scholarships to Indian students under the Erasmus Mundus programme, and this funding will be continued until at least 2013.

The third point is that economic and technical cooperation has deepened. Science and technology activities and exchanges have intensified and they have also been lifted to ministerial level; new dialogues have been created; an EU-India energy panel has been established; and the International Thermonuclear Experimental Reactor – the so-called ITER agreement – to which both India and the EU are party, is now in force.

Trade and investment has also continued to expand. EU-India bilateral trade has doubled to EUR 55 billion since 2000, and the EU is now the biggest source of foreign direct investment into India while the EU is also receiving increasing inflows of Indian outward investment.

Development cooperation has continued to increase and we will be using the bulk of our indicative budget of EUR 470 million for India for 2007-2013 especially to support health and education programmes related to the Millennium Development Goals.

So we have achieved a good deal, but there is more to do, and we believe that our relations should be guided by the promotion of peace, human rights and comprehensive security, sustainable development with environmental considerations, social equity and economic prosperity, and the strengthening of cultural and educational exchanges. One of our main aims at the summit is to agree a revised joint action plan to reflect these objectives.

As global players, both sides have a responsibility to address global challenges, and some specific global issues will be raised.

With regard to world trade, we hope that India and the US can resolve their differences over the WTO Round and enable negotiations to get back on track. Climate change and energy are also summit priorities for us, and we hope to sign a joint work programme on energy, clean development and climate change focused on renewable and clean energies, together with two climate-change-related European Investment Bank loans. We will also discuss the global financial crisis and ways in which the world food situation can be addressed.

On bilateral matters, we have some significant joint interests to discuss. The free-trade agreement negotiations that were launched last year have made good progress and now we are aiming for their early and balanced

conclusion. We hope to sign a horizontal agreement on civil aviation at the summit. We will also push for progress on the conclusion of a maritime agreement.

Concerning culture and education, our objective is to agree on the launch of a policy dialogue.

Science and technology is also a priority, and the summit should welcome the creation of a European Business and Technology Centre in Delhi and the support provided for this by the European Parliament.

Let me finish by welcoming the recent creation by the Indian Parliament of a group for friendship with the European Parliament. I am sure that this will enable all of you, through contacts with your Indian partners, to convince them that the EU is the most successful and forward-looking phenomenon in international governance of modern times and that we have much to offer each other.

Charles Tannock, *on behalf of the PPE-DE Group*. – Mr President, the EU strategic partnership with democratic, secular India is of critical importance in these dangerous and unpredictable times, as this is a country that shares our values and aspirations.

We face common challenges: the fight against terrorism – and in this context I hereby call for Europol to grant India privileged status in the exchange of intelligence and the fight against terrorism – the need to protect the environment including the issue of climate change, and the importance of managing the benefits of globalisation.

The recent bombings in Delhi have underlined the serious threat India faces from Islamist terrorism. Mindful of the instability in India's neighbouring countries, from Pakistan to Sri Lanka, it should be obvious to all of us that we should do our utmost to support India, both as a regional power in South Asia, but also one which plays a major, constructive and global role in multilateral fora such as SAARC, ASEAN and the UN, where it is high time that India be granted a permanent seat on the Security Council.

Our resolution rightly expresses concerns about the recent killings of Christians in the Orissa Province and unrest in Jammu and Kashmir, calling for those responsible to be punished, as human rights and the rule of law are at the forefront of the EU's strategic partnership with India. This situation is in stark contrast to the EU's dealings with the People's Republic of China, which considers itself immune from our pleas to respect the human rights of its citizens.

I do hope that the forthcoming summit will solidify the flourishing relationship between India and the EU, especially in the field of commerce. As co-president and founder of the Friends of India and draftsman in the Foreign Affairs Committee for the EU-India Free Trade Agreement, I want to see rapid steps towards establishing a free trade relationship, to our mutual benefit, with large foreign direct investment now flowing from India to the EU for the first time. But my group, the PPE-DE, also wants to see enhanced political cooperation in the many challenges, such as the current issue of global financial instability, that we both face for the future.

Emilio Menéndez del Valle, *on behalf of the PSE Group*. – (ES) The vast majority of this Parliament believe that India is the biggest democracy in the world and that we must increase our cooperation with that country.

We have the same principles and realities as India, from democracy to multilateralism in international relations. However, there are some points on which we disagree: for example the death penalty, which we wish to see abolished from their judicial system. We also urge India to sign up to the International Criminal Court.

Many regret that the Indian Government has not yet ratified the International Convention against Torture. Having said this, and despite this, we welcome India's cooperation with the UN Human Rights Council and we commend the Indian Human Rights Commission on its work on religious discrimination, the caste system and other issues.

We are mindful of the terrible atrocities recently committed in the state of Orissa by Hindu fanatics. We condemn these atrocities without any hesitation but, at the same time, recognise that these are exceptions which, although very bloody, are not widespread. We therefore maintain that India is a model of cultural and religious pluralism.

India plays a major role in its neighbourhood and is concerned, just like us, about the current volatile political situation in Pakistan and, again like most of us, about the increasingly insecure and uncertain situation in Afghanistan and Sri Lanka.

It would certainly be laudable if New Delhi were to combine its efforts with ours in the European Union to help Myanmar to awake from its current nightmare.

Finally, India can be regarded as a promoter of peace and stability in the region. Unlike other countries, India is now a responsible nuclear power. However, I personally believe that it would be even more so if it signed the Nuclear Non-Proliferation Treaty. Its image in the world would be enhanced as a result, and I must say in passing that this comment is also true for countries such as Pakistan, North Korea and Israel.

Having said all this – and I am about to finish – and with the understanding that shared aims should not exclude reasoned and reasonable criticism, I am convinced that the imminent summit between the EU and India will be a success.

Nicholson of Winterbourne, *on behalf of the ALDE Group*. – Mr President, it is always a pleasure to speak on matters which will enhance the steady growth of one of the most important international relationships in the globe, that between the European Union and the Republic of India. We call, in our resolution, for those involved in the summit to explore further ways of upgrading this relationship, and we look forward to concrete results which will be reported back to this Parliament.

It is a critical time for the summit. We paid tribute in our resolution to the September victims of terrorism in India, including those killed in the assault on the Indian Embassy in Kabul. But today, surely, we must also pay tribute to those heroes who saved lives in Islamabad, and we must remember that India lies at the heart of a region that is in considerable security difficulties. It is proper that the wish in our resolution that there should be greater intelligence-sharing should be taken up and honoured, and all efforts to support India in her fight against terrorism with us should be supported – including, we believe, a seat on the United Nations Security Council.

In our resolution we call also for a peaceful future for the former princely State of Jammu and Kashmir, on both sides of the border and now split into two nations. Peace comes, as we know so well with the European Union, with employment – with jobs – and it is particularly pleasant to learn that India is at present, in Jammu and Kashmir, building the longest railway tunnel in the globe, which will be nearly 11 km long, as part of a 148-km long section of track. This will be the longest in the world, 95% complete, which gives 3 900 new jobs of direct employment and, I am sure, many thousands more to come.

And culture: we call, too, for greater links with culture. This is the year of dialogue, and India has much to teach the European Union on this. We call for more people-to-people dialogue, and I am sure that is the way forward. In conclusion, I urge colleagues to support this excellent resolution.

Konrad Szymański, *on behalf of the UEN Group*. – (PL) Mr President, India is one of our strategic partners where both trade and politics are concerned. It plays a constructive role in the region. The time has come, however, for the Indian Government to be on the receiving end of strong words regarding the blatant infringement of freedom of belief on its territory. The All-India Christian Council states that Christians are the targets of varying levels of aggression and intolerance on average every three days in India. People are dying and churches are being demolished whilst the judicial system has adopted an exceptionally passive stance.

We cannot condone the legislation banning conversion to Christianity in certain parts of India. We expect determined action in this respect and also in respect of the compensation to which Christian communities are entitled for the damage done to their property.

Mr Jouyet, Commissioner, I am calling for all these issues to be made very clear at the EU-India Summit later this month.

Gisela Kallenbach, *on behalf of the Verts/ALE Group*. – (DE) Mr President, I would like to start by underlining that my group has a strong interest in good partnership-based relations with India, a country which is regarded as the world's largest democracy.

However – and this also needs to be emphasised – equal partnership means addressing problems honestly. That is still not happening with India, and nor is it evident in the resolution before us. That is why we are unfortunately unable to support this compromise.

How can we claim that India provides a model for handling cultural and religious pluralism, as stated in the resolution, when yet again, there have been countless deaths in the violent excesses perpetrated by extremist

Hindus against Christians in Orissa and Muslims in Kashmir? Those responsible for the pogroms in Gujarat have still not been brought to justice. Around 200 cases are still caught up in India's sluggish judicial system.

Is resolute action genuinely being taken to deal with the radical factions' excesses and the massacres of Christians and Muslims? How much equality do the Dalits really enjoy? Is there genuine universality of human rights? Are children being protected from labour and exploitation at last? These are questions which we should be discussing frankly with our Indian partners.

In the last five years, the Indian National Human Rights Commission has recorded more than 14 000 deaths in police and military custody. I appeal to India to reform the Armed Forces Special Powers Act. It is this arbitrary justice which is fuelling the rebel movements in many Indian states.

Poverty in India is still a cause for serious concern, and even good-quality programmes are not enough. Much more needs to be done, given that 40% of the world's most undernourished children live in India.

With knowledge and technology transfer, Europe can make a very substantial contribution to genuinely sustainable development in India.

Jaromír Kohlíček, *on behalf of the GUE/NGL Group.* – (CS) Ladies and gentlemen, when India achieved independence in 1947, its 18% literacy rate, unstable political environment and level of economic development in no way hinted at the kind of problems with which we would be faced 60 years on. Indeed, the country's development problems are far from over. There are still many millions of illiterate, unemployed and socially marginalised people, but we are now dealing with a nuclear power with gross domestic product growth of about 8% for several years now. This is a country which urgently needs to build tens of power plants, modernise the basic rail and road network, and solve the problems of the small cities. Small cities in India are those with about a million inhabitants, just so we know what we are talking about. There is still great demographic pressure in some parts of the country, but today the problem of outsourcing is on the table.

Indian firms are taking qualified work from the European Union, programming work, for example in the field of accounting, and this work is often undertaken by workers living in India. Many countries import qualified specialists. We have got used to Lakshmi Mittal's company being the largest steel company in the European Union. We are aware of other industrial companies beginning to look at our market. The problems inside the SAARC are still far from being solved and the delicate matter of Kashmir is still on the negotiating table. There are, however, positive signs here and it seems that there are numerous topics for discussion in the political and economic fields. I should very much like to plead for support for the large infrastructure programmes in India and other SAARC countries. One example is the gas pipeline connecting Iran, Pakistan and India. We have common interests in this and other projects. Security, energy security and worldwide international cooperation: these are good signs ahead of the summit.

Bastiaan Belder, *on behalf of the IND/DEM Group.* – (NL) Mr President, the joint motion for a resolution is ending up in the precarious position of the Christian minority in India. I want to emphasise to the Council and Commission that this situation will be hopeless, especially in the state of Orissa, if the political and socio-economic causes at the root of the problem are not actually addressed. According to reports, on 23 August this year the local leader of the radical Hindu organisation VHP, Swami Laxmanananda Saraswati, was murdered by Maoists in Orissa. However, the Christian minority had to pay the price. Hindu nationalists hunted down their Christian fellow citizens, armed with clubs, axes and torches, and continued to wreak havoc for weeks on end, even in the refugee camps.

This violence is apparently purely religious, but it does have an obvious political element. The point is that, not just in Orissa but also in other parts of India, the Hindu nationalist BJP is now winning strong support. There is no room in its ideology for religious minorities, let alone a Christian minority.

I have just heard that the Council and Commission will be meeting the Indian Prime Minister, Mr Singh, in Marseille on 29 September. Mr Singh called the shameful events in Orissa a national disgrace. You must talk to him about this in Marseille. You must put on the agenda that point, namely the religious intolerance and the persecution of Christians, and discuss it in detail, because it is unacceptable to continue a strategic partnership in that way.

Philip Claeys (NI). – (NL) Mr President, I too want to take the opportunity to express my concern at the violence against Christians in India in recent weeks. Dozens of people have been murdered and thousands driven from their homes. Hundreds of houses have been set on fire and even churches have not been spared.

The European Union must call upon not just the central government of India but also the governments of the states to do everything they can to stop the violence and bring the guilty to justice. At the summit in Marseille next week, as well as reinforcing the strategic partnership with India as far as our trade relations are concerned, cooperation in the fight against terrorism must also be extended. The bomb attack in Islamabad last week has once again shown how much the neighbouring country of Pakistan is plagued by the problem of Islamic terrorism. Certainly in this political transition period in Pakistan it is very important that relations between India and Pakistan should not deteriorate. The European Union must provide all possible assistance to keep the dialogue going and encourage further dialogue.

India has a fast-growing economy, which is having an impact on the demand for energy. It must therefore be the policy of the European Union to ensure that India does not become too dependent on countries such as Iran and Russia.

Mario Mauro (PPE-DE). - *(IT)* Mr President, Mr Jouyet, Commissioner Wallström, ladies and gentlemen, I must respectfully point out a difference between my colleagues' speeches and your introductions, namely that you did not have the courage to speak in those introductions about the massacres of the past few days, nor to strongly condemn the lack of religious freedom in India. This is a very serious sign. It leads us to believe that we will present ourselves at the forthcoming summit without having the courage to address the key issue, which affects the real relations and true friendship existing between the European Union and India.

What is at stake, in fact, is not solely the massacre of Christians but the principle of religious freedom, and religious freedom is a freedom unlike any other. Religious freedom determines the quality of a democracy. We heard the Indian President tell us in this House how, in a Christian school, he learned not only to love knowledge but also to distinguish between religion and politics.

If this is true, we emphatically demand that the European Union devote the days of the European Union-India Summit to recalling that religious freedom is fundamental to the development of democracy, and to pressing home the point that we have to perform a common task: we must remember in a spirit of friendship that the infringement of human rights puts an end to truly constructive relations between entities which have everything to gain from building their future together.

We must have this courage, Commissioner; we must have this courage, Minister, because, if we do not assume this responsibility, we will inevitably make ourselves complicit in eroding the quality of democracy.

Neena Gill (PSE). - Mr President, as chair of Parliament's India delegation, I really welcome this debate. I would like to stress the central importance of continued and frequent dialogue between India and Europe on many issues that benefit from a shared approach – both at Council and Commission level, but also at parliamentary level – so I welcome the group that has been set up in the Indian Parliament, and I hope they will be coming to the European Parliament in the very near future.

On our resolution, whilst it makes clear the values that Europe and India hold dear on commitment to democracy, pluralism, the rule of law and multilateralism, it is key that we are natural partners. I do believe our resolution should have focused more on major issues such as terrorism, climate change and the economic strengthening of this partnership, which I hope this summit will go some way towards tackling.

I also would like to give my deepest sympathies to the families and victims of the recent bomb attacks which have taken place in India. I think, for this reason, we need to acknowledge that both Europe and India have many enemies who want to destroy our shared values. This summit should be an opportunity to deepen our ties, but I think we have to recognise that progress so far has been slow and the joint action plan needs more resources in order to achieve the ambitions that we have given ourselves.

In conclusion I would just say that in many friendly relationships we can have constructive criticisms, but it is a responsibility of both sides to ensure that this is balanced. So criticism of India's difficulties and failings must be balanced by full and frank admission of our own. We are right to condemn the poor treatment of minorities, but Europe must also be mindful of our own problems with intercommunal violence and our own unsatisfactory record in some areas on race relations.

Wojciech Roszkowski (UEN). - *(PL)* Mr President, India is the world's largest democracy. It also has great demographic potential and is enjoying swift economic growth. India is therefore a key partner for the European Union and the West. It is important for such relations to be built on sound foundations. There are many positive features of India's development. The recent wave of persecution of Christians in Orissa and other locations is cause for concern, however. The relevant local authorities have failed to take any action

to protect citizens of their country from attacks perpetrated by fanatics. This is not particularly surprising, as certain states within India have passed legislation banning Hindus from converting to other faiths. In addition, there are no legal restraints on the activities of extremist Hindu organisations calling for India to be cleansed of Christians. India prides itself on its democratic system, yet such a system requires the rights of ethnic and religious minorities to be respected. Does Mahatma Gandhi's home country really wish to disregard this now? If that is indeed the case, the matter must be raised at the forthcoming Summit.

Angelika Beer (Verts/ALE). - (DE) Mr President, ladies and gentlemen, let me briefly explain why my group is about to reject the compromise resolution in the vote.

In the negotiations, it proved impossible to formulate a critical position on the nuclear deal between the US and India. We regard this as a failure by the European Parliament, as we expect this House to have the courage to criticise Europe's silence during the negotiations in the Nuclear Suppliers Group. It is sheer cowardice for all the Member States, and especially the German Chair Country of the NSG, to prove incapable of defending the European Security Strategy in a meeting of such importance.

We have a compromise in which one of the priorities is combating proliferation. However, by remaining silent, we have forfeited – indeed, wrecked – the credibility of disarmament policy. Nuclear disarmament? No chance! Strengthening the NPT regime? No chance! Credibility in negotiations with Iran? No chance! Instead, we have France's economic interests, especially in closing a deal on nuclear technology with India. That is the inherent position, which is why we are rejecting the compromise.

Erik Meijer (GUE/NGL). - (NL) Mr President, India, just like Europe, is a subcontinent with many peoples and different languages, which is trying to put the war and oppression of the past behind it. However, India still has torture and the death penalty and there is still violence against the people of Kashmir, who never had the referendum that was needed after partition in 1947 to establish the state to which they wanted to belong.

In Europe, the strategic partnership with India that was agreed in 2004 should not be a reason to close our eyes to the discrimination against the 170 million untouchables who do not belong to any caste and have no rights. In 2007 the Indian Prime Minister rightly compared the discrimination against these Dalits to apartheid in South Africa. Many Dalits have converted to Christianity or Islam. The extremist opposition party BJP is trying to use the forthcoming elections to mobilise Hindus against the Christians and Muslims and to force the Dalits to resign themselves to always being poor and having no rights.

How can we help the Indian Government to stop this violence and how can we make sure that the EU aid after the floods also reaches the Dalits?

Tunne Kelam (PPE-DE). - Mr President, this relationship between the two biggest democracies of the world is a very special one. India is emerging as an economic and political giant, but it is a shared commitment to the rule of law, multicultural democracy, global stability and the fight against terrorism that unites us. I hope that the ninth summit will bring us closer to reaching a free-trade agreement and that the still unresolved issues such as services, competition and intellectual property rights can be settled.

I too express my concern about the recent wave of attacks on Christians in Orissa. It is not the first time this has happened. The last wave of mob violence occurred last December. It is very important – and I asked the Council and the Commission to bring this to the attention of their Indian counterparts – that Indian authorities take all possible steps to compensate for the damaged property, provide full protection for people who do not dare to return to their villages, help them to restore their churches and bring the perpetrators to justice.

At the same time, we understand the complexities of this huge country and I would like to express my deep sympathy with the victims of numerous terrorist attacks which have hit India. We stand together with our Indian friends for common values, for the rule of law and the unconditional respect for human life, values so forcefully embodied by Mahatma Gandhi.

Thijs Berman (PSE). - (NL) Mr President, nearly a year ago there was an uprising in Burma. The repression is still going on. It would be to the credit of India if the government were to break with the criminal regime in Burma. More and more Indians are asking for that, shocked after the terrible reaction of the regime to the effects of the cyclone.

In recent years India has achieved fantastic growth, with more and more highly qualified people and an enormous curiosity for innovation. India is playing a new role in relation to developing countries, with its own 'everything but arms'. India is a new donor. The dialogue between the European Union and India is also

different and sometimes sharper, as you would expect of a dialogue between equal partners. The enormous economic growth can create better conditions and opportunities for greater social justice in India. Unfortunately, the problem of the untouchables is still acute.

The European Union also wants India to comply with the ILO conventions on child labour. There is no easy solution to that. In India, whole families live off the money that the children earn. However, child labour is both a cause and an effect of poverty. With children working, there is too much cheap labour and adult wages remain low. As such, the gap between rich and poor remains too wide in India. Working on opportunities for everyone is a matter of survival, it prevents unacceptable social tensions and is an issue of justice for millions of Indians. That is a joint responsibility, for the EU, for India and for the world.

Dariusz Maciej Grabowski (UEN). - (PL) Mr President, the European Union must depart from its policy of servility and readiness to make concessions if it is to rise to the challenges of the future. One example of this policy is the Union's attitude towards Russia and the argument that such a policy is justified because of Russia's energy resources.

In today's fast-changing world the Union is called upon to promote and defend rights and inalienable principles such as an individual's right to freedom and tolerance, and a nation's right to self-determination. The talks and contacts with India, a new world power, will reveal whether the Union is prepared to take on this role and act accordingly.

One of the key issues the European Union should raise is Christians' right to freedom of religion. I refer in particular to the rights of members of the Catholic Church, which is currently being persecuted and threatened with extinction in India. Churches are being burnt and Christians killed in India at present, yet Europe gave the people of India Mother Teresa of Calcutta. She was a holy person who brought goodness and kindness to where it was most needed. The European Union should seek inspiration from Mother Teresa on how to pursue its relations with India. India should look to Mother Teresa for an example of how to develop relations between followers of different faiths.

Sajjad Karim (PPE-DE). - Mr President, I, as a long-standing rapporteur on this issue within this Parliament, welcome the EU-India Summit, which is due to take place very soon.

I see India in many ways as a natural partner for the European Union. We must use this summit to make progress, and I welcome the Council and Commission statements that have been made today. But I have to say, as a rapporteur, that too much time has been taken to get to where we are today. It is now time that we have delivery.

I hear comments made by so many of my colleagues today pertaining to the issue of human rights and religious freedoms. I remind them that this House fought very hard to have a human-rights clause included in all of our free-trade agreements. We, Commissioner, must underline our commitment to that clause. So, whether it is thousands of disappeared or mass graves in Jammu and Kashmir, or the murder of Christians in Orissa and attacks upon them, our commitments to human rights must remain absolute and committed.

Concerning the FTA: we now need delivery. A comprehensive bilateral between us and India is not just of importance to us and India but is of global significance.

Mirosław Mariusz Piotrowski (UEN). - (PL) Mr President, Europe is founded on Christianity, and we should always be guided by Christian values. Freedom of religion is one of the European Union's fundamental rights. This should be emphasised in the context of relations between the European Union and other countries. The attacks on Christians in India, their persecution, and the damage to their churches have given rise to great concern. The Indian authorities have failed to take action, thus indicating consent to the escalating terrorist attacks. In the context of the forthcoming EU-India Summit it would be appropriate to make holding the talks conditional on clear commitments by the Indian authorities. The latter should undertake to immediately implement all possible measures to halt the persecution of Christians and to ensure that those responsible for such actions are punished. Furthermore, the European Union cannot make any concessions, including trade concessions, to countries where fundamental rights are violated with impunity. The European Parliament must send out a clear message that it places the defence of these values above short-term economic interests.

Christa Klauß (PPE-DE). - (DE) Mr President, Commissioner, ladies and gentlemen, the EU-India Summit marks a new stage in the deepening of relations between the European Union and India. We want to promote economic development in India.

However, we are also monitoring very closely what is happening in the context of human rights and dignity in India's regions. Almost all the previous speakers have talked about the persecution of Christians which has recently been taking place. These are issues which must be discussed at the Summit as well. The murder of a spiritual leader and member of the World Hindu Council on 23 August this year triggered this new conflict. This is not the first attack on Christians, which is why some 60 000 Christians in the state of Orissa alone have now fled their homes. Christians are being subjected to a campaign of persecution, humiliation, abuse and murder. Homes, churches and monasteries in Christian communities are being ransacked and destroyed.

The Indian Government must guarantee the right to life and liberty of the Christians who live there. Economic prosperity and stability can only be achieved through freedom for the people.

Reinhard Rack (PPE-DE). - (DE) Mr President, India and Europe need more and better contacts with each other at all levels, but particularly between ordinary people: business people, tourists and students, for example.

Let me make a brief comment, which is also of relevance to the Commission's legislative programme that we were discussing earlier. In international aviation, we need good security regulations that are genuinely useful and effective and not simply token gestures. One sensible and genuinely necessary measure would therefore be to abolish the senseless rules that prevent passengers from taking liquids on board at last, and to come up with a more sensible solution.

Czesław Adam Siekierski (PPE-DE). - (PL) Mr President, as the EU-India Summit approaches, we ought to reflect on the prospects for increasing cooperation with India. Despite significant progress, our cooperation with India is still significantly less dynamic than our links with China. The Union is India's main economic partner, but there is still scope for our companies to improve their position in those sectors of the Indian economy that are undergoing dynamic development. I am referring to energy, telecommunications and machinery. At the same time, we must ensure that the prospect of doing business with India does not lead us to overlook the problems facing its population. The most important of these are widespread poverty, the inadequacies of the health and education systems, the AIDS epidemic and the marked social contrasts. As we dispatch politicians, financiers, goods and know-how to India, we must not forget the need for humanitarian aid and medicine. Above all, we must not neglect the cause of religious freedom in India.

Jean-Pierre Jouyet, President-in-Office of the Council. - (FR) Mr President, I would like to thank everyone for this debate, which has shown the importance we attach to the development of our partnership with India, because it is a power that contributes to international and regional stability, because it is, as has been said, the largest, most populous and most democratic country in the region and because it is a country that, in spite of the difficulties that have been mentioned, upholds cultural and religious pluralism.

In response to the concerns that have been voiced by Mr Tannock and others, I would say that the fight against terrorism is a key element of the dialogue between the European Union and India. With regard to the terrorist violence that has struck India, the Union condemns all the attacks of which the country has been victim and, as Mrs Gill stated, our sympathies are with the victims of these attacks, which aim to destroy the multiethnic and multi-confessional nature of Indian society.

Several speakers have, quite rightly, referred to the violence, persecution and attacks targeting the Christian community in general and the Christian community in Orissa in particular. We have been extremely watchful of these incidents and we will obviously address them at the summit. However, as Mrs Gill said, we must provide constructive criticism and we must make sure to praise the courageous attitude, which has been referred to by several speakers, of the Indian Prime Minister, who described these events as a national disgrace and was quick to dispatch 3 000 police officers to Orissa. We remain deeply concerned by the attacks and the violence committed against people of different faiths, in particular the Christian communities. We reiterate that the fight against terrorism must take place in a context of respect for the rule of law and international law.

On the issue of regional stability, raised by Mr Menéndez del Valle and Mr Berman among others, the European Union has requested that the situation in Burma should be included on the summit agenda. The Union wishes to convince all Burma's neighbours that democratic reform and a peaceful transition in the country are in their interests. We will discuss the matter with India and with other countries. We wish to see greater stability too and hope that the negotiations can bring results with regard to the situation in Kashmir and India-Pakistan relations.

In terms of the social issues mentioned, including child labour, touched on by Mrs Kallenbach, the Council shares these concerns and not only with regard to India. We are negotiating with our Indian partners an action plan aimed at strengthening commitments in the area of corporate social responsibility, decent work and efforts to combat child labour. We have made provisions on fundamental labour rights in line with the International Labour Organisation's standards a part of our delicate negotiations on the trade and investment agreement. As I said, I share in part Mrs Gill's opinion, which seems to me a very balanced one. We should stand up for the victims of all terrorist attacks and must criticise India when the measures it takes to counter them appear to us insufficient, but we must also support the Indian authorities when they take appropriate action.

As regards the comments made on nuclear cooperation, I would like to remind you that, on 6 September 2008, an agreement was concluded by the Nuclear Suppliers Group, in which it was agreed to grant a derogation making it possible to establish trade relations with India in the field of civil nuclear power, under the supervision of, with the agreement of and in respect of the conditions set by the International Atomic Energy Agency. I would also stress that India has pledged to extend its moratorium on nuclear testing and that the civil and military programmes should not be confused.

In conclusion, I reiterate that the European Union is alone in developing a firm dialogue with all the emerging countries and which applies to each partner the same human rights criteria, with a compulsory clause appearing in all new agreements from 1995 that requires respect for international law, whether it is in the form of the International Criminal Court, the United Nations conventions on political rights or the application of social and environmental rights. This goes for all emerging countries, including our Indian partners.

Margot Wallström, *Vice-President of the Commission*. – Mr President, honourable Members, let me almost in telegram form answer some of your detailed questions and add a couple of points.

Firstly, a piece of information that I think is important to all of you who are engaged in the issue of India-EU cooperation concerns the recent flooding in Bihar state, where the European Commission is providing assistance to the victims of this catastrophe. The Commission mobilised EUR 2 million for emergency relief to cover the most urgent needs of food, shelter, water, sanitation and medical support. This has been provided both to those displaced and those who remained in the affected villages. I thought it important for you to know that.

There was a question on civil aviation. In principle, the signature of the horizontal agreement at the summit should be accompanied by the signature of the financing agreement on a new civil aviation cooperation programme covering EUR 12.5 million. That is the highest amount of European Community funding for aviation for any third country.

I would just like to say a few words on climate change, because it is, of course, in our interests to engage India in the run-up to the post-Kyoto regime. As you know, we take the view, contrary to India, that climate-change-related measures are not incompatible with economic development. On the contrary, they can help us and we urge India to also be proactive in the coming Poznań Conference to prepare post-Kyoto and in the negotiations on an agreement in Copenhagen. We have good reason to expect that a work programme on energy and climate change will be adopted at the summit, and this is an essential component of our cooperation with India.

We are, of course, following very closely the communal violence in the state of Orissa, which we deplore. We raised the issue of Orissa at the last human rights dialogue in February, asking the authorities to prevent such violence. We also raised the issue with the India National Human Rights Commission and the National Minorities Commission. We will also raise it at this summit on the basis of a report which has been requested from the Heads of Mission in Delhi.

Finally, concerning our dialogue on India, I would like to say to Mrs Gill that the Commission is prepared to inform Parliament on the priorities set in the revised Joint Action Plan. Our External Relations Department holds regular meetings with all the services directly involved in Indian affairs and a representative of the secretariat of the Parliament is always invited to these meetings, but I think it is important to follow this up in a very practical way.

Thank you very much for this debate. We will of course take back to the Commission all your detailed and well-informed views.

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

The debate is closed.

The vote will take place on Wednesday.

Written statements (Rule 142)

Sylwester Chruszcz (NI), in writing. – (PL) In the run-up to the EU-India Summit in Marseille on 29 September, I should like to draw attention to certain dramatic events. I am referring to the wave of violence against Christians and the serial killings of Christians in August in India, notably in Orissa. The European Parliament should strongly condemn such incidents. The issue of police behaviour in the context of the massacre of representatives of religious minorities is also of concern. I should like to express my deep distress and concern regarding the attacks on Christians in Orissa, and in particular in the Kandhamal district. I would also like to emphasise the need to provide immediate aid and support for the victims.

Filip Kaczmarek (PPE-DE), in writing. – (PL) India is an important partner for the European Union. In both political and economic terms, India's achievements are impressive. There is scope for ongoing improvement of the relations between India and the Union. Such relations could be mutually beneficial. There does seem to be, however, a serious impediment to the development of India and of our mutual relations, an impediment that significantly reduces India's potential. I believe that this impediment is the caste system currently operating in India. The Indian authorities must make every effort to cleanse Indian society of the negative, and indeed sometimes tragic, consequences of this system. In such cases, legislative action and political declarations alone are not enough. What is important is actually changing social relations and inhuman traditions. This is not an easy task and one cannot expect immediate results. We should not be dissuaded by the prospect of a long-term process. On the contrary, we should support India's efforts in this important enterprise. I trust that the forthcoming EU-India Summit will help to weaken the caste system in India and to improve standards of human rights and citizens' rights in the world's largest democracy.

IN THE CHAIR: MR COCILOVO

Vice-President

6. Voting time

President. – The next item is voting time.

(For the outcome and other details of the vote: see Minutes)

6.1. Proceedings before the Court of Justice (Amendment of Rule 121) (A6-0324/2008, Costas Botopoulos) (vote)

6.2. Migration to the second generation Schengen Information System (SIS II) (A6-0351/2008, Carlos Coelho) (vote)

6.3. Migration to the second generation Schengen Information System (SIS II) (A6-0352/2008, Carlos Coelho) (vote)

6.4. Community vessel traffic monitoring and information system (A6-0334/2008, Dirk Sterckx) (vote)

6.5. Investigation of accidents in the maritime transport sector (A6-0332/2008, Jaromír Kohlíček) (vote)

⁽²⁾ See Minutes.

6.6. The liability of carriers of passengers by sea in the event of an accident (A6-0333/2008, Paolo Costa) (vote)

6.7. Port State control (recast) (A6-0335/2008, Dominique Vlasto) (vote)

6.8. Ship inspection and survey organisations (Directive recast) (A6-0331/2008, Luis de Grandes Pascual) (vote)

6.9. Ship inspection and survey organisations (Regulation recast) (A6-0330/2008, Luis de Grandes Pascual) (vote)

6.10. Electronic communications networks and services (A6-0321/2008, Catherine Trautmann) (vote)

Commission's position on amendments by Parliament

Trautmann report (A6-0321/2008)

The Commission accepts the following:

- amendments 12, 16, 19, 24, 32, 39 (on the recitals)
- amendments 40, 41, 42, 45, 56, 58, 59, 60, 61, 79, 84, 89, 92, 96, 99, 105, 111, 112, 113, 115, 116, 117, 124 (on the articles)
- plenary amendment 136.

The Commission accepts the following in principle or in part:

- amendments 2, 5, 6, 7, 14, 15, 17, 26, 27, 31, 35, 36, 37, 38 (on the recitals)
- amendments 43, 44, 46, 48, 52, 53, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 74, 75, 85, 86, 91, 95, 98, 100, 101, 102, 103, 106, 107, 108, 121, 123, 125 (on the articles)
- plenary amendments 128, 132, 134

The Commission rejects the following:

- amendments 1, 3, 4, 8, 9, 10, 11, 13, 18, 20, 21, 22, 23, 25, 28, 29, 30, 33, 34 (on the recitals)
- amendments 47, 49, 50, 51, 54, 55, 57, 73, 76, 77, 78, 80, 81, 82, 83, 87, 88, 90, 93, 94, 97, 104, 109, 110, 114, 118, 119, 120, 122 (on the articles)
- plenary amendments 126, 127, 129, 130, 131, 133, 135, 137, 138, 139, 141, 142, 143

– *Before the vote:*

Catherine Trautmann, rapporteur. – (FR) Mr President, Madam Commissioner, we are about to vote on the Telecoms package, one of the most sensitive proposals of the closing period of this parliamentary term.

My fellow rapporteurs, Mrs del Castillo Vera and Mr Harbour, and I have worked together closely to achieve a coherent and efficient proposal for the end-users of these directives, namely the Commission and regulators, but one that is also positive and valuable to those looking for legal certainty, encouragement for investment, and a dynamic and balanced market, that is, operators and their employees, as well as for the primary beneficiaries of the numerous services and quality at a fair and accessible price: the consumers.

All of us – rapporteurs, draftsmen and shadow rapporteurs – were united in these aims and that is why we were able to reach a solid compromise, attested to by the small number of amendments on which we are to vote.

I would like to express my profound gratitude to all the rapporteurs, the chairmen of the committees responsible and committees asked for opinions, their secretariats and all the political groups. I also wish to thank the colleagues that have shown an interest in this matter and contributed to our work. I now call on

my fellow Members to support their rapporteurs and draftsmen through their vote and to grant them a clear and decisive mandate for the period of codecision that will follow.

Finally, I hope that the Commission and Council will respond positively to Parliament's amended version of the package, which, although it represents in many regards an alternative to the Commission's initial vision, still presents as many areas of agreement between our three institutions.

– *Before the vote on Amendment 132:*

Ruth Hieronymi (PPE-DE). - (DE) Mr President, with reference to Amendment 132, on behalf of the signatories, I wish to withdraw this amendment, as regrettably, our efforts in this House to achieve a compromise which strengthens copyright have been unsuccessful.

– *Before the vote on Amendment 138:*

Catherine Trautmann, rapporteur. – (FR) Mr President, we have a relatively difficult decision with regard to Amendment 138, for which three requests for a split vote have been tabled. I personally tabled an oral amendment to the first part of the amendment, which is included on the voting list and reads: 'applying the principle that no restriction may be imposed on the fundamental rights and freedoms of end-users'. That is the first oral amendment. Since then, we have been looking for a solution acceptable to the political groups in relation to the third part of the amendment.

I therefore propose a new oral amendment, with the backing of the signatories, including the Chairman of the Committee on Industry, Research and Energy, Mrs Niebler, and others, which would read: 'save when public security is threatened where the ruling may be subsequent'. This would replace the third part and clarify matters, as the third part proposed by Mr Bono is ambiguous as regards the exception. By making this clarification, we have a readable and acceptable amendment. Incidentally – for the benefit of Mrs Hieronymi – it has nothing to do with intellectual property, as she was saying.

(The oral amendment was accepted)

7. Welcome

President. – Voting time is being suspended very briefly while we receive the Lebanese parliamentary delegation, which is observing our work and to which we of course extend a warm welcome.

The delegation from the Lebanese Parliament, led by Boutros Harb, is visiting the European Parliament in the context of our interparliamentary meetings. Allow me to emphasise the importance which we attach to this visit, after the difficult years Lebanon has experienced, with a civil war that lasted 15 years, followed by occupation and more recently the war that raged during the summer of 2006 and the paralysis of its State institutions. We are particularly pleased to receive the delegation at a time when the political situation in Lebanon, but also in the region as a whole, has improved considerably, particularly following the Doha Agreement and the election of the President of the Republic.

We hope that, with the new electoral law being put to the vote within the next few days, the legislative elections scheduled for next year will take place under the best of circumstances and will give fresh impetus to Lebanese democracy, which the European Parliament fully supports. On behalf of the European Parliament, therefore, I should like to welcome the members of the delegation, in the hope that the discussions in which they take part at the European Parliament will be extremely fruitful. I thank the delegation once again.

8. Voting time (continuation)

President. – The next item is the continuation of voting time.

8.1. European Electronic Communications Market Authority (A6-0316/2008, Pilar del Castillo Vera) (vote)

Commission's position on amendments by Parliament

del Castillo Vera report (A6-0316/2008)

The Commission accepts the following:

- amendments 6, 8, 9, 10, 11, 14, 15, 20, 21, 23, 25, 26, 27, 28, 29, 30, 31, 33, 34, 35, 36, 42, 43, 44 (on the recitals)

- amendments 47, 48, 50, 54, 57, 59, 62, 66, 68, 73, 77, 78, 79, 91, 92, 94, 97, 98, 100, 103, 104, 105, 106, 115, 117, 125, 133, 136, 140, 141, 143, 144, 145, 146, 147, 149, 153, 156, 163, 166 (on the articles)

The Commission accepts the following in principle or in part:

- amendments 12, 17, 22, 32 (on the recitals)

- amendments 49, 53, 60, 61, 63, 64, 65, 69, 70, 81, 83, 85, 87, 88, 89, 93, 99, 101, 102, 107, 126, 131, 152, 159, 160, 161 (on the articles)

- plenary amendment 168

The Commission rejects the following:

- amendments 4, 5, 7, 13, 16, 18, 19, 24, 37, 38, 39, 40, 41, 45, 46 (on the recitals)

- amendments 51, 52, 55, 56, 58, 67, 71, 72, 74, 75, 76, 80, 82, 84, 86, 90, 95, 96, 108, 109, 110, 111, 112, 113, 114, 116, 118, 119, 120, 121, 122, 123, 124, 127, 128, 129, 130, 132, 134, 135, 137, 138, 139, 142, 148, 150, 151, 154, 155, 157, 158, 162, 164, 165, 167 (on the articles)

- *Before the vote:*

Pilar del Castillo Vera, *rapporteur*. – (ES) Mr President, I am not going to speak for long as I am aware that we are subject to time pressures. However, I too want to thank everyone who took part in this report and underline one very important point: what Parliament is offering today in relation to the legislative review of the electronic communications sector, as already stated by Catherine Trautmann, is wholly consistent and, we believe, will be very positive in terms of developing this market. The negotiations now beginning must reach their conclusion within this parliamentary term. I believe that this is therefore decisive for the sector.

8.2. Common approach to the use of the spectrum released by the digital switchover (A6-0305/2008, Patrizia Toia) (vote)

IN THE CHAIR: MR PÖTTERING

President

9. Formal sitting - Ecumenical Patriarch Bartholomew

President. – Your Holiness, Patriarch Bartholomew, it is a great honour to welcome you to this formal sitting of the European Parliament during the European Year of Intercultural Dialogue 2008. The first guest to address the European Parliament as part of the European Year of Intercultural Dialogue was the Grand Mufti of Damascus in January. He is from Syria and addressed us as a messenger of peaceful Islam.

Your Holiness, you represent the Christian faith, and the Chief Rabbi Jonathan Sacks will address the European Parliament in Strasbourg in November as a representative of the Jewish faith.

People from these three faiths – Christianity, Judaism and Islam – have lived side by side for centuries. Unfortunately, this coexistence has not always been peaceful. Even today, in the Middle East and elsewhere, there are areas marked by tensions between these communities.

We in the European Parliament support every effort to promote the peaceful coexistence of religions and cultures in the Middle East and elsewhere in the world. In the Middle East, there are also examples of religious tolerance and harmonious relations between people of different faiths. When I visited Syria a short time ago, I had the opportunity to meet the spiritual leaders of the various faith communities and they assured me that in their country, good relations exist, underpinning the dialogue between religions and cultures.

The European Union is a community based on values, and one of our most fundamental values is the dignity which is inherent in every individual. In this respect, religious freedom is central to human dignity, and goes far beyond the powers invoked by state authorities. The separation of church and state, which we esteem so

highly, is a guarantee of the freedom of religious communities to manage their own internal affairs and external relations. These principles are reaffirmed in the Treaty of Lisbon, whose entry into force we are seeking to secure.

The Ecumenical Patriarchate of Constantinople, with its seat in Phanar in Istanbul, was founded in the 4th century and is an important spiritual centre for 300 million Orthodox Christians worldwide. Phanar means 'beacon', and you, Your Holiness, have always been a beacon of reconciliation and peace for the faithful in the Orthodox world and beyond.

The latest enlargement of the European Union has brought countries with Orthodox majorities, such as Cyprus, Bulgaria and Romania, into the EU, while Greece has been a member since 1981. The late Pope John Paul II, who addressed the European Parliament in 1988, used the following metaphor to describe this: he said that after overcoming its division, Europe is breathing with both its lungs again. We could use this metaphor again today to describe the richness of the enlarged EU, brought about by the different perspectives of Western and Eastern Christianity.

Your Holiness, we thank you for your visit. You are one of the very few figures to address the European Parliament for a second time. You were here in 1994, and you are honouring us with a further address on the occasion of the European Year of Intercultural Dialogue. We are looking forward to hearing your speech.

May I now invite you to address the European Parliament. Thank you.

(Applause)

His Holiness Ecumenical Patriarch Bartholomeos I. – Your Excellency Mr President of the European Parliament, your Excellencies, honourable Members of the European Parliament, distinguished guests, dear friends, first and foremost we convey to you salutations from the Ecumenical Patriarchate of Constantinople, based for many, many centuries in what is today Istanbul – greetings replete with esteem and respect. In particular, we express our gratitude to an old friend of ours, His Excellency Hans-Gert Pöttering, President of the European Parliament. We likewise express our sincerest appreciation for the extraordinary honour to address the plenary sitting of the European Parliament for the second time (as the President already mentioned), especially on this occasion that commemorates the European Year of Intercultural Dialogue.

As a purely spiritual institution, our Ecumenical Patriarchate embraces a truly global apostolate that strives to raise and broaden the consciousness of the human family – to bring understanding that we are all dwelling in the same house. At its most basic sense, this is the meaning of the word 'ecumenical' – for the '*oikoumene*' is the inhabited world – the earth understood as a house in which all peoples, kindreds, tribes and languages dwell.

As is well known, the origins of our religious institution lie at the core of the Axial Age, deep in the history of the Christian Faith – with the earliest followers of Jesus Christ. Inasmuch as our See – our institutional centre – shared the centre and capital of the Christian Roman Empire, it became known as 'ecumenical', with certain privileges and responsibilities that it holds to this day. One of its chief responsibilities was for bringing the redemptive message of the Gospel to the world outside the Roman Empire. In the days before the exploratory age, most civilisations held such a bicameral view of the world as being 'within' and 'without'. The world was divided into two sectors: a hemisphere of civilisation and a hemisphere of barbarism. In this history, we behold the grievous consequences of the alienation of human persons from one another.

Today, when we have the technological means to transcend the horizon of our own cultural self-awareness, we nevertheless continue to witness the terrible effects of human fragmentation. Tribalism, fundamentalism, and phyletism – which is extreme nationalism without regard to the rights of the other – all these contribute to the ongoing list of atrocities that give pause to our claims of being civilised in the first place.

And yet, even with tides of trade, migrations and expansions of peoples, religious upheavals and revivals, and great geopolitical movements, the deconstruction of rigid and monolithic self-understandings of past centuries has yet to find a permanent harbour. The Ecumenical Patriarchate has sailed across the waves of these centuries, navigating the storms and the doldrums of history. For twenty centuries – through the Pax Romana, the Pax Christiana, the Pax Islamica, the Pax Ottomanica (all epochs marked by intercultural struggle, conflict and outright war) – the Ecumenical Patriarchate has continued as a lighthouse for the human family and the Christian Church. It is from the depths of our experience upon these deep waters of history that we offer to the contemporary world a timeless message of perennial human value.

Today, the ecumenical scope of our Patriarchate extends far beyond the boundaries of its physical presence at the cusp of Europe and Asia, in the same city we have inhabited for the seventeen centuries since her founding. Though small in quantity, the extensive quality of our experience brings us before this august assembly today, in order to share from that experience on the necessity of intercultural dialogue, a lofty and timely ideal for the contemporary world.

As you yourselves have said – in this most esteemed body's own words: 'At the heart of the European project, it is important to provide the means for intercultural dialogue and dialogue between citizens to strengthen respect for cultural diversity and deal with the complex reality in our societies and the coexistence of different cultural identities and beliefs' (Decision No 1983/2006/EC) and we would humbly append this noble statement, as we did last year in our address to the Plenary of the Parliamentary Assembly of the Council of Europe, in Strasbourg: 'Dialogue is necessary first and foremost because it is inherent in the nature of the human person'.

This is the principal message that we propose for your consideration today: that intercultural dialogue is at the very root of what it means to be a human being, for no one culture of the human family encompasses every human person. Without such dialogue, the differences in the human family are reduced to objectifications of the 'other' and lead to abuse, conflict, persecution – a grand-scale human suicide, for we are all ultimately one humanity. But where the differences between us move us to encounter one another, and where that encounter is based in dialogue, there is reciprocal understanding and appreciation – even love.

In the past 50 years, our human family has experienced leaps of technological achievement undreamed of by our forebears. Many have trusted that this kind of advancement will bridge the divides that fragment the human condition. As if our achievements had given us the power to overcome the fundamental realities of our moral and – may we say – our spiritual condition. Yet, despite every conceivable benefit and technological skill – skill that seems to outstrip our anthropological wit – we still behold the universal banes of hunger, thirst, war, persecution, injustice, planned misery, intolerance, fanaticism and prejudice.

Amidst this cycle that cannot seem to be broken, the significance of the 'European project' cannot be underestimated. It is one of the hallmarks of the European Union that has succeeded in promoting mutual, peaceful and productive co-existence between nation states that less than 70 years ago were drenched in a bloody conflict that could have destroyed the legacy of Europe for the ages.

Here, in this great hall of assembly of the European Parliament, you strive to make possible the relationships between states and political realities that make reconciliation between persons possible. Thus you have recognised the importance of intercultural dialogue, especially at a time in the history of Europe when transformations are taking place in every country and along every societal boundary. Great tidal forces of conflict, and economic security and opportunity have shifted populations around the globe. Of necessity, then, persons of differing cultural, ethnic, religious and national origin find themselves in close proximity. In some cases, the same populations shun the greater whole and close themselves off from the dominant society. But in either case, as we engage in dialogue, it must not be a mere academic exercise in mutual appreciation.

For dialogue to be effective, to be transformative in bringing about core change in persons, it cannot be done on the basis of 'subject' and 'object'. The value of the 'other' must be absolute – without objectification; so that each party is apprehended in the fullness of their being.

For Orthodox Christians, the icon, or image, stands not only as an acme of human aesthetic accomplishment, but as a tangible reminder of the perennial truth. As in every painting – religious or not, and notwithstanding the talent of the artist – the object presents as two-dimensional. Yet, for Orthodox Christians, an icon is no mere religious painting – and it is not, by definition, a religious object. Indeed, it is a subject with which the viewer, the worshipper, enters into wordless dialogue through the sense of sight. For an Orthodox Christian, the encounter with the icon is an act of communion with the person represented in the icon. How much more should our encounters with living icons – persons made in the image and likeness of God – be acts of communion!

In order for our dialogue to become more than mere cultural exchange, there must be a more profound understanding of the absolute interdependence – not merely of states and political and economic actors – but the interdependence of every single human person with every other single human person. And such a valuation must be made regardless of any commonality of race, religion, language, ethnicity, national origin,

or any of the benchmarks by which we seek self-identification and self-identity. And in a world of billions of persons, how is such inter-connectedness possible?

Indeed, there is no possible way to link with every human person – this is a property that we would ascribe to the Divine. However, there is a way of understanding the universe in which we live as being shared by all – a plane of existence that spans the reality of every human person – an ecosphere that contains us all.

Thus it is that the Ecumenical Patriarchate – in keeping with our own sense of responsibility for the house, the *oikos* of the world and all who dwell therein – has for decades championed the cause of the environment, calling attention to ecological crises around the globe. And we engage this ministry without regard to self-interest. As you know so well, our Patriarchate is not a 'national' church, but rather the fundamental canonical expression of the ecumenical dimensions of the Gospel message, and of its analogous responsibility within the life of the Church. This is the deeper reason that the Church Fathers and the Councils have given it the name 'Ecumenical'. The loving care of the Church of Constantinople exceeds any linguistic, cultural, ethnic and even religious definition, as she seeks to serve all peoples. Although firmly rooted in particular history – as any other institution is – the Ecumenical Patriarchate transcends historical categories in her perennial mission of service during 1 700 years.

In our service to the environment, we have, to date, sponsored seven scientific symposia that bring together a host of disciplines. The genesis of our initiative grew on the island that gave humanity the Apocalypse, the Book of Revelation: the sacred island of Patmos in the Aegean Sea. And it was in the Aegean that we commenced, in 1995, an ambitious programme of integrating current scientific knowledge about the oceans with the spiritual approach of the world's religions to water, particularly the world's oceans. Since Patmos, since 1995, we have traversed the Danube, the Adriatic Sea, the Baltic Sea, the Amazon, the Arctic Sea (last September), and we are now making preparations to sail the Nile in Egypt and the Mississippi River in the United States, both next year.

What we seek is not only an ongoing dialogue that is serviceable to practical necessities, but also one that raises human consciousness. While we strive to find answers to ecological concerns and crises, we also bring the participants into a more comprehensive sense of themselves as belonging to and relating to a greater whole. We seek to embrace the ecosphere of human existence not as an object to be controlled, but as a fellow-struggler on the path of increase and improvement. As the Apostle Paul, whose 2 000-year legacy both the Orthodox and the Roman Catholic Churches are celebrating this year, says in one of his most famous epistles, the Epistle to the Romans, 'For we know that until now, the whole of creation groans with us and shares our birth pangs'.

Every ecosystem on this planet is like a nation – by definition limited to a place. The estuary is not the tundra, nor is the savannah the desert. But like every culture, every ecosystem will have an effect that goes beyond far beyond its natural – or in the case of cultures, national – boundaries. And when we understand that every ecosystem is part of the singular ecosphere that is inhabited by every living breath that fills the world, then do we grasp the interconnectedness, the powerful communion of all life, and our true interdependency on one another. Without such an understanding, we are led to ecocide, the self-destruction of the one ecosphere that sustains all human existence.

Thus it is that we come before you today, highlighting this Year of Intercultural Dialogue, bringing parables from the natural world to affirm your transcendent human values. As an institution, the Ecumenical Patriarchate has lived as a relatively small ecosystem within a much larger culture for centuries. Out of this long experience, allow us to suggest the most important practical characteristic that enables the work of intercultural dialogue to succeed.

Chiefly and above all, there must be respect for the rights of the minority within every majority. When and where the rights of the minority are observed, the society will for the most part be just and tolerant. In any culture, one segment will always be dominant – whether that dominance is based on race, religion or any other category. Segmentation is inevitable in our diverse world. What we seek to end is fragmentation! Societies that are built upon exclusion and repression cannot last. Or, as the divine Prince of Peace Jesus Christ said: Every kingdom divided against itself is brought to desolation; and every city or house divided against itself shall not stand.

Our counsel to all is to recognise that only when we embrace the fullness of shared presence within the ecosphere of human existence, are we then able to face the 'otherness' of those around us – majority or minority – with a true sense of the consanguinity of the human family. Then do we behold the stranger amongst us not as an alien, but as a brother or sister in the human family, the family of God. St Paul expounds

on pan-human relation and brotherhood quite eloquently and concisely when addressing the Athenians in the first century.

This is why Europe needs to bring Turkey into its project and why Turkey needs to foster intercultural dialogue and tolerance in order to be accepted into the European project. Europe should not see any religion that is tolerant of others and respectful to the others as alien to itself. The great religions, like the European project, can be a force that transcends nationalism and can even transcend nihilism and fundamentalism by focusing their faithful on what unites us as human beings, and by fostering a dialogue about what divides us.

From our country, Turkey, we perceive both a welcome to a new economic and trading partner, but we also feel the hesitation that comes from embracing, as an equal, a country that is predominantly Muslim. And yet Europe is filled with millions of Muslims who have come here from all sorts of backgrounds and causations; just as Europe would still be filled with Jews, had it not been for the horrors of the Second World War.

Indeed, it is not only non-Christians that Europe must encounter, but Christians who do not fit into the categories of Catholic or Protestant. The resurgence of the Orthodox Church in Eastern Europe since the fall of the Iron Curtain has truly been a marvel for the world to behold. The segmentation of Eastern Europe has led to fragmentation in many places. Not only does the centre not hold; it is hardly discernible. Through this process, as nation states strive to re-establish themselves, it is the Orthodox Christian faith that has risen, even above economic indicators, to a new status that could not have been predicted even 20 years ago.

One of the vital roles of our Ecumenical Patriarchate is to assist in the process of growth and expansion that is taking place in traditional Orthodox countries, by holding fast as the canonical norm for the worldwide Orthodox Church, over a quarter of a billion people around the globe. At this moment, we wish to inform you, dear friends, that in October – next month – at our invitation, all the Heads of the Orthodox Patriarchates and Autocephalous Churches will meet in Istanbul, in order to discuss our common problems and to strengthen Pan-Orthodox unity and cooperation. Simultaneously, we will also concelebrate the two thousand years since the birth of the Apostle of the Nations, St Paul.

Currently in the City (Istanbul) we are experiencing great joy and enthusiasm as we are all preparing for its celebration as the European Capital of Culture in the year 2010. The City, which has a long history, was a crossroads for gatherings of people and served as a place of cohabitation of diverse religions and cultures. This past week, we attended a luncheon hosted by the Prime Minister of Turkey in honour of the Prime Minister of Spain. As is public knowledge, both are co-sponsors of the Alliance of Civilisations under the auspices of the United Nations. We heard their wonderful speeches, which were harmonious with the diachronic tolerant spirit of our City.

And now dear friends, please allow us to conclude in French in order to honour the French presidency, and also because this week you celebrate the European Day of Languages, I think next Friday.

Excellency, ladies and gentlemen of the European Parliament, the Ecumenical Patriarchate reaffirms its desire to do all in its power to contribute to peace and prosperity in the European Union. We are ready to join you in other constructive dialogues like that of today and we will lend an attentive ear to the problems of the day.

It is in this spirit that our Patriarchate has been cultivating and nurturing meaningful dialogue with Islam and Judaism for the past 25 years. We have held many bilateral and trilateral meetings. Within this framework, we will be meeting in Athens at the beginning of November to resume, for the 12th time, our academic dialogue with Islam.

Alongside these discussions, we are continuing our theological talks with the Roman Catholic, Anglican, Lutheran and Reformed Churches and with the ancient Oriental Churches: Armenian, Coptic, etc. At the end of October, at the Pope's invitation, we will have the opportunity, the privilege even, to speak at the 12th Ordinary Assembly of the World Synod of Bishops in the Vatican.

This should illustrate that the Ecumenical Patriarchate is extremely active in the area of ecumenical dialogue and seeks to contribute to a better understanding between peoples, reconciliation, peace, solidarity and efforts to combat fanaticism, hatred and all forms of evil.

We would like to thank you for this unique opportunity to address your Assembly for the second time and we call for God's infinite blessing for all your just ventures.

Allow me, from this distinguished platform, to present my best wishes to Muslims all over the world at the approach of the great festival of Ramadan and also to the Jews of the world on the eve of Rosh Hashanah. We are all brothers and sisters, children of the same heavenly Father and, on this wonderful planet, for which we are all responsible, there is room for everyone, but there is no room for war or for those who kill each other.

Once more, we thank you with all our heart for allowing us the great honour and privilege of addressing you today.

(Standing ovation)

President. – Your Holiness, the European Parliament has accorded you a standing ovation to show its great appreciation of your speech. You spoke of *pax*, of peace for the human family and creation. Peace is the culmination of respect for human dignity.

We do not have to agree with every belief that exists, and we do not have to accept every view. What we must do, however, is respect our fellow men and women. It is this respect which is the core of human dignity, and it is the core of tolerance.

In that spirit, we would like to express our warmest thanks to you once again for the contribution that you have made to the European Year of Intercultural Dialogue. It is a valuable contribution which fosters understanding between the people of our continent and the world, and promotes reconciliation, peace and freedom.

Thank you very much, Your Holiness.

(Applause)

IN THE CHAIR: MR COCILOVO

Vice-President

10. Voting time (continuation)

President. – The next item is the continuation of voting time.

10.1. Electronic communications networks and services, protection of privacy and consumer protection (A6-0318/2008, Malcolm Harbour) (vote)

Commission's position on amendments by Parliament

Harbour report (A6-0318/2008)

The Commission accepts the following:

- amendments 2, 4, 5, 7, 8, 13, 15, 16, 20, 21, 32, 38, 41 (on the recitals)
- amendments 43, 48, 51, 54, 55, 56, 60, 61, 63, 64, 65, 66, 68, 70, 72, 73, 77, 79, 88, 89, 90, 97, 100, 106, 110, 111, 112, 115, 116, 118, 129, 137, 141, 143, 145, 149, 150, 151, 152 (on the articles)
- plenary amendments 191, 192, 167, 182

The Commission accepts the following in principle or in part:

- amendments 3, 6, 9, 11, 12, 14, 18, 19, 22, 23, 25, 26, 27, 31, 37 (on the recitals)
- amendments 44, 47, 53, 62, 67, 71, 74, 75, 76, 80, 82, 86, 87, 91, 92, 93, 94, 99, 103, 105, 109, 114, 122, 127, 132, 134, 135, 136, 138, 139 (on the articles)
- plenary amendments 170, 154, 171, 194, 189, 193, 188, 152, 159, 180, 181, 183, 185

The Commission rejects the following:

- amendments 1, 10, 17, 24, 28, 29, 30, 33, 34, 35, 36, 39, 40, 42 (on the recitals)

- amendments 45, 46, 49, 50, 52, 57, 58, 59, 69, 78, 81, 83, 84, 85, 95, 96, 98, 101, 102, 104, 107, 108, 113, 117, 119, 120, 121, 123, 124, 125, 126, 128, 130, 131, 133, 140, 142, 144, 146, 147, 148 (on the articles)

- plenary amendments 169, 153, 160, 177, 190, 176, 165, 178, 155, 172, 168, 173, 166, 157, 163, 174, 156, 158, 175, 179, 184, 186, 187

– *Before the vote:*

Malcolm Harbour, *rapporteur*. – Mr President, I know that I will not be popular for making a long speech at this time, but my two fellow-rapporteurs, with whom I have worked very closely as a team, have made short statements so I want to keep the team spirit together.

I would just like to say that there are more amendments in my report because my committee has been more ambitious in the improvements it wanted to make to the Commission proposal. I ask for your support to ensure that we have confident, well-informed consumers for electronic communications, who are also secure and know that their personal data is protected.

I would like to thank all my colleagues on the committee who worked with me to put together some really big compromise amendments which we will pass today. I would like particularly to thank Alexander Alvaro and the Civil Liberties Committee, with whom we worked very closely, for their part on the E-Privacy Directive. I would like all of you to give us a huge majority for this so that, when we come to negotiate with the Commission and Council, we will do our very best for Europe's consumers.

– *After the vote:*

Viviane Reding, *Member of the Commission*. – Mr President, I would like to thank the rapporteurs for their excellent work. It was not easy: they have worked miracles and they have my respect. I would also like to thank the honourable Members of the European Parliament for the strong signal they have given with today's vote. This is the signal for an open and competitive single market, for telecom companies and for Europe's 500 million consumers alike.

Yesterday the Commission had to propose new rules to tackle excessive charging for SMS and data roaming in the EU. These proposals will provide a fast cure for one of the most visible symptoms of the lack of a single market in telecoms, from which both companies and consumers are suffering. Today, the European Parliament has gone an important step further by proposing to remedy the problem once and for all at its root: to get rid of the fragmentation by paving the way for a single market in regulatory terms.

I welcome in particular the fact that the European Parliament voted, after an intense debate – and probably to the surprise of many observers – for the establishment of an efficient European telecom regulator, as a facilitator for bringing together the national regulators, and for the dialogue between the national regulators and the Commission. This is good news in the interest of a level playing field for the provision and use of telecom services across borders in Europe. This new European regulator will make a strong contribution to enhancing cross-border competition and consumer choice.

Now, honourable parliamentarians, we need to sit together – Parliament, the Council and the Commission – in order to get this telecoms package up and running by 2010. There is not much time left. We have to do it substantially; we have to do it quickly now. Everything the Commission can do in order to help to advance will be done.

I am convinced that the signal given today by Parliament goes beyond Europe: it is a signal that will be heard across the globe. It will show that the single telecom market in Europe is open for business in the interests of a strong industry and of an empowered consumer. Thank you and congratulations.

(Applause)

10.2. International Tropical Timber Agreement 2006 (A6-0313/2008, Caroline Lucas)

10.3. International Tropical Timber Agreement (ITTA) 2006

10.4. Commission's Legislative and Work Programme for 2009

10.5. Preparation of the EU-India Summit (Marseille, 29 September 2008)

– Before the vote on paragraph 20:

Emilio Menéndez del Valle (PSE). – (ES) My Group wishes to table an oral amendment to paragraph 20. In English, this must say as follows, from the last line:

'calls on India and the EU, particularly through the intermediary of the EU Special Envoy for Burma/Myanmar, to work together to prevail upon the Burmese military junta to release political prisoners and to respect human rights';.

(The oral amendment was accepted)

– Before the vote on paragraph 25:

Roberta Angelilli (UEN). – (IT) Mr President, ladies and gentlemen, I have an oral amendment at the beginning of paragraph 25. I wish to add the following words: 'condemns every act of violence against Christian communities and', and then the original text follows. The reason is that nowhere in the document is there any explicit condemnation of what happened in Orissa; much weaker synonyms are used instead.

(The oral amendment was rejected and some Members chanted the slogan 'Europe is Christian, not Muslim')

Daniel Cohn-Bendit (Verts/ALE). – (FR) Mr President, when there are racist voices calling for a 'Europe without Muslims', I call on you to intervene!

(Applause)

President. – Mr Cohn-Bendit has indeed spoken.

11. Explanations of vote

Oral explanations of vote

– **Reports: Carlos Coelho (A6-0351/2008 and A6-0352/2008)**

Frank Vanhecke (NI). – (NL) Mr President, in the end I voted for the two reports on the updating of the Schengen Information System. However, I should like to add that I still believe that the implementation of the Schengen Agreements has made our borders a sort of glorified sieve, that they have become much more insecure and less controlled.

Since Schengen we are absolutely all just as vulnerable as the weakest link in the border controls and that creates especially serious problems. However, if the system does exist and continues to exist, I do of course have a duty to support controls that are applied as efficiently as possible and the exchange of information. That is why I voted in favour, but that should certainly not be taken as approval of the open borders policy of the European Union.

– **Reports: Luis de Grandes Pascual (A6-0330/2008 and A6-0331/2008)**

Josu Ortuondo Larrea (ALDE). – (ES) Regrettably, for reasons beyond my control, I could not take part in yesterday's debate on this directive on ship inspection and survey organisations. I want to take advantage of this opportunity to express my satisfaction that this directive has been adopted by Parliament with the recommendations of the Committee on Transport and Tourism.

There were a couple of aspects that were not clear enough or properly dealt with in the common position adopted by the Council. The first was that ship classification societies, when acting on behalf of national administrations – because it is the responsibility of flag States to guarantee the safety of ships – must be covered by the same legal guarantees as when it is the national administrations that are acting.

Secondly, I believe we have properly clarified the financial liabilities in the event of an incident. The Council common position did not clearly distinguish between the three possible cases – where these incidents cause the deaths of people, where they cause personal injury or where they simply cause property damage – so Parliament has sorted this out and ensured that it is clarified.

I hope this will be accepted by the Council.

– **Report: Catherine Trautmann (A6-0321/2008)**

Neena Gill (PSE). - Mr President, I voted in favour of this report, because I believe it will go a long way towards creating the competition that the European electronic communication industry really needs. For too long, British telecommunication companies have struggled in other parts of Europe against enterprises, because they are still effectively run as a monopoly. Spectrum trading has created a significant amount of revenue for the UK Government, which has been successfully reinvested, but the advantage of this report is that it introduces principles of service, technology and neutrality, which, by foregoing the practice of insisting on the service that spectrums are used for and the technological standards used, will go even further towards ensuring large companies do not dominate the market.

In the UK, BT has come a long way from nationalised telecommunication provider to a successful regulated company. However, within my own constituency, I still see problems associated with the dominance of large service providers. Particularly problematic are rural areas, where consumers suffer because they are deemed too commercially unviable to be given adequate broadband coverage. I hope the report's determination to see these disparities solved will be put into practice.

Jan Březina (PPE-DE). - (CS) It is true that the lack of a functioning competitive environment in the telecommunications sector makes the adoption of a new regulatory framework a desirable, even a necessary, step. I consider the chosen solution to be an undoubted contribution in the field of functional separation based on the principle of voluntary commitment. Every Member State will thus be able to decide, in the light of the local conditions, whether to agree to functional separation or whether to maintain the status quo. I myself have reservations about functional separation, both because there is insufficient experience of it and because I consider competition between different types of network, which the Union's activities should encourage, to be more important than competition within a single network. In some cases, however, regulation goes too far. I cannot, for example, agree that the European Commission should have the right of veto in relation to remedial measures adopted by national regulators within their own markets. It is inconsistent with the principle of division of powers for the Commission to interfere in matters of national, and not European scope. I should like a balanced legislative framework reflecting the needs of operators and their customers, in which there is no room for regulation for its own sake, but only for regulation which helps to improve the quality and availability of telecommunications services.

Zuzana Roithová (PPE-DE). - (CS) I must admit that I was surprised by the disagreements in the discussions on draft Amendment 138, when some fellow Members were unable to interpret the draft amendment in accordance with the text. As the co-author, I wish to emphasise that the provisions guarantee that users can only be disconnected from the Internet with the assent of the Board of Regulators. Users' rights may, however, be violated if this is necessary in the interests of general security. The fundamental right of users to privacy will not be violated by blocking or filtering content without the consent of the competent public authorities. I was attracted to this proposal by some examples from France, where the Ministry for European Affairs' pages and some train reservation pages were blocked on the Paris Town Hall's public network owing to the erroneous assessment of their content as pornographic. Thank you, fellow Members, for eventually supporting our balanced proposal, and thank you, France, for falling into line with it.

– **Report: Pilar del Castillo Vera (A6-0316/2008)**

Zuzana Roithová (PPE-DE). - (CS) As the shadow rapporteur, I am pleased that the Body of European Regulators in Telecom (BERT), on the basis of amendments adopted by the European Parliament, is saving European taxpayers tens of millions of euro each year. Contrary to the Commission's proposal, a slimmer and more flexible institution has been established, which is making the most of the advantages of the single market while retaining the independence of national telecommunications authorities. I am pleased that, thanks to my initiative, the position of consumer organisations has been strengthened. I also supported the broad consensus on the matter of the financing of the Body's budget, but I would again point to the risks which might arise from the differing contributions of Member States. This may lead to an imbalance in the influence of the Member States, especially the large ones, on decision-making on the cross-border regulation of their telecommunications.

– Report: Malcolm Harbour (A6-0318/2008)

Miroslav Mikolášik (PPE-DE). - (SK) I should first of all like to thank the rapporteur for his many years' work and consistent approach within the framework of the legislative package in the field of electronic communications. I supported his report in today's vote.

The telecommunications package represents a necessary update of the current regulations, especially as regards protection of individuals' privacy and personal data. This aspect was one of the main objectives of the proposal and I supported the view that the data protection and security aspects need to be understood in a broader context than the purely European context, since communications service and Internet system providers are based all over the world and work with personal data within different legal systems.

I also supported the proposal to improve and strengthen consumer rights, in particular more information on, and transparency of, prices and the terms and conditions for using telecommunications services. Last but not least, I welcomed the draft report's attempts to facilitate and improve access to electronic communications for the disabled.

Zuzana Roithová (PPE-DE). - (CS) Mr President, the report just adopted is related to my own year-old report on consumer confidence in the digital environment and I therefore welcome the fact that the rights of end users and consumers are significantly strengthened. I am particularly pleased that we have been able to deal with such matters as number portability within one day, which frees up the rigid market in mobile operators, and the emergency call number 112 giving the location of the caller, which will save more people's lives. There are many improvements, including the following: the European call number 116 will be extended beyond the scope of missing children, there will be a breakthrough in the transparency of contracts and prices, it will be easier to terminate contractual relations at an early stage, ordinary users will have easier access to protection software, disabled users will be guaranteed equal access and spam will be more precisely defined.

– Report: Caroline Lucas (A6-0313/2008)

Zuzana Roithová (PPE-DE). - (CS) Ladies and gentlemen, I should like to express my disagreement with the dispute, which had not even been settled by the end of yesterday's debate with the Commission, with respect to the legal basis for approval of this international agreement on the sustainable and lawful logging of tropical timber. I firmly believe that it should require the approval of Parliament, not just consultation. The agreement is inadequate, but we have nothing else at present and I am therefore pleased that we have adopted it so clearly today. We are making a stand against the plundering of tropical forests, but I am afraid that millions of tonnes of tropical timber will continue to pour into Europe at dumping prices, because it has not been possible to force environmental requirements into European trade policy. This is a paradox, because we pride ourselves on carrying the banner for the reduction of CO₂ emissions throughout the world. Something is not quite right here. Perhaps the right hand does not know what the left hand is doing, or vice versa.

– Resolution: Legislative and work programme of the Commission for 2009 (RC B6-0420/2008)

Peter Baco (NI). - (SK) I voted for the European Parliament's resolution on the legislative and work programme for 2009 owing to its overall competence.

In my view, fundamental support for the European Parliament's measures to stabilise the financial markets in the current financial crisis is a particularly good decision. I believe, however, that this programme does not take any account of food safety, which will have to be covered by concrete measures and not just expressions of regret.

One particularly urgent element is maximising the agricultural potential in the new Member States, since the current discriminatory common agricultural policy is resulting in a serious deterioration of agriculture in these new Member States.

Frank Vanhecke (NI). - (NL) Mr President, the recommendations this Parliament drew up for the work programme of the European Commission for 2009 were, all things considered, really quite strong. However, one might have expected that this Parliament should, in the first place, have urged respect for a democratic legal order in Europe through the politically appointed mandarins of the European Commission.

What would that mean in practice? I shall give just two examples. Firstly, for goodness' sake, respect the decision of the Irish people, a decision that undoubtedly expresses the wishes of a large majority of our European citizens who do not even have the opportunity to speak out against the Treaty of Lisbon: so throw out the disguised European Constitution.

The second example, and this is the most crucial, is to stop the accession negotiations with Turkey, for which there is absolutely no democratic basis. Of course we have already known for a long time that the Eurocrats do not care one bit about the wishes of the citizens, who nonetheless pay for their lavish lifestyle with their taxes.

– Resolution: Preparation of the EU-India Summit (Marseille, 29 September 2008) (RC B6-0426/2008)

Bogdan Pęk (UEN). - (PL) Mr President, during the vote on this resolution there was an appalling instance where an oral amendment was rejected. It happened at the request of Mr Schulz, one of the main defenders of human rights and an advocate of non-discrimination. Mr Cohn-Bendit, who is well-known for his defence of human rights across a broad spectrum, was also involved. We are all fully aware, however, of the gruesome happenings in India, and of the blood spilt in that country. It was precisely Christians who were affected. I cannot therefore understand where this neo-racism manifested by leading European politicians has originated. I cannot understand how these people dare to reject such a clear amendment to the report in this very Chamber. After all, Parliament is supposed to be founded on defence of human rights and the principle of non-discrimination. I believe that this issue is likely to provide abundant food for thought for Parliament and the general population.

Jo Leinen (PSE). - (DE) Mr President, I voted against the resolution on the EU-India Summit, not because I am opposed to cooperation with India. On the contrary, as a Co-President of the Friends of India in this House, I am clearly in favour of strengthening cooperation with India. However, this resolution is nothing short of a shopping list of all the topics that we could possibly think of in relation to this enormous country.

Paragraph 29 is a case in point: in this paragraph, we call for a Commission progress report on human rights in India and the outcomes of the EU-India human rights dialogue. Despite that, we then have numerous paragraphs referring to specific population groups, such as the Christians in Orissa, the Muslims in Kashmir and the Dalits in other parts of the country. To that extent, what we have just heard from the previous speaker was quite absurd, given that this topic is mentioned very frequently in the resolution.

I think everything has its proper time and place. Just imagine if the Indian Parliament were to adopt a resolution on the status of the Roma in the Czech Republic, the Hungarians in Slovakia and the Russians in Estonia and Latvia. We are not mature enough to focus on the most important matters; instead, we always get distracted with a long list of all kinds of issues, and that really does narrow our influence. I know we are not taken seriously as a result.

That is why I have voted against the resolution. It is a great pity: this Ninth Summit is important. The House has been talking about reform, and that is exactly what we need: we need to think about reforming this kind of resolution text as well.

Written explanations of vote

– Report: Costas Botopoulos (A6-0324/2008)

David Martin (PSE), in writing. – Costas Botopoulos' report 'Amendment to Rule 121 of Parliament's Rules of Procedure on proceedings before the Court of Justice' deals with a minor modification of the rules to Parliamentary procedure. I therefore voted in favour of its recommendations.

Andrzej Jan Szejna (PSE), in writing. – (PL) I voted in favour of the report on amendments to Rule 121 of the Rules of Procedure of the European Parliament concerning proceedings before the European Court of Justice. I did so because the issue in question is an example of respect for the rule of law.

Rule 121(3) of the Rules of Procedure states that the President shall bring an action before the Court of Justice on behalf of Parliament and in accordance with the recommendation of the committee responsible. This provision refers explicitly and exclusively to complaints before the Court. In such cases it is not possible to apply a broader interpretation according to which this provision could be applied to other cases of a different nature before the Court. The provision is only implemented in cases involving the filing of a complaint (on repeal of a legal act, for instance) when Parliament initiates court proceedings.

In the interests of ensuring legal certainty and completeness, the rapporteur rightly proposed the addition of a new paragraph to Rule 121. The new paragraph would enshrine the established practice regarding the submission of comments by the President of the European Parliament to the Court and his or her appearances before the Court at the request of the Committee on Legal Affairs. The proposed amendment establishes a procedure to be followed should a difference of opinion emerge between the President and the relevant committee. Thanks to this amendment, the procedure currently being followed will have a democratic legal basis.

– **Reports: Carlos Coelho (A6-0351/2008 and A6-0352/2008)**

Genowefa Grabowska (PSE), in writing. – (PL) I should like to express my dissatisfaction that despite the fact that the SIS is a matter of such importance to the citizens of the European Union it is being with under the consultation procedure according to which Parliament simply presents its views. The latter are not binding on the Council.

The SIS, the Schengen Information System, actually symbolises the Europe without borders that guarantees an area of freedom, security and justice across the Union. The SIS has created the possibility for police and judicial cooperation on criminal matters in the old Member States. It has allowed a unique European database of individuals and entities to be established. This is particularly important in the context of issuing visas and residence permits. When the 12 new Member States joined the Union it became necessary to include them in the SIS system. SIS II has met that need. This is a new generation system covering all the EU Member States and enabling complete data to be gathered, including biometric data and information on European arrest warrants.

The Union now needs to tackle the tricky operation of transferring all the data into the new SIS II system. This is a particularly necessary operation but also a complicated one. I therefore appeal for care and caution. The data gathered in the so-called old system must not be allowed to leak and fall into unauthorised hands. That data must be handled safely, because the safety of the EU citizens and Member States depends on it.

Pedro Guerreiro (GUE/NGL), in writing. – (PT) We are striving to ensure that there is truly free movement of persons within Europe. As a result, we consider that the ‘Schengen area’ (which does not include all EU countries and much less so all European countries), despite removing barriers between the participating countries, is actually reinforcing those barriers with other countries (particularly countries with which Portugal has historic links).

Having said this, we cannot ignore the fact that, using the excuse of ‘freedom of movement’, an information system and databases are being set up which go well beyond this objective, making these into one of the central supporting instruments (or ‘backbone’) of the security offensive (led by the EU) and the progressive ‘Communitisation’ of justice and home affairs, areas which are at the heart of Member State sovereignty.

In other words, we cannot agree to what the Council Presidency is proposing: first set up the system and then define its objectives. This is particularly important because the objectives have been defined for a long time (introduction of the European arrest warrant and biometric data, access by new entities, including data-sharing with third countries, and so on).

As we have said previously, these measures threaten the protection of citizens’ rights, freedoms and guarantees.

Carl Lang and Fernand Le Rachinel (NI), in writing. – (FR) On reading this rapport, one question comes to mind: is it because the ‘first generation’ Schengen Information System did not work or was at least ineffective as a means of ensuring security within the Schengen area that a ‘second generation’ system, intended to remedy these shortcomings, is being implemented?

Sadly not, as this second-generation system is no more than an updated version of an already flawed system.

According to the figures given by the Commission, 400 000 illegal immigrants cross the Union’s borders each year. Even supposing that biometric data will soon be available and ready to use to establish files for and send home illegal immigrants already registered as such, the European Union would be incapable of putting an end to the mass immigration that takes place along its coasts and land borders because of a lack of controls at the Member States’ internal and external borders.

The Schengen Information System will only ever be a useless gadget as long as the dangerous Schengen agreements are in place.

Andreas Mölzer (NI), *in writing*. – (DE) The implementation of SIS II had to be postponed several times due to technical difficulties. At the time, the new Eastern European Member States, for example, faced major problems at their borders and therefore pressed for the introduction of a 'stop-gap programme'. That may have been a sensible approach in view of the situation at that time, but it undoubtedly resulted in additional costs being incurred.

Experience with the current SIS model seems to be positive. In the long term, the programme must of course be developed further. Improvised interim solutions can cause security gaps, however, which is why I have rejected the planned introduction of the improvised version, as I believe that it is premature.

– **Recommendation for second reading: Dirk Sterckx (A6-0334/2008)**

Jim Higgins (PPE-DE), *in writing*. – In relation to RCVs 1, 3, 4, 5, 6, 7 on the Sterckx Report, I and my Irish EPP-ED colleagues voted against or abstained on these amendments, so as to demonstrate our concerns over issues relating to the power of the independent authority and the scope of the Directive which would undermine Member State competence in a number of areas. We fully support the general thrust of the Directive and wish to see a successful agreement reached between Parliament and Council.

Carl Lang and Fernand Le Rachinel (NI), *in writing*. – (FR) Europe wishes to protect itself against maritime accidents and the pollution of its seas and oceans. We welcome this. The recent terrible examples of the *Prestige* and *Erika* shipwrecks are there to remind us of our duty to be careful and to monitor vessel safety, but also of our responsibilities in the event of an environmental disaster.

A special reference should, moreover, be made in the proposal for a Directive to post-accident inquiries. For the first time, it has been agreed that an investigative body should be set up that is charged with deciding, with complete independence and impartiality, whether or not to open an inquiry to determine the causes and circumstances of an accident. The intentions are good; let us only hope that they are not cast aside in the face of the huge financial interests at stake.

Vincent Peillon (PSE), *in writing*. – (FR) I voted in favour of this report by my Belgian colleague, Mr Sterckx, on the regulation of maritime traffic. Since the *Erika* shipwreck of 1999 and that of the *Prestige* in 2002, we have been waiting in vain for European solutions to ensure that such disasters never happen again. Far from having decreased, the risk increases every day: maritime traffic is set to triple in the next 30 years.

In spite of this worrying prediction, the majority of Member States have been quick to 'sink' the main measures put forward by the Commission and supported by the European Socialists. One noticeable disappearance is that of an insurance policy, by means of a financial guarantee, that would make it easier for the victims of maritime disasters to be compensated.

Adopting this report means opposing cynicism and the irresponsibility of states. Parliament can be proud of its unity, because, through its vote today, it is showing its unstinting commitment to safer and less polluted European waters.

– **Recommendation for second reading: Jaromír Kohlíček (A6-0332/2008)**

Jim Higgins (PPE-DE), *in writing*. – I and my Irish EPP-ED colleagues abstained on the report on the amendments to the Kohlíček Report. We did so due to concerns relating to the impact of the division of investigations into technical and criminal and the problems that this would create under Irish law. We support the general thrust of this and all the Maritime Reports adopted today in plenary.

Ian Hudghton (Verts/ALE), *in writing*. – Representing Scotland, I recognise the importance of maritime transport and believe that this sector is one which has immense potential for future development. It is vital that adequate measures are taken to maximise safety at sea and to prevent accidents; accordingly this package, which will serve to prevent repeat accidents occurring, is one which I welcome.

– **Recommendation for second reading: Paolo Costa (A6-0333/2008)**

Ian Hudghton (Verts/ALE), *in writing*. – The Costa report deals with important issues for all maritime regions. It is vital that the EU is serious about improving safety standards at sea whilst not placing unrealistic burdens on carriers. I fully support the notion that national authorities and port authorities play a vital role in identifying risks involved in this area and am on the whole satisfied with the measures adopted by this House today.

– Recommendation for second reading: Dominique Vlasto (A6-0335/2008)

Jim Higgins (PPE-DE), in writing. – I and my Irish EPP-ED colleagues abstained on the vote on the Report on Port State Control due to concerns that the amendments as put forward would undermine and complicate the Paris MoU, and we feel that the issue of Flag States would be better dealt with in a separate Directive and that inclusion of such amendments would unnecessarily complicate this Directive.

Dominique Vlasto (PPE-DE), in writing. – (FR) With our vote today, we have reminded the Council that the Erika III package forms a whole and should be examined as such. That is why I agreed to the inclusion of the amendments to the Savary report in my report on port state control. Furthermore, by reverting to our first-reading positions, we have refused to follow the Council in abandoning two important proposals on flag state control and shipowners' civil liability, for which we received no common positions.

The French Presidency, whose hard work and ongoing commitment to finding a solution to this problem deserves a mention, has convinced the Council to resume work on the two missing proposals. I am certain that it will manage to break the deadlock and that the conciliation procedure will produce an overall agreement on the Erika III package. I hope that this procedure can be launched without delay so that we can reach a conclusion before the end of the year. Maritime security should remain a priority on the European political agenda and it is with this intention that I shall continue to uphold our proposals.

– Recommendation for second reading: Luis de Grandes Pascual (A6-0331/2008)

Charlotte Cederschiöld, Christofer Fjellner, Gunnar Hökmark and Anna Ibrisagic (PPE-DE), in writing. – (SV) The moderates essentially support the proposal for a directive on common rules and standards for ship inspection and survey organisations, and also voted for it on first reading in April 2007.

In preparation for the second reading, the Committee on Transport and Tourism decided to incorporate into this directive large parts of the proposal for a directive on compliance with flag State requirements, which was rejected by the Council.

The directive on compliance with flag State requirements was an attempt to extend EU competence to an area in which there are already UN rules. We already voted against that extension on first reading in March 2007 and therefore also do not support this attempt to introduce these rules by the back door as part of the Directive on common rules and standards for ship inspection and survey organisations. We have therefore chosen to vote against Mr de Grandes Pascual's report.

– Recommendation for second reading: Luis de Grandes Pascual (A6-0330/2008)

Brian Simpson (PSE), in writing. – I am in support of this report from the Parliament looking at Ship Inspections and Survey Organisations and I am in favour of the other Parliament reports which, along with this one, make up the Maritime Package.

The issue of the two 'missing' dossiers, on Civil Liability and Flag States, needs to be resolved by the Council one way or another, so it is important that Parliament keeps the pressure on by including them collectively in the Sterckx report on Vessel Traffic Monitoring, the Vlasto report on Port State Control and this report.

Much work has been done, and I feel that agreement on the five dossiers we have voted on today could be easily reached. However without Civil Liability and without Flag States we will not be able to move any further forward. The Council must find a solution to their internal stalemate or else we will not be able to deliver a safer Maritime sector to the citizens of the EU.

– Recommendations for second reading: Dirk Sterckx (A6-0334/2008), Jaromír Kohlíček (A6-0332/2008), Paolo Costa (A6-0333/2008), Dominique Vlasto (A6-0335/2008), Luis de Grandes Pascual (A6-0331/2008 - A6-0330/2008)

Marie-Arlette Carlotti (PSE), in writing. – (FR) Following the shipwrecks of the oil tankers *Erika* and *Prestige*, the European Socialists led the fight for 'high-end' EU legislation on maritime safety.

The seven Third Maritime Safety Package reports are a decision step towards achieving that aim, provided the Council does not empty them of their content.

Since the first reading in 2007, the Council has rejected most of Parliament's recommendations on the other five.

At this second reading, and after a great deal of amendment work, Parliament reaffirms the absolute priority it attaches to the creation of a European maritime policy that affords a high level of protection with regard to:

- flag state control,
- a Community vessel traffic monitoring system,
- liability of passenger carriers,
- ship inspections and survey organisations,
- the designation of an independent competent authority for the accommodation of vessels in distress,
- the application of the 'polluter pays' principle to the maritime sector.

I strongly support this message to the Council.

I appeal to Nicolas Sarkozy and Dominique Bussereau to ensure that the French Presidency allows the creation of a maritime area in Europe that can serve as a model for all.

Seán Ó Neachtain (UEN), in writing. – (GA) A short while ago there was a sailing boat accident 30 kilometres off the coast of France. The crew and the people aboard the Erika were very lucky and escaped without injury. They did not, however, have to rely on luck alone. It was with the help of a French rescue team that they survived. The Irish and French maritime investigation units worked closely together when investigating the cause of the disaster.

The case of the Erika highlights what can happen when crews hesitate in seeking out help. As the author of the reports has stated, the lives of those on board a boat and the welfare of the environment, should never be put at risk by not contacting the nearest harbour or rescue team when an accident occurs.

In terms of maritime safety, cooperation is urgently needed internationally. Therefore, I am hopeful that a solution can be reached on the Second Reading of the Maritime Package and as result I am happy to give my support to those reports.

– Report: Catherine Trautmann (A6-0321/2008)

Šarūnas Birutis (ALDE), in writing. – (LT) The main purpose of all legislation on medicinal products has to be to protect our society's health. However, this aim should be achieved by measures that do not interfere with the development of industry in the European Union or the trade in medicinal products. Despite the fact that earlier regulations have drawn up a list of food colourants, different countries have different laws on their use. These differences can hinder the trade in medicines containing these colourants, and that is why the regulation must be amended; this would bring more clarity and make the work of quite a few institutions easier.

Carlos Coelho (PPE-DE), in writing. – (PT) This proposal seeks to amend the regulatory framework for electronic communications in order to improve its effectiveness, ensure simpler and more efficient access to frequencies available in the radio spectrum and reduce the administrative costs needed to implement the regulations.

As a result, wherever they are in the EU, European citizens should benefit from more efficient and cheaper communication services, whether they are using mobile phones, broadband connections to the Internet or cable television.

The new system for the radio spectrum is intended to promote investment in new infrastructures and allow all citizens to have broadband access.

An internal communications market that is operating correctly and a competitive information society economy, benefiting consumers and businesses, can only exist if the regulatory framework for telecommunications is coherently applied. To this end, the Commission's coordination role should be reinforced, acting in strict cooperation with the NRAs (National Regulatory Authorities) and the new Body of European Regulators in Telecom (BERT), in order to improve the coherence of both national decisions with an impact on the internal market and the imposition of remedies.

I therefore support this report and the main amendments which seek to extend the offer to consumers by reinforcing competition.

Edite Estrela (PSE), *in writing*. – (PT) I voted in favour of Catherine Trautmann's report on electronic communications networks and services because, in my opinion, the legislative framework for electronic communications must be improved in order to offer the consumer more choice, better protection, a cheaper service and improved quality.

Together with the creation of a new Body of European Regulators in Telecom, this new legislative framework will ensure better protection of consumers' private data, increase competition, offer consumers more choice and make contractual terms clearer. It should also be highlighted that the 'package' will facilitate access for people with disabilities to telecommunications services.

Ilda Figueiredo (GUE/NGL), *in writing*. – (PT) Like other natural resources, spectrum is a public good. It is therefore an area which should remain within public management to ensure that it serves the public interest. This is the only way to offer public goods which are essential to developing an information society for all. That is why we fundamentally disagree with the resolution adopted and voted against it.

Experience has shown that combined approaches (policies and market) always end up serving the interests of economic groups rather than the interests of the people. The same applies to the allocation of spectrum released by the digital switchover, where the priority should be social, cultural and economic value (better public service, wireless broadband to underserved areas, growth and jobs, and so on) and not increasing public revenues.

Spectrum management is the exclusive competence of each Member State. However, there are certain aspects of the resolution with which we do agree, bearing in mind that spectrum knows no borders and that effective use of spectrum in the Member States and EU-level coordination are useful, particularly for the development of pan-European services and the negotiation of international agreements. However, we disagree with the idea of using an approach identical to commercial policy.

Petru Filip (PPE-DE), *in writing*. – (RO) The Telecom package is one of the most important packages submitted to EP scrutiny in this session, given that one of the major pillars of globalization is communication in real time, both in the domestic and the international space. Hence the multitude of amendments due to the different approaches of the 27 Member States, each with its own national realities. Despite the differences of approach shown during the debates, I believe that the Trautmann report represents a step forward for the entire European space, even if amendments such as 132 or 138 caused lively debates. I believe that the current version adopted by the European Parliament ensures both a common approach to the development of communication within the European space, and a constructive form of control over virtual space, concerning such aspects as data protection or organised crime via cyberspace. Therefore, in my capacity as Member of this Parliament, I voted in favour of this report.

Ruth Hieronymi (PPE-DE), *in writing*. – (DE) On behalf of the 40 signatories, I have withdrawn Amendment 132 to the Trautmann report because it was not possible to reach a compromise on strengthening the basic right to protection of intellectual property during the European Parliament's deliberations on the Telecoms Framework Directive.

The aim of Amendment 132 was to develop new ways of achieving a more balanced relationship between the basic right to free access to information and the Internet, on the one hand, and the basic right to protection of intellectual property in response to the dramatic rise in piracy on the Internet, on the other.

The PPE-DE Group withdrew its support for this amendment after the left-wing groups (PSE, Verts/ALE, GUE/NGL) linked their support for the del Castillo Vera report (creation of the European Electronic Communications Market Authority) to this issue.

Astrid Lulling (PPE-DE), *in writing*. – (FR) The telecommunications sector is developing at such a rate that it became necessary to adapt the legislative framework. However, it was obvious to me that this framework should be clear and precise and, above all, that it should not stop investment by European telecom companies, which face stiff competition from the American and Asian markets. Our businesses must be able to plan and invest in new technologies without any delay.

Although it is of benefit to all to strengthen the internal market in the telecoms sector, I am delighted that the Commission has not succeeded in imposing its authority on us but that Parliament has proposed the Body of European Regulators in Telecom, a credible alternative that enhances cooperation among national

regulators and avoids the additional bureaucracy the European Electronic Communications Market Authority would have meant. The Luxembourg telecommunications market (4.7% of the working population are directly or indirectly employed in this sector), for example, requires a powerful national regulator that is close to and aware of its peculiarities. In this case, it was the right decision to apply the principle of subsidiarity.

David Martin (PSE), *in writing*. – The telecoms industry is rapidly evolving. Consequently, new measures are required to preserve and enhance consumer protection and the rights of the telecoms user. Catherine Trautmann's report on electronic communications networks and services aims to encourage the development of the next generation of telecommunications networks in Europe. I believe this to be a positive contribution to the advancement of telecoms regulation that will promote investment in new communications infrastructure and strengthen consumer rights. My vote reflects this view.

Dimitrios Papadimoulis (GUE/NGL), *in writing*. – (EL) I voted in favour of the amendments proposed by the Confederal Group of the European United Left/Nordic Green Left: they guarantee a greater degree of freedom on the Internet because this is a freedom of expression as important to democracy as freedom of the press. It is a positive sign that Parliament, despite massive pressure from lobby groups, has expressed its objections to such arbitrary exclusion from the Internet and has not accepted that any user can be denied access to the Internet.

Nevertheless, in the final analysis, the report remains negative. The EU should attach great importance to public dialogue in order to ensure both freedom of expression and the protection of personal data, in cooperation with civil society.

Olle Schmidt (ALDE), *in writing*. – (SV) I have to say that the telecoms package is one of the most difficult legislative proposals I have seen since I came here. On the one hand because it is technically complicated, with overlapping legislative proposals; on the other hand because the balance between confidentiality and security, by its very nature, calls for careful consideration. I took the view that, while the Internet cannot be left entirely unregulated, the principles of a society subject to the rule of law must nevertheless apply undiminished. I cannot accept the privatisation of the administration of justice, which is what would happen if private companies were allowed to intervene and censor content on the Web before users got the chance to have their say. If the view is that transparency should be a guiding principle, filtering is deeply problematical.

While it must be clear that surveillance of civil Web users must never be allowed for commercial reasons, of course I will not have any part in legislation which, for example, would prevent the police from investigating child pornography or in some other way pose a risk to public safety. It was important not to contribute to a European legal framework which would impede the development of the technology and restrict the democratic, social and professional scope and potential of the Internet.

Finally I took the view that sufficient protective mechanisms were in place to enable me to vote in favour of the liberalisation of the telecoms market which is otherwise so important.

Dominique Vlasto (PPE-DE), *in writing*. – (FR) I wanted to vote in favour of Mrs Trautmann's report, as it enshrines the social, cultural and economic value of radio frequencies while providing for better management of the spectrum of radio frequencies for the benefit of all operators and consumers.

This first reading also allows us to suggest a balanced alternative to the initial Commission proposal by making the Commission arbitrator rather than judge as regards the monitoring of competition. It is important for the national regulatory authorities to continue to play a full role.

I regret, however, the adoption of Mrs Trautmann's oral amendment. While it seems perfectly acceptable, in practice this amendment introduces a hierarchy of end-users' fundamental rights by banning all preventative action without a prior court ruling regarding the communication and online distribution of content. Yesterday's events in a Finnish school show more than ever why we should put in place well-thought-out and proportionate prevention mechanisms. This was what the cooperation amendment I supported was all about and I therefore regret the current situation within Parliament.

Marian Zlotea (PPE-DE), *in writing*. – (RO) As IMCO rapporteur for this report, I am pleased to see that the work carried out by my colleagues over the last three months has materialised in this balanced report containing significant improvements to the electronic communications sector. I trust that these changes are to the benefit of consumers, providing them with a wide array of choice; I am also confident that these changes will support a competitive market.

I believe that maintaining functional separation as an option available to national authorities will give them a chance to promote competitiveness in this field. European economic growth and consumer welfare depend on a dynamic and competitive telecommunications sector. Competitive markets have more broadband available, and new-comers on the market have brought with them increased speed and innovative services.

In this way, the objectives of the new directive have been attained: reformed spectrum management, improved consistency of the regulations governing the internal e-communications market, and increased level of security and integrity, to the benefit of service users.

– **Report: Pilar del Castillo Vera (A6-0316/2008)**

Carlos Coelho (PPE-DE), in writing. – (PT) Begun in 2001, the liberalisation of telecommunications has given free rein to the European markets, which are now more competitive, more innovative and highly profitable. European consumers have without doubt been the main beneficiaries of this development, with more and better services, forms and content, which are increasingly accessible. This was a technological, economic and sociocultural (r)evolution.

Despite this clearly positive assessment, we cannot rest on our laurels.

Bottlenecks still remain that are preventing the creation of a genuinely integrated market. These are basically due to disparities in the application of European regulations for which each National Regulatory Authority (NRA) is responsible.

I therefore support the creation of BERT, or the Body of European Regulators in Telecom, which is an updated and reinforced version of the European Regulators Group for electronic communications networks and services (ERG). It will be responsible for the more coherent application of regulations and will be able to rely on the participation of the NRAs which have precious experience of the day-to-day situation on the ground. By creating BERT, a coherent regulatory approach will be followed throughout the EU with regard to the corrective measures taken by the NRAs, with total independence from government and industry.

BERT will also play a role in raising consumer awareness. In this respect, the EU already has reason to be satisfied given its role in substantially reducing the price of roaming.

Ona Juknevičienė (ALDE), in writing. – (LT) The liberalisation of the European telecommunications market has been beneficial to the whole of the European Union. More active competition within the sector has become the main driver of investments and innovations. I agree with the Commission that the telecommunications market still needs control until it begins to work in line with general competition laws.

However, in principal I cannot agree with the Commission's proposal to establish another institution to regulate this market, as it would further increase the bureaucratic burden and would be distant from the regulated markets of the Member States. In the vote I will be supporting the amendments proposed by the Committee on Industry, Research and Energy (ITRE), which aim to expand the role of the existing Body of European Regulators in Telecom (BERT) as well as give the European Commission additional powers.

National telecommunications market regulators should cooperate more closely with BERT and the European Commission. In my opinion, the proposal of the Committee on Industry would enable market participants to be regulated more effectively and guarantee the effective participation of the national regulatory authorities and the use of their experience at EU level. This in its turn would help prevent taxpayers' money from being wasted in establishing yet more bureaucratic apparatus.

David Martin (PSE), in writing. – I welcome Pilar del Castillo's report on the European Electronic Communications Market Authority. The report's vision for a Board of European Regulators that acts as a bridge between both the Commission and National Regulatory Authorities is one that adequately accounts for the complexity of the market and its ever-expanding nature. This is reflected in my vote.

– **Report: Patrizia Toia (A6-0305/2008)**

Carlos Coelho (PPE-DE), in writing. – (PT) The aim of this proposal is to promote coordinated action at EU level in order to ensure effective use of the digital dividend.

The switchover from analogue to digital terrestrial television by the end of 2012, given that the superior efficiency of digital technology will free up a significant amount of spectrum, will create a unique opportunity for the EU to open up possibilities for market growth, expansion of quality and choice of consumer services.

It is therefore hoped that Member States will be able to release their digital dividends as quickly as possible in order to allow European citizens to benefit from a whole new range of innovative and competitive services.

Member States must therefore decide how to use the digital dividend and ensure that all these types of electronic communications service are offered in available radio-frequency bands, in accordance with the respective national frequency allocation plan and the regulations of the International Telecommunications Union.

However, it is vital that there is a coordinated Community approach so that we can avoid prejudicial interference between Member States, and also between Member States and third countries. This will allow the benefits of using the spectrum to be maximised, thus guaranteeing optimal use in social and economic terms.

David Martin (PSE), in writing. – Spectrum is a finite resource in the telecommunications industry. With Member States set to switch to entirely digital television broadcasts by 2012, more spectrum will become available. Consequently how we use it needs careful consideration. I believe Patrizia Toia's report on the Common approach to the use of spectrum released by the digital switchover recognises the competing demands for spectrum and accounts for the issues of service and technology neutrality when allocating new licences. I therefore voted in support of her recommendations.

– **Report: Malcolm Harbour (A6-0318/2008)**

Marco Cappato (ALDE), in writing. – (IT) We Radical Members abstained from approving the Harbour report today in order to highlight the missed opportunities for taking immediate, binding action to promote the inclusion of people with disabilities. Although some progress has been made, too few mandatory requirements are to be imposed on the competent authorities and telecommunications operators as regards the inclusion of disabled people. For example, no account has been taken of the proposals drawn up jointly with the Luca Coscioni Association for the subtitling of all public service broadcasts such as news and current affairs programmes; service operators will not be obliged to inform disabled users periodically about services intended specifically for them and about the reduced tariffs available to them.

Furthermore, a good deal of confusion persists about the guarantee of Internet neutrality and the safeguarding of users' fundamental rights. The web is increasingly being subjected to military-style monitoring and, on the pretext of protecting security, users' freedoms are once again being eroded whereas, given the possibility of systematic filtering of the web, protection and guarantees for users have yet to be demonstrated.

Konstantinos Droutsas (GUE/NGL), in writing. – (EL) With its new package of proposals on electronic communications, the EU is promoting measures to police and intimidate users of the Internet and all electronic communications, by introducing 'filtering' systems on the pretext of public safety and protection of rights. At the same time, it is uniformly placing the internal EU market for telecommunications, the Internet, audiovisual production and transmission, radio and television media and satellite connections under the control of a strengthened 'independent' authority for the benefit of the monopoly companies.

Profits are being secured and the position of the European monopolies vis-à-vis international competition is being strengthened by liberalising and unifying the markets at European level. First there will be complete liberalisation and privatisation at national level, and then radical restructuring, over-concentrating of the media and an accumulation of capital at the expense of workers in the sector and of users.

There are two separate infrastructures: on the one hand, there are public services funded by the government; on the other, we have free market trade. The government funds public services with money from the state, and as this is unprofitable, the services are sold off to private operators.

The acceptance of these proposals by centre-right and centre-left forces once again reveals their enthusiastic support for the choices made in the interest of capital. This confirms the need to change the balance of power in favour of the workers with a radically different policy to make use of new technology for the benefit of the workers.

Małgorzata Handzlik (PPE-DE), in writing. – (PL) The report adopted on universal services and the rights of users of electronic communications services aims to improve the consumer's position in the market for electronic services. Universal services should ensure consumers have access to public telephone services at an affordable price, and guarantee national and international connections and emergency calls.

Adoption of this report will enhance consumer rights. Consumers will have the right to change telecommunications service provider whilst retaining their existing telephone number. In addition, transfer of the number must not take longer than one day. That is very important. The maximum length of time for which a telecommunications undertaking may enter into an agreement with a subscriber will be limited to 24 months. Nonetheless, an operator should also be able to provide the user with the option of entering into a contract for a maximum period of 12 months including all the services and equipment involved.

Access to the 112 emergency number must also be increased. This is very important in crisis situations. The Member States should ensure full access to public telephone services in cases when the network collapses as a result of a disaster or *force majeure*. Access to the 116 emergency number for missing children should also be improved too. Currently, this number operates on a voluntary basis in just seven EU Member States.

Mieczysław Edmund Janowski (UEN), in writing. – (PL) I warmly welcomed the report on the amendment of the Directives on users' rights in electronic communications networks drawn up by Mr Harbour. It is a balanced document intended to significantly improve the condition of the market in electronic services. It was right to draft compromise amendments that were accepted by a significant majority of Members of this House. This made it possible to adopt the report as a whole, despite the very large number of amendments.

The Union's legal provisions in the area of telecommunications date back to the 1990s. I believe that the amendments to the Directives represent a great opportunity to adjust them to the tremendous technological changes that have taken place. This is particularly important since we intend to add mobile communications and broadband Internet access to universal services. Licence holders should be assured of the right to full information on all restrictions concerning access to legal software. Service providers must ensure security of the network, protect users' personal data and stem the flood of so-called spam.

I believe that it is especially important to take account of the needs of disabled and elderly people, who need to have easier access to telecommunications services. It is to be hoped that appropriate new technical solutions for equipment will emerge. I trust that such developments will result in a significant reduction in the cost of telecommunications services across the entire Union. At present, we are still obliged to pay unfair high prices for the transmission of data across the Union's internal borders, despite the existence of the Schengen system.

David Martin (PSE), in writing. – What Malcolm Harbour's report shows quite emphatically is that Internet and phone users are currently getting a raw deal. In these tough economic times consumers need to be confident that they are getting value for money. The proposals in the report mean that customers will be better informed and their personal data, be it online or off, will be more secure. The stipulation that disabled users receive equivalent access to the Internet and other communication services is also essential to ensure that everyone benefits from today's digital age. I voted in support of the report.

Andreas Mölzer (NI), in writing. – (DE) Today, an attempt is being made to assert economic interests by hook or by crook. Suddenly, a framework directive on telecoms provision is to include a raft of copyright legislation. It is quite enough for the EU to introduce an obligation for suppliers to caution customers about the risks of violating 'intellectual property rights', with penalties being regulated at national level. Everyone can then blame each other afterwards. Moreover, in the report before us, major software developers have attempted to put stumbling blocks in the way of their smaller competitors.

There may well be violations of the law occurring on the Internet – child pornography being a case in point – where we need to take action, but we must not allow data protection to be sacrificed to the economic interests of a handful of large corporations and multinationals. The original concept behind the Telecoms package was very sensible, but with the mass of amendments – and one or two of them with the type of critical content that I have just described perhaps having slipped in – I abstained in the vote.

Nicolae Vlad Popa (PPE-DE), in writing. – (RO) The liberalization of the telecommunications market, which has been carried out by the EU for 10 years, is an undisputed success.

The reform of the regulatory framework of electronic communications is part of the Commission's global strategy concerning the internal market, and is essential to achieving the Lisbon Strategy objectives, because, from a macroeconomic perspective, telecommunications contribute to rendering activity more effective in other sectors.

I appreciate the rapporteurs' work on this set of coherent and effective measures, reflecting both EU objectives, and the points of view of most MEPs concerning a vital field for the development and strengthening of ties between education, research and innovation, and in particular for the building of the European information

society, adapted to global economy and capable of contributing to economic growth by generating employment and providing better services, thus improving the overall quality of life of European citizens.

The positive vote on essential aspects such as clarifying and extending users' rights, strengthened protection of personal data, creating a body of European regulatory authorities (BERT), and better spectrum management, shows PPE-DE's concern with striking a balance between the European citizens' fundamental right of being integrated in information society, and the creation of a favourable framework for innovation and economic development.

Bart Staes (Verts/ALE), in writing. – (NL) My vote against the Telecom package (Harbour report) was prompted by the loopholes left in the Directive, which might be a potential breach of our freedoms. Member States authorise providers to follow the activities of individuals on the Internet. I hope that, when implementing these new rules, the Member States will not be tempted into filtering the content of the Internet. That task should be reserved solely for the police.

I understand that infringements of property rights on the Internet have to be dealt with, but that should not mean encroaching on the freedom of an individual Internet user. Surely we cannot create a situation where we are like a postman who opens letters to see whether the contents are actually legal?

The amendments with which the Greens sought to improve this text were rejected and so I can no longer support this proposal.

I would gladly have voted for the many consumer benefits, but I think it is unacceptable to make Internet providers responsible for the contents of the Internet. That was not the purpose of this legislation either.

– **Report: Caroline Lucas (A6-0313/2008)**

Hélène Goudin and Nils Lundgren (IND/DEM), in writing. – (SV) Illegal logging and deforestation are causing serious damage to the environment, and there is general agreement that the clearance of sensitive tropical forests must be reduced. Junilistan is therefore favourably disposed to the idea that individual states should draw up codes of conduct on the import of tropical timber. We also welcome labelling initiatives, for example through the Forest Stewardship Council, which would give consumers more scope for taking conscious decisions based on facts regarding the purchase of timber or timber products.

Unfortunately, the salient feature of this report is its manifest desire to advance the positions of the European Parliament on matters concerning forestry policy in general.

Junilistan is firmly of the view that a common forestry policy within the framework of EU cooperation is not desirable. Instead, responsibility for questions relating to or associated with the forestry policies of individual Member States should remain at national level. In view of these considerations, Junilistan has chosen to vote against the report.

Ian Hudghton (Verts/ALE), in writing. – I was happy to support my colleague Ms Lucas's report on the ITTA. Millions of hectares of tropical forest are lost annually and the resultant carbon emissions are bound to have a drastic effect on the planet. In future the EU must ensure that it plays a lead role in minimising destructive and unnecessary practices.

David Martin (PSE), in writing. – I welcome Ms Lucas's report on the International Tropical Timber Agreement 2006. A serious approach to preserving the environment requires an effective framework for consultation, international cooperation and policy development regarding the world timber economy. The EU needs to support conservation, reforestation and the restoration of degraded forest land. I believe this report helps set the EU on the right track towards achieving a sustainable timber economy and I voted in favour of it.

Véronique Mathieu (PPE-DE), in writing. – (FR) More than 20 years after the first tropical timber agreement was concluded, we are obliged to admit that overexploitation and illegal logging continue to be a problem.

It therefore became imperative for us to revise the agreement in order to reflect better these new objectives.

It is now a fait accompli: the International Tropical Timber Agreement, negotiated by the Commission within UNCTAD (the United Nations Conference on Trade and Development) in 2006 embodies the new concerns for sustainable and legal exploitation of forest areas. I warmly welcome the inclusion of these objectives.

However, producers in the countries concerned should not be forced to bear the inevitable cost of these new provisions. The international community must establish a suitable financial compensation scheme.

I would also like the Commission to go further and to draft a comprehensive piece of legislation to ensure that only timber and timber products derived from forests managed in the interests of sustainable development and legally exploited are placed on the European market.

This is the only way to encourage producers to operate legally and respect the environment and therefore to promote, at global level, the sound and sustainable exploitation of tropical forests.

– Motion for a resolution: International Tropical Timber Agreement 2006 (B6-0422/2008)

Sylwester Chruszcz (NI), *in writing*. – (PL) Today I supported the resolution concerning the 2006 International Tropical Timber Agreement (ITTA). I did so because I believe that supporting measures aimed at resolving regional or global environmental problems in the international arena is actually one of the European Union's most useful areas of activity. I trust that we are all aware of the need to ensure protection and sustainable management of tropical forests, and to provide for the regeneration of degraded areas of those forests.

– Motion for a resolution: Priorities of the European Parliament for the legislative and work programme of the Commission for 2009 (RC B6-0420/2008)

Philip Bushill-Matthews (PPE-DE), *in writing*. – I and my British Conservative colleagues are extremely supportive of much that is contained in this resolution. We strongly support the calls for a reduction in administrative burdens, the pursuit of the Lisbon Strategy on growth and jobs, support for SMEs, further progress on completing the Single Market, measures to boost consumer rights, further action on climate change, cross-border health care initiatives and boosting relations with the United States.

However, we cannot support the text on the ratification of the Lisbon Treaty, the call for a common immigration policy, the call for a common asylum policy or the call for the creation of a European External Action Service.

Sylwester Chruszcz (NI), *in writing*. – (PL) Today I voted against the European Parliament resolution on the European Commission's legislative and work programme for 2009. The Commission's ambitious plans provide for further unnecessary harmonisation and directives to be imposed on the Member States in the coming year. I should also like to lodge a strong protest against the pressure exerted on Ireland and other Member States to continue the process of ratification of the Lisbon Treaty, as expressed in the first point of the resolution. The aforementioned Treaty was rejected in the referendum held in Ireland.

Ilda Figueiredo (GUE/NGL), *in writing*. – (PT) It must be symptomatic that the European Parliament has not managed to adopt any resolution on the priorities of the European Commission's programme. Obviously the European Parliament elections are drawing nearer, which is influencing the decisions of the Members, particularly those who want to cover up their conduct and their responsibility for the policies that have worsened the social situation, increased unemployment and precarious and poorly paid work, brought about the financial, food and energy crisis – which is particularly affecting the economically weaker countries and the more vulnerable sections of society – and increased the militarisation of international relations, with all the dangers that this represents for world peace.

However, at the same time, they do not want to accept the need for a break with the policies that have led to all this. They prefer for the European Commission to continue with the same instruments and policies that have led to this situation, albeit with a few pink and green touch-ups to keep up appearances.

We therefore insist on the proposals contained in our Group's resolution, including the revocation of the Stability Pact, an end to privatisation and liberalisation, priority to employment with rights, eradication of poverty and social justice.

Ona Juknevičienė (ALDE), *in writing*. – (LT) I voted in favour of the resolution on the Commission's Legislative and Work Programme for 2009 and regret the fact that it has not been adopted. It is vitally important for the Commission to present a communication assessing implementation by the Member States of the Directive and the Regulation on the coordination of social security systems in the Member States.

While preparing this document as a shadow rapporteur I pointed out that these documents are of great importance to every EU citizen. They determine procedures and tackle people's every-day problems. The document does not aim to unify social security systems. It implements procedures allowing for different social security systems in the Member States. At the same time it prevents people from losing out on social

security because of these differences. The everyday welfare of every EU citizen depends on the implementation of these documents.

Unfortunately, the Commission will not be given the responsibility of assessing what has been achieved in the Member States in the sphere of establishing transeuropean energy networks or how long the creation of the common energy market could take or ensuring energy security throughout the European Union. This issue is vitally important to Lithuania, Latvia and Estonia and therefore the EU institutions and primarily the Commission must take concrete measures in order to lift these Member States out of their energy isolation and dependence on Russia, their sole supplier of gas and electricity.

Zita Pleštinšá (PPE-DE), in writing. – (SK) I voted against the resolution on the Commission's legislative programme for 2009 because it took over draft amendments requiring new legislation in the social sphere.

Since the social sphere falls almost exclusively within the competence of the Member States, our group rejected the amendment of the Directive on the European Globalisation Adjustment Fund, the minimum standards concerning the unfair dismissal of individual workers, the protection of workers with untypical employment contracts and the improvement of working conditions and reduction of the number of accidents at work.

Matters of legal protection against discrimination differ between Member States, in particular with respect to reproductive rights, the traditional family, education and religion. Our political group therefore considers it necessary in this matter to retain the principle of subsidiarity whereby each Member State is entitled to apply these principles in accordance with its national traditions and customs.

The question of Turkey's accession to the EU is also a sensitive matter in our political group, many of the members being German and French conservatives.

Luís Queiró (PPE-DE), in writing. – (PT) In 2009 the Commission's activities will be governed by the European election timetable, resulting in a reduced chance of action, particularly by one of the institutions. However, this circumstance does not prevent us from developing a realistic plan of action. The world demands a review of the paradigms and an understanding that the reality has largely gone beyond many of the theoretical debates on economic and social models and on the multiple polarities in international relations (in terms of both hard power and also economic powers or relationships between commercial forces). We want the Commission to respond to this new reality with a long-term view that is flexible and adaptable in its implementation. At the same time we want an agenda for 2009 that will help to clarify, in the eyes of voters in each Member State, the importance of and benefit to our economies and our societies of the EU's policies. This evidence, which will stem much more from the quality of our policies than from communication issues, must form the crux of our activities and, as a result, the activities of the European Commission. Unfortunately, the resolution put to the vote did not reflect this approach which is why I voted against it.

Catherine Stihler (PSE), in writing. – There is still a need to promote children's rights. Currently there is too little being done to tackle child poverty across the EU. One in five children lives on the brink of poverty in the EU – that is one too many. I am pleased that Parliament has rejected the Commission's work programme for 2009. We need to do more to promote decent work in order to tackle poverty across the EU.

– Motion for a resolution: Preparation of the EU-India Summit (RC B6-0426/2008)

Edite Estrela (PSE), in writing. – (PT) I voted in favour of the European Parliament's joint resolution on the preparation of the EU-India Summit because I feel that it is essential to adapt our strategic partnership with India, adopted in 2004, to the new challenges that the EU and India are facing, such as the food crisis, the energy crisis and climate change.

I would highlight the fact that the resolution encourages India to continue its efforts to achieve the Millennium Development Goals, particularly in the area of gender equality. It is also important that the resolution reminds India of the EU's values, calling on the Indian Government to abolish the death penalty.

Pedro Guerreiro (GUE/NGL), in writing. – (PT) In addition to the many other issues raised by this resolution that we value, we consider it essential to stress that we unquestionably support the deepening of genuine and effective cooperation and friendship between the countries of the EU and India. This requires a relationship that is based on responding to the needs of each population, that is mutually beneficial and that contributes to reciprocal development, while respecting the principle of non-interference and respect for national sovereignties.

However, based on these principles and assumptions, we clearly cannot agree with many of the proposals contained in this resolution, particularly on the conclusion of a 'free trade' agreement which aims to include, among other aspects, an 'agreement on services', 'competition', 'public procurement' and the 'abolition of ... ongoing restrictions in the field of Foreign Direct Investment' between the EU and India.

This proposal (and objective) seeks to respond to the desires for expansion of the major economic and financial groups – which were not formalised in the WTO negotiations aimed at liberalising world trade – in which the need to increase the accumulation and centralisation of capital is pre-eminent. This objective is contrary to the needs of workers and people in India and in the various countries of the EU.

Carl Lang (NI), in writing. – (FR) We need to develop our relations with India, which, with a population of more than a billion and a booming economy, provides a counterweight to the Muslim world and China. However, the motion for a resolution tabled, which reflects the views of Mr Sarkozy and the Commission, runs counter to the interests of the nations of Europe. The 'comprehensive free trade agreement' it calls for will contribute to the destruction of our economies and social systems, which are forced to compete with countries that engage in social dumping. Furthermore, India's demand for a seat on the United Nations Security Council is one of the proposals for UN reform, which also aim to strip France and the United Kingdom of permanent membership of the Security Council and give it instead to Brussels.

Moreover, describing India as a 'model for religious pluralism' is an insult to the Christians massacred in Orissa.

India is defending its national interests and age-old values. In order to have a balanced relationship with India, our Member States must do the same. They can only do that in a different Europe: a Europe of sovereign nations rooted in the Christian and Greco-Roman values of its civilisation.

Mairead McGuinness (PPE-DE), in writing. – As a member of the EU-India Delegation, I support the Joint Motion for a Resolution on the preparation of the EU-India Summit 2008.

The motion addresses the issue of the failure to reach agreement at the WTO and expresses a desire for renewed efforts to reach agreement.

However, the motion does not reflect the key stumbling block to such an agreement, namely the failure of the US and India to reach agreement on a special safeguard mechanism to prevent dumping of products onto the Indian market to the detriment of India's large rural/farming population. Without such a mechanism there are fears for the very survival of the subsistence farmers in India. The key issue of food security is not adequately addressed at the WTO and perhaps this is why ultimately the talks failed to deliver. Any renewed effort to re-open the talks must ensure that food security concerns of members are adequately addressed. Import surges can have a very negative and dramatic impact on local food production, and in developing countries with a large farming base import surges would be hugely damaging to efforts to develop a local agriculture/food production base.

Luís Queiró (PPE-DE), in writing. – (PT) Sometimes we need to remember that India is, demographically speaking, the biggest democracy in the world. This fact, combined with its economic vitality and its growing role in international relations – primarily within its own neighbourhood – suggests that we should rethink our relationship with this important partner. It would clearly be a mistake to ignore the weaknesses in the Indian democracy, its economic structure or its social organisation, which is why these aspects should be at the top of the agenda in our relationship with this country. However, this agenda must be broader and, in particular, be more in line with the new realities and circumstances. The reinforcement of political ties and greater closeness to this giant must be regarded as strategic. Likewise, we must be alert and ready to reinforce India's role in the concert of nations, particularly with regard to the institutional architecture and framework. While it is often said that the 21st century will be the century of the Pacific – a suggestion that warrants Europe's close attention – India should be added to this prophecy and our strategies adapted accordingly.

12. Corrections to votes and voting intentions: see Minutes

(The sitting was suspended at 1.45 p.m. and resumed at 3 p.m.)

IN THE CHAIR: MRS ROURE*Vice-President***13. Approval of Minutes of previous sitting: see Minutes****14. Situation of the world financial system and its consequences on the European markets (debate)**

President. – The next item is the Council and Commission statements on the situation of the world financial system and its consequences on the European markets.

Jean-Pierre Jouyet, *President-in-Office of the Council.* – (FR) Madam President, Commissioner, ladies and gentlemen, we are witnessing the end of an era. The next few years will change the face of world finance as we know it. We have to deal not only with the US crisis but with a crisis affecting the international financial system and sparing no region of the world.

For a number years, there had been criticism of the growing imbalances in the financial sector: an unreasonable exposure to risks for many players, the relative inability of financial controllers to keep in check the rapid introduction of increasingly complex financial products and, as the Commission will no doubt mention, a taste, too marked for some, for greed. Now we are seeing the results. The US financial sector is in turmoil and the US authorities have been forced to intervene more and more heavily to avert a full-scale crisis. Europe and the rest of the world are experiencing fallout from this crisis at a level not known since the 1930s.

The French Presidency is convinced that the events of the past few days make a strong and united Europe even more necessary on the economic and financial stage. We must first come up with an immediate response to the financial disruptions. In the European Central Bank the Economic and Monetary Union has a powerful central bank that has been able to intervene promptly, resolutely and effectively when tensions have been at their highest, in close cooperation with the other major central banks. This is a considerable asset in these turbulent times and we should praise the actions of the European Central Bank, which is ready to step in in any situation.

Faced with the worsening disruption of the last few days, the regulatory authorities in the majority of Member States have decided, like the US authorities, to issue a temporary ban on short sales. This is an emergency measure, but it is welcome as it can help to calm the tension on the markets.

At present, we do not envisage the type of initiative just announced by the US federal authorities for the large-scale buy-back of 'toxic' products held by financial players, and Mr Almunia was right in what he said in this regard.

The Union's financial system remains robust overall and there is therefore no call for this type of measure, but we must remain vigilant, and nothing can be ruled out in the name of whatever ideology. Realism and pragmatism are the order of the day. If necessary, we will have to address possible systemic risks using the means at our disposal.

Emergency interventions by central banks and regulators are vital, but all experts recognise that they cannot resolve the crisis by themselves. Europeans must face up to their responsibilities and intervene in the other areas in question.

We must respond to the economic slowdown. This was the subject of the joint European approach adopted by the Ministers of the Economy and Finance at an informal Council in Nice. The Ministers, together with the Commission and the President of the European Central Bank, decided to leave the automatic stabilisers to operate freely as regards budgetary matters in those Member States with room for manoeuvre.

They also approved a finance plan for European SMEs, with EUR 30 billion to be provided by the European Investment Bank between now and 2011, which will lend the sector substantial support, as, paradoxically, even though the financial crisis in Europe is less pronounced than in the US, there are just as many risks to the real economy. A stable financial system and robust banks can be called on to restrict or to increase the cost of loans as necessary, particularly in the case of SMEs. Direct action was required with regard to the latter.

We must also reform our financial system along two main lines: the first is prompt legislative and regulatory measures to restore the transparency of the financial system and make financial players accountable. With this in mind, on 13 September 2008 Ministers showed their determination to speed up the implementation of the roadmap adopted in 2007 to respond to the initial signs of the financial crisis. This roadmap sets out four key measures to address the financial turmoil: transparency, prudential rules, the valuation of assets and the functioning of the markets, including credit rating agencies.

It is now time to deliver on the supervision of credit rating agencies, the revision of banking controls and the adaptation of accounting standards, which have undoubtedly played a procyclical role in the financial arena. This is a real priority for the French Presidency and we will discuss it at the next European Council. The Commissioner will confirm this, but I believe that the Commission will shortly propose that the directives in force since 2006 concerning the requirements for own funds should be amended.

This is one of the measures currently under way in various areas to tackle the financial turmoil, which, of course, also include the recent recommendations drafted by the Financial Stability Forum. I know that the Commission will be able to table these proposals very quickly and we are counting on Parliament to reach an agreement with the Council at first reading, before the end of the present term, on these urgent proposals.

A proposal concerning credit agencies is also expected from the Commission in a few weeks' time. It will follow on from the request issued by the July 2008 Council of Finance Ministers and, in this regard too, I am counting on Parliament to reach an agreement on this ambitious proposal as quickly as possible.

I also note with satisfaction that a decision has been taken to set up a working group to examine how the prudential supervision of banks and insurance companies should take account of the cyclical nature of developments, particularly as regards capital. Specific measures should also follow.

These are the essential components of financial sector reform and will most probably be accompanied by other initiatives, as European examination of the financial crisis progresses. Parliament must play its full role in this examination and the Presidency notes with great interest the recent contributions the institution has made. I am thinking, in particular, of hedge funds, which some experts say could be the next victims of the crisis. I am also thinking, as I said earlier, of the issue of accounting standards but also that of financial sector salaries, on which we must take immediate action.

Saying, as I have heard from some European leaders, that we must continue in our *laissez-faire* approach and that no regulation is necessary is a mistake. It is more than a mistake: it is an assault on the stability of the financial system; it is an assault on reason. I shall be plain about this: if we need to consider regulating hedge funds, then the European Union must do so. We must think about the transparency of risks, the supervisory powers of regulators and the salaries at this type of institution.

The second basic line of approach is to strengthen financial supervision. The Finance Ministers welcomed the agreement by the European committees of regulators on the harmonisation by 2012 of the requirements for data transmitted by European banks to the supervisory authorities. These are the first significant results, but they must be followed by others, and the Ministers have agreed to continue their efforts to improve the coordination of the monitoring and supervision of financial players. The Presidency is ready to work with Parliament and the Commission to strengthen the integration of supervision and prudential monitoring of groups that are increasingly cross-border in nature. The Union requires a more effective and more integrated supervisory system in order to be better equipped to tackle financial crises.

Ladies and gentlemen, France is presiding over the Council of the European Union at a time of great disruption. In these difficult circumstances, we are fully aware of our responsibilities. The time has come to take important decisions with regard to the organisation of our financial system, its place within the European economy and its role, which should remain the financing of businesses and individuals.

The Union has not been idle over these last few months. The Presidency can therefore draw on the reflections made and work carried out by the Commission in this area, as well as on the work of a number of experts, including, in France, Mr Ricol.

The October European Council provides an opportunity to set strict guidelines at European level: that is our aim. It is clear that Europe should not act alone. It needs to be proactive and encourage fresh international cooperation, as President Sarkozy said at the United Nations yesterday. We also propose to hold an international meeting before the end of the year involving the G8 and their financial regulatory authorities. Our goal is to help to produce the first principles and new joint international rules for an overhaul of the international financial system.

The European Union is showing, through an initiative of this kind, the importance it attaches to a new, balanced world governance. The European and international response must address the short, medium and long term. In the short term, we need emergency measures; in the medium term, a revision of our legislation; and in the long term, a more comprehensive examination of the role of our economic model in terms of growth and employment and the continuation of structural reforms, which remain essential.

This concludes the information I wished to provide you with today.

Joaquín Almunia, *Member of the Commission*. – Madam President, the series of events we have witnessed in financial markets during the last year, and in particular during the last few days, are of a magnitude that exceeds anything we have seen in our lifetime. Many believe – and I tend to agree – that this will trigger important changes in the functioning of the international financial system.

Since the outbreak of the crisis in August 2007, disclosed losses have totalled more than USD 500 billion, a sum equivalent to the GDP of a country like Sweden. And, unfortunately, the final figure is considered to be larger still.

The acceleration of declared losses in the US during the last few weeks, and the subsequent decline in investor confidence, have pushed several major financial institutions to the brink of collapse. In cases where the fall of one of these institutions would have implied a systemic risk – that is to say, put the entire financial system at risk – emergency rescue operations have been required.

Some of these rescue operations took the form of public interventions, such as those carried out by the US Treasury and the Federal Reserve to avoid the bankruptcy of the world's largest insurance company, AIG, or of the mortgage financiers Fannie Mae and Freddie Mac, that together underwrite half of all mortgages in the US.

Others took the form of private takeovers, such as the purchase of the investment bank Merrill Lynch by Bank of America.

For others, like the case of investment banker Lehman Brothers or almost two dozen US regional banks, bankruptcy was the only option possible. In short, we have witnessed an extraordinary transformation in the US banking landscape.

Consequently, we have reached the point where the US financial system is facing a substantial confidence problem. At this juncture, according to the US authorities, a series of bail-outs is not the answer any more. A systemic solution is urgently needed.

In the short term we all need a response that will restore confidence and stabilise markets.

The US plan announced by Secretary Paulson last week is a good initiative. In short, the US Treasury Secretary proposes to set up a federal fund to remove from the banks' balance sheets the illiquid assets – those mortgage-linked securities that are at the root of the problems we face. Removing these from the system would help to remove uncertainty and refocus the market on fundamentals. However, the details of this proposal need to be properly defined – and quickly – if it is to succeed.

I should say that we are talking about a US plan, adapted for the circumstances in the US, where – it should be recalled – the crisis originated and where the financial sector has been most severely affected. But we all have to analyse why this has happened. We all have to cope with the consequences and react to the present situation.

To do this, we first have to understand how we arrived at this point. The origins of the turmoil we see today lie in the persisting global imbalances in the world economy, which created an environment of high availability of liquidity and poor assessment of risks.

The interconnection of global financial markets, the high level of leverage and the use of innovative and complex financial techniques and instruments, which were only poorly understood, caused these risks to spread across the international financial system on an unprecedented scale.

What is clear is that market participants – but also regulators and supervisors – were unable to properly understand the risks of this situation and, therefore, could not prevent the consequences that we see today.

True, in the months leading up to the crisis, the IMF, the European Central Bank and the Commission, among others, all warned of these underlying risks. We knew the situation was unsustainable, but what we could

not know, and what no one was able to predict, was how, when and just how violently the crisis would be triggered by rising defaults in the sub-prime mortgage sector.

What we are now seeing is the process of the last few years going into reverse, with the financial system grappling with the consequent need to deleverage. Because of the exceptionally high leverage and the scale of linkages between risks, this process of unwinding is proving particularly painful. The lack of transparency in the system and the inability of supervisors to piece together an accurate and complete picture of the situation, has led to a dramatic fall in confidence.

The financial sector has been most severely affected, as nervousness among banks has caused liquidity to dry up in the interbank lending market.

Several key credit markets remain disrupted, and recently there has been a renewed flight to quality among investors, accompanied by widening spreads between benchmark bond yields and yields on relatively risky investments.

Thanks to the swift and coordinated intervention by central banks – with a relevant role here for the ECB – we have managed to avoid a severe liquidity shortage. Nevertheless, banks remain under pressure. The crisis of confidence has provoked a fall in asset prices, compounding the strain on banks' balance sheets. Combined with the situation in the interbank market, banks face difficulties to recapitalise.

The situation we face here in Europe is less acute, and Member States do not, at this point, consider that a US-style plan is needed.

Taking a medium-term perspective, it is evident that we need a more comprehensive structural response. The latest events in financial markets have made it clear that the current model of regulation and supervision needs to be revamped.

In the short term, we rapidly need to address the weaknesses in the current framework, and in this respect – and I fully agree with the Council position – the ECOFIN road map of regulatory actions and the recommendations of the Financial Stability Forum contain all the elements necessary. As you know, this includes concrete initiatives on enhanced transparency for investors, markets and regulators; revised capital requirements for banking groups, and clarification of the role of credit-rating agencies.

Work is progressing at the Commission, and the Commission will soon come forward with proposals on a revision to the Capital Requirements Directive – next week – and new legislation on credit-rating agencies, I hope, before the end of October. But given the latest developments, it is likely that we will need to explore additional issues that have come to light.

We will continue to discuss what else should be done to better ensure financial stability and to correct the reasons underlying this crisis, and in this regard I fully share the words of welcome that the Presidency of the Council gave to your contributions.

Finally, let me turn to the impact of the financial sector crisis on the economy – on the real economy. There can be no doubt that events in the financial sector are hurting the real economy. These effects have been compounded by the inflationary pressures of the rising oil and other commodity prices and the severe housing-market corrections in some Member States. This combination of shocks has impacted directly on economic activity through higher costs and negative wealth effects and, indirectly, via a sharp erosion of economic confidence. The result has been a brake on domestic demand at a time when external demand is fading.

Leading indicators on economic activity point to a marked deceleration in the underlying growth momentum both in the EU and in the euro area. Against this background, GDP growth for this year was revised down significantly in our last interim forecast to 1.4% in the EU and 1.3% in the euro area. At the same time, for this year inflation forecasts have been revised up to 3.8% in the EU and 3.6% in the euro area. Inflation could, however, be at a turning point, as the impact of past increases in energy and food prices gradually fades in the coming months. This could possibly be reinforced by a further downward correction in oil and other commodity prices, although this remains to be seen.

Overall, the economic situation and outlook remain unusually uncertain. Risks to the growth outlook remain on the downside, while risks to the inflation outlook are on the upside. These uncertainties are even higher regarding economic developments next year, but we expect growth in both the EU and the euro area to remain relatively weak next year.

How should we respond to this economic slowdown? The best answer is to make use of all the policy instruments we have at our disposal.

Firstly, in budgetary policy, we must preserve our commitment to fiscal discipline and the rules of the Stability and Growth Pact while letting the automatic stabilisers play their role. In this regard, the reform of the pact in 2005 is proving very helpful.

Secondly, a clear commitment to implement structural reforms, as defined in the framework of the Lisbon Strategy and the national reform programmes, would be crucial to boost consumer and investor confidence in the short term and to improve the resilience and dynamism of our economies in the longer term. Measures to strengthen competition in retail and energy markets and improve the functioning of our labour markets would be particularly valuable at this juncture.

Finally, delivering improvements in financial-market regulation and meeting the goals of the ECOFIN road map is, as I have already stressed, more urgent than ever before. An effective and rapid solution to the difficult challenges we are facing could go a long way to restore confidence quicker than expected and limit the damage to our economies.

In each of these policy areas our actions will be more efficient and effective if we coordinate them at the euro area and European Union level.

Inevitably, we will need to overcome some resistance by Member States to agree common action, yet the consensus we reached during the last informal ECOFIN meeting in Nice should be deepened and developed.

European countries face common challenges. We will overcome them most effectively if we work together to find common solutions. In this respect, the Economic and Monetary Union is a formidable asset, and we should exploit the opportunities it provides to strengthen coordination, along the lines we proposed in our EMU@10 report and communication last May.

However, events make clear that internal European action is not sufficient to confront global challenges. We need to reinforce common external action in the Financial Stability Forum, in the Basel Committee, in the G7, as well as devoting more attention to the future role of the International Monetary Fund.

Looking ahead, we need to think about how we can shape the future of our financial systems and global governance, and the role of the European Union in this regard is vital. Europe can be a driving force behind reinforcing global coordination and should take a leading role in international debates in this area, and this first requires European countries to work together and agree on internal solutions.

Alexander Radwan, *on behalf of the PPE-DE Group*. – (DE) Madam President, Mr President-in-Office of the Council, Commissioner, ladies and gentlemen, listening to the Commissioner's statement just now, it felt as if I was in the wrong film. He repeatedly emphasised that swift and rapid action is being taken. In reality, the only thing that has moved swiftly in recent weeks, months and years is the market, which is frequently invoked in our regular debates here. The fact is that the market regulated the problem of the investment banks very quickly on its own. We were unable to react as swiftly.

'Swift' is certainly not the word that we can use when we look at the Council and particularly the Commission. We are now being kindly invited by the Americans to pay a share. I do not wish to comment on that at this juncture. It is enough, at this stage, to monitor developments. However, what I expect from the Council – although when it comes to the Commission, I am not sure whether the Barroso Commission is capable of this – is to ensure, at the least, that we overcome the American and British resistance to transparency in the financial markets. I need only remind you of the German Presidency, when President Sarkozy and Chancellor Merkel came up with an initiative and the Barroso Commission sat back and said, 'Who is Sarkozy and who is Merkel anyway?' and took no action.

'Swift' is really not the word we can use. I need only remind you of Enron and Parmalat. At the time, the European Parliament had adopted a relevant report by Mr Katiforis – I was the shadow rapporteur – on the issue of credit rating agencies. That was back in 2003. Now, in October 2008, the Commission may well present proposals, but the IOSCO is already saying that we should not deviate from the Securities and Exchange Commission and US rules, for otherwise the international financial system will be disrupted.

Europe must go its own way here. That is why I do not really care what the SEC is proposing, and if the Commission plans to move in the same direction as the SEC, all I can say is that it should wrap up warmly.

We must do what we think is right, and the Americans can then follow us. That is all I have to say about rating agencies.

It has been said that we should deal with the revision of Basel II at one reading. I hope that the Council representative is listening, as that is something that he mentioned. We can do it at one reading, as long as the Council gives up its opposition to a European supervisory regime. What the Council has achieved so far through its closer cooperation with the European supervisory authorities is lamentable. Nice was based on intergovernmental cooperation. That being the case, the Council should jump over its own shadow for once and think along European lines.

Hedge funds have also been mentioned, along with private equity. Commissioner McCreevy told the House only this week that we must not be overhasty. We can accuse Mr McCreevy of many things, but being overhasty is not one of them.

(Heckling and applause)

I have regularly attacked Mr McCreevy in the House on the issue of hedge funds and private equity. We must ensure that the Commission now presents proper analyses and does not remain in a state of denial. This is no longer Mr McCreevy's problem; it is now Mr Barroso's problem.

(Applause)

I would be delighted if we were now to make it clear to the US that the SEC – the Securities and Exchange Commission – should put its own house in order for once. Siemens is the subject of a rigorous investigation, but no one looks at the US. I expect the Commission and the Council to enable us to set out a European policy course in this area.

(Applause)

Martin Schulz, *on behalf of the PSE Group.* – (DE) Madam President, we have listened very attentively to what Mr Radwan has to say. The Bavarian election campaign casts a long shadow. Yes, Mr Radwan, some of what you say is absolutely right. The market has regulated it, but the US taxpayer is footing the bill. It is the state which is paying the price.

What we are witnessing at present is not only the bankruptcy of investment banks and major insurance companies. It is the bankruptcy of an economic philosophy which has been 'sold' to us for years: a philosophy which claims that in a supposedly modern economy, growth and prosperity are generated through speculation, not in the real world. That is the system that is going bankrupt now.

(Applause)

Incidentally, Mr Radwan, we have a very clear memory of the Katiforis report. You are an astute politician, I will give you that. You are standing for election to the Bavarian State Parliament on Sunday. Good luck with that. However, the person who applied the brakes to the Katiforis report was you, Mr Radwan. That is also something that we recall very clearly.

Charlie McCreevy is not here, which is a pity. Joaquín Almunia has presented a very sound analysis. Commissioner Almunia, I would ask you to brief your colleague Mr McCreevy on the measures which are necessary and which we must now adopt. I do not know where he is. Perhaps he is back at the race track; perhaps the betting shops at the race track are better regulated than the international financial markets. However, one thing is clear: we expect the Commission to adopt the measures that are possible and necessary, and we expect this action by the end of the year, or by spring at the latest.

This means, for example, adopting rules for the credit rating agencies, and doing so very swiftly. It is vital, too, to decouple City bonuses from short-term speculative profits. That is a very important point. If a manager knows that he himself will bank 5% of a billion that he generates in speculative profits, because his bonus is coupled to the speculative billion, then it is only human nature that he will attempt to generate the billion in profits by whatever means, whatever the cost: even if tens of thousands of jobs are lost as a result, which is what we have seen happening all over the world in recent decades.

Without turning a hair, the financial managers – the smart young things we run into here in the corridors – are wrecking entire companies and entire business locations, with all the social ills that this entails. The costs of this devastation are included in the 700 billion which the US taxpayers now have to invest in rescuing the major banks and insurance companies. The amateurism of governance in the US is apparent from the fact

that even in this massive crisis, it is these major corporations which are being rescued, costing ordinary taxpayers more than 700 billion dollars from the US budget. Unfortunately, the fates of these ordinary taxpayers, their debts and mortgages do not feature in the US Government's rescue plan. A perfect example, once again, of how profits are privatised and losses nationalised. That must stop as well.

(Applause)

We heard all about it in Monday's debate. I almost have the impression that we should be handing out membership forms for the Social Democratic Party to the PPE-DE Group: it seems that they cannot change their opinions fast enough, and the Liberals, I have to say, are even worse.

In a debate last November about the European Union's role in globalisation, I made the following comment: 'The Wild West capitalism that dominates the financial markets is threatening entire economies, including the US economy now, and needs international rules. We need control, transparency and restrictions on the power of the financial markets.' In response, the leader of the ALDE said: 'Mr President, we have just heard the language of the past'. At least he is not present for today's debate, which will obviously enhance its quality. What I said, however, was not the language of the past. Now, more than ever, control and government supervision of a deregulated market – which has no respect for anything or anyone – are the way forward.

I therefore have one thing to add, if I may. Of course, we must act swiftly, but we also must act in the area which is closest to my heart and the hearts of my colleagues here in the European Parliament. The speculation bubble will not burst: even if we ban short sales for the time being, they will be back. Another thing which we are bound to see happen again is that investors will be encouraged to speculate on rising food prices, for example. Food price rises occur when there is less food available. That means that those who have an interest in high food prices must ensure that the supply of food is reduced. However, food scarcity means hunger in the world, and if we have a system which makes it possible for hunger in some regions of the world to generate profits in others, our 700 billion dollar rescue package will not help us. Sooner or later, the system, in all its perversity, will have bitter consequences for humankind as a whole.

What we are discussing here, then, is not about short-term necessity. It is about how we can guarantee humane social development for the long term.

Silvana Koch-Mehrin, *on behalf of the ALDE Group*. – (DE) Madam President, ladies and gentlemen, the global financial crisis has spread through the markets with unforeseeable consequences. Some people may feel a sense of satisfaction at the sight of bankers falling from grace and losing their jobs. However, this is very short-sighted, for the real losers are not the company bosses or the traders. It is ordinary families who are hardest hit by the credit crunch and the collapse in the value of shares and savings. It is their financial security which is shattered when the value of pensions and savings is put at risk.

That is why it is essential to undertake a precise analysis of the financial crisis and its causes to ensure that it does not happen again, and I am pleased that we are doing so today. Martin Schulz used his speech to rail against the markets. In light of Mr Schulz's predictions last November, which he has kindly reminded us of, this might give him the chance to earn some extra income as an oracle. However, it is money which drives the markets, not hot air, and he needs to recognise that fact.

The appropriate response to the current crisis is not a move away from free enterprise. It is enterprise which creates jobs and prosperity. Do the financial markets really need more regulation? Ludwig Erhard, the father of the German economic miracle, summed it up neatly. He said that the state should establish the rules for the economy and the financial system, but like a referee, it should not involve itself in the game. What this means, of course, is that it must take action against fouls and violations of the rules.

Regulation is appropriate and necessary in order to avoid excesses, but it is not the market economy which is to blame for the crisis; that blame attaches to those who refuse to abide by frameworks and rules. For years, experts have been warning against high-risk loans, unsecured credit and a bubble waiting to burst in the financial and property markets. We need common and transparent rules for Europe as a whole, and for the world. Yes, we need international controls, but with a sense of proportion. It is no good to anyone if we immobilise capital movements with more rules and trigger an economic downturn.

Above all, we need to restore confidence in a free and open market. The economic stability of Europe's and the world's citizens depends on whether we show ourselves to be capable of action. However, the international markets will not stop and wait for decisions in Europe, and nor will they wait for Parliament to make its pronouncements.

Commissioner, Minister Jouyet, my group is expecting you to take rapid, rational and successful action, and to do so now.

Eoin Ryan, *on behalf of the UEN Group*. – Madam President, the President of the European Central Bank, Jean-Claude Trichet, recently said that, when the market stabilises, we will not return to business as usual, but instead we will experience a new normality.

Given the failings and weaknesses in the market and institutions that have been brought to light in devastating fashion over the last year, a move away from the abuses and faults of the past is only to be welcomed. The financial crisis has caused terrible panic, but it has also served to emphasise the need to eliminate obscurities and to introduce transparency, and for we legislators to regulate. But we also must avoid panic, because if we panic we will make poor decisions.

In the US, out of the scramble to avert catastrophe, radical alterations to the landscape of high finance are emerging. Our institutions have stood steadier than those in the States – understandably as the crisis originated across the Atlantic – yet certain cases are a reminder that we are in no way invulnerable. To ensure the stability of our markets in the future, we must implement structural and systematic reforms and be prepared to act quickly. There may be three things that will happen or have happened already, such as reforms – for example ensuring that central banks prevent runs on banks and financial institutions – and there has been significant action in this regard already. Secondly, treasuries must remove the reason for runs occurring in the first place, namely the presence of distressed assets in the balance sheets of financial institutions. Lastly, it is pivotal for the financial system to be recapitalised.

We have passed the initial stages of the crisis. The effects on banking and the political response to this initial trauma will not be known for some time. However, we now have to face up to ensuring that the new financial reality that emerges from the other end of this crisis is a strong and healthy one. To this end, it is necessary to address the root of the crisis and to remove distressed assets and clean up balance sheets. To emerge from the quagmire of the crisis, it is also necessary, for both localised and global economic health, to show there is sufficient capital in the finance system. Whether this is from public or private injection or a combination of both is another discussion, but we must have one soon.

We do not know yet what the full and lasting impact of the world's financial crisis and its consequences on European markets will be. However, what we do know is that, to emerge standing from this crisis and to be sure that investors, markets and citizens are protected in the new normality that will result, we must keep our heads – even in time of doubt and turmoil – and take concrete steps towards implementing structural and systematic reforms that will safeguard the health of our European system and the financial well-being of citizens of European countries and globally.

Francis Wurtz, *on behalf of the GUE/NGL Group*. – (FR) Madam President, if the main European leaders wished to illustrate the gulf separating them from European citizens, they need only react as they did to the financial crisis following the meeting of Finance Ministers on 14 September 2008.

What are the main measures that have been announced, apart from a welcome but insufficient increase of EIB loans to small and medium-sized enterprises?

They can be summarised in three points. Firstly, as regards hopes for a fiscal stimulus, I quote Jean-Claude Juncker: 'We have ruled out adopting a European revival plan.' We are going to apply the Stability Pact, the whole Pact and nothing but the Pact.

Next, with regard to the deregulation process under way, I quote Christine Lagarde: 'We must not allow any slowing-down of the structural reforms'; Jean-Claude Trichet: 'Anything that can be done to improve the flexibility of the economy is good enough for us'; and Jean-Claude Juncker: 'We must reform the labour market and the markets in goods and services. Competitiveness needs a bigger playing field.'

Finally, the question on all our minds is who should foot the bill? Again, I quote Jean-Claude Trichet: 'Banking watchdogs should not have disproportionate requirements regarding credit agencies', and, on the other hand, according to Jean-Claude Juncker: 'Everything must be done to prevent salaries from getting out of hand'.

We wish to tell them this: come out of your bubble and try to put yourself in other people's position. They see, on the one hand, finance ministers moving heaven and earth for the major global speculators – a sum of EUR 110 billion has been released by the ECB alone – and, on the other, the employees who are at risk. In attempting to reassure the markets, you are unsettling companies.

The truth is that, in the name of the free movement of capital and the famous open market economy with its free competition, financial leaders have collectively fuelled devilish mechanisms that they can no longer control. Let me remind you that, five months after the beginning of the subprime crisis, Mr Trichet, representing the 10 main world central banks, was still talking only of simple 'market corrections' and announcing 'robust growth, even if there is a slight slowdown'. Three months later, he was urging Parliament's Committee on Economic and Monetary Affairs to 'give the private sector a chance to rectify itself'. What insight! If a system can lose its own cronies in this way, it is in the midst of an existential crisis.

This is why, if we wish to avoid further increasingly painful collapses, we must have the courage to make a break. Firstly, we must break with the idea of productivity based on the lowering of salary costs and social expenditure. We must reverse the continuing trend of reducing the share of salaries in added value. That is not the source of inflation; it is the immoral actions of financial operators.

Secondly, we must end the complete reliance on financial markets to fuel the economy, as they are not feeding but poisoning it. The European Central Bank has a decisive role to play in directing money towards a socially effective economy, one that creates jobs, promotes training and develops public services, that ensures sustainable production and useful services, that has a place for research and development, respects public enterprises and the public interest and puts cooperation above economic warfare.

However, to achieve that, the mission of the European Central Bank must change. It should refinance banks at very different interest rates depending on whether the loans benefit the sound economy I have just described or, on the contrary, are to be used as the basis of unsavoury financial operations. The conditions of access to loans should be advantageous in the former case and extremely dissuasive in the second. At the same time, rigorous controls are needed with regard to banks and funds and a tax should be introduced on financial capital movements. Finally, work should begin on radically reforming international economic institutions, as called for recently by President Lula in his address to the United Nations.

Thirdly, there needs to be an end to the self-satisfaction and condescension of a small elite explaining to citizens that the only valid choice is its own. If we could at least discuss all this seriously with an open mind and a sense of responsibility, then the crisis would, in one respect, have brought some benefit.

Hanne Dahl, *on behalf of the IND/DEM Group.* – (DA) Madam President, the first news item when I switched on the car radio on my way to the airport early on Monday morning was that my bank was undergoing a serious financial crisis. Fortunately I am just a saver so I shall not lose any money – but shareholders are in tears. The worldwide financial crisis has reached my little bank. The heart of the problem lies in the development of globalisation – not least the right for capital to move freely across borders. We have seen unheard-of speculation, with no aim other than a profit for some owners. This practice only goes to harm the real economy, just as we are seeing now, with speculation on the US housing market triggering an international financial crisis.

Therefore, there should be an end to the thinking that the free movement of capital is the way to growth and wealth. This free movement only benefits speculators and tax evaders. I dare say that ordinary citizens and people wishing to invest in companies and finance the purchase and sale of goods can live with controls on who moves large amounts of money across borders and for what purpose. Controls on capital movements would give democracy greater insight and opportunity for influence.

What is the solution to the immediate crisis, then? A safety net funded by taxpayers is guaranteed to increase aggressive, speculative foreign policy in the financial sector and promote the worst of capitalism. The banks themselves must clear up after crashes and crises; it is not up to national banks and thus taxpayers to do this. Danish financial consultant Kim Valentin suggests a rescue fund financed by the banks themselves. It is crucial that the banks' contribution to the new fund is large enough to give them a real interest in keeping an eye on one another and intervening when a crisis looms, as they themselves must pay to clear it up.

I propose that we use the EU to lay down tough rules on the size of banks' rescue funds. This would also help us fulfil the wish of UN Secretary-General Ban Ki-moon for a responsible global economic policy. The banks must stop behaving like children who have never tried falling down and do not know that they can hurt themselves.

Piia-Noora Kauppi (PPE-DE). - Madam President, I do not share the views of my colleagues who blame the Commission for their non-delivery. I think the biggest mistake the European Commission could have made would have been to think that more regulation is always the right answer. All proposals from the Commission should be proportionate, balanced and well-targeted.

I have been moderately content with how this Commission has responded until now, and I remain confident that the Commission has all the right tools to improve the regulatory framework for financial services. Improvements should be based, in the first place, on existing legislation and legal bases. In the second place, soft-law measures should be considered, and finally, if there is no improvement otherwise, then we should turn to legal, new regulations.

I think that sometimes there is a tendency to forget how much we have already done in Europe. Since 2000 we have gone through a serious overhaul of our financial services laws, and we have updated many of the relevant regulations already. We have a modern and sophisticated legal framework in Europe. I think it is followed by most of the people in America already, so I do not think we need to radically change our approach.

Finally, I would like to say that it of course needs to be considered that the supervisory framework is not as good as it could be. We should develop – based on the ECOFIN road map – the way the supervisors work in Europe, but also we should remember the global scale of things. We should remember that the financial industry is probably the most global industry in today's world, and we cannot act in a vacuum. We should remember that we are living together with the outside world, and we should try to develop standards, mutual recognition and convergence with transatlantic players – because that is the way to currently open competition – and also very good rules on the protection of retail clients and the way these things go forward.

Finally, one thing about the ECB. I think we need to thank the ECB. The ECB did a very good job. The consequences to the European economy, both in the financial economy and also the real economy, would have been much more severe without the very good delivery of the ECB in terms of liquidity. I think the ECB should be congratulated for that.

Pervenche Berès (PSE). – (FR) Madam President, Mr Jouyet – we are sorry the minister responsible cannot be here – Commissioner, the Socialists are supporters of the market, but they know that, on any market, there are honest traders and there are thieves, meaning that a police force is needed. It is astonishing to think that, when one tries to put in place a modern police force to deal with modern thieves, one is suddenly accused of archaism.

We need modern supervision and regulation. There is no danger here that we will rush into adopting ill-advised and hasty legislation of the Sarbanes-Oxley kind, as it is more than a year since the crisis began. When Mr McCreevy addressed the Committee on Economic and Monetary Affairs on 11 September 2007, he pointed the finger at the credit agencies as the chief culprits. More than a year later, we still have no proposal. I do not think this can be described as better regulation.

As for the roadmap that was drawn up in October and December 2007, I have it here and I have checked it off, point by point. Quite frankly, first of all this roadmap was perhaps not designed for the level of crisis we are experiencing today and, secondly, when I look at how the timetable has been respected, well, it is hard to know where to start on that issue.

The French President has announced a plan: he is going to condemn those responsible and gather everyone around the table for discussions. However, what is he going to discuss? Returning to the roadmap drawn up by the Financial Stability Forum and that no one can implement, because no one in Financial Stability Forum has the authority to do so?

He proposes all this, yet his initial reaction to the crisis was to rush off to London in autumn 2007 to approve Gordon Brown's strategy to set up an early warning system rather than strengthen Europe's capacity to deal with the problem, which Mr Barroso is today defending in Washington. I hope that he will be able to persuade his Commissioner, Charlie McCreevy, so that European intervention in terms of the regulation and supervision of financial markets is as vigorous as it is necessary.

(The President cut off the speaker)

(Off-microphone comment from Mr Purvis on speaking time)

President. – I am sorry. I interrupted Mrs Kauppi and I interrupted Mrs Berès. I am generally fair, Mr Purvis.

Daniel Dăianu (ALDE). - Madam President, are only greed, euphoria and cheap money to be blamed for the whole mess? What about the flaws of the originate-and-distribute model, which has enhanced systemic risk? What about skewed pay schemes with a lack of ethics, which have stimulated reckless risk-taking? What about investment-grade values assigned to trash? What about conflicts of interest? What about banks engaging in casino-type transactions? What about the 'shadow' banking sector, with its extreme leveraging and

speculation? Why have policymakers not learnt from previous crises, though stern warnings were sent? Just remember what Lamfalussy, Gramlich, Volcker and Buffett said years ago.

The argument that regulation stifles financial innovation I find ludicrous. Not all financial innovation is sound. Is a quasi-international Ponzi scheme, as it has been developing via toxic products during the past decade, to be tolerated? The issue at stake is the lack of proper regulation and supervision, and a poor understanding of financial markets, of the way they function and of systemic risk. Free markets are not synonymous with deregulated markets. Correction is going to be very painful, especially in the United States, but Europe is not immune to economic downturn. Solutions should not be patchy – consider that markets are global. International coordination is needed to restore confidence.

(The President cut off the speaker.)

IN THE CHAIR: MR COCILOVO

Vice-President

Roberts Zīle (UEN). – *(LV)* I think that we can use a familiar phrase to describe the situation on the financial markets: ‘the party is over, and now it is the morning after.’ Somebody will pay dearly for the upset stomach, but, of course, there are some states and businesses that will profit from this extremely bad situation. In other words, there are several energy resources and particularly developed states and businesses that shifted their extra profits in that direction, and this will clearly also change the centre and balance of political influence in the world. In Europe, in my view, it is the small, new EU Member States that are the most vulnerable in this situation. Mistaken structural and taxation policies at a time of high economic growth are now creating obvious economic and social threats in most of these states, including in my own, Latvia.

The large volume of domestic private loans in euros from banks in euro area states, the large proportion of non-resident money in the banking sector and the rapid increase towards the levels of European average wages expressed in euros may lead to a revaluation of national currencies. In that case, long-term repayment to financial institutions in the euro area may become a new burden for the citizens and businesses of those Member States. If a national currency’s exchange corridor is widened with respect to the euro, then inflation, which is already high, may gain ground and further postpone the entry of the new Member States into the euro area.

If the total amount of private loans in payments to the bank adds up to a two-figure percentage of GDP, then the citizens of those states will not be optimistic. This will instead create pronounced political pessimism and will impact on public opinion regarding the European Union as an institution, with all the attendant consequences for Parliament, too, in political terms in the new Member States.

John Whittaker (IND/DEM). - Madam President, the financial crisis rages on and euro-zone countries are facing recession. The answer, we are repeatedly told, is that we need more regulation to make the financial sector work better.

But we have a problem now, and changing the rules after the problem has arisen is not going to help us with that problem.

I urge Members to consider a completely different reaction to the current economic difficulties. They are a signal that we cannot continue as we are and that, thanks to borrowing that has been too cheap and imports that have been too cheap, we have all been living above our means and we cannot go on consuming at the same rate.

Adjustment will be painful, but it is necessary, and in these hard times there is another message that is even more salient but will not be heard in these institutions. It is that the EU cannot continue with its massive legislative programmes in the name of health and safety, consumer protection, social equality, for instance, for the overriding effect of all these schemes is to add costs and to crush the productive activity on which our very prosperity depends.

In these hard times, the one message that should be heard is that European countries can no longer afford the European Union, its institutions and its immense outpourings of legislation.

José Manuel García-Margallo y Marfil (PPE-DE). – *(ES)* Mr President, I will try to be very clear, given the wide variety of opinions expressed from my bench.

Firstly, the current crisis is not a biblical curse or a punishment from the gods. The markets have failed and these failures have prompted interventions which would have delighted Keynes himself. If the markets have failed, then we must correct what has failed in the markets; in other words, we must do something.

This something involves various things. Firstly, we must administer a shock treatment to bring the patient out of his current coma. I would remind the Commission and the Council that, while the liquidity problems can be solved by the European Central Bank, the solvency problems are something which directly affects you: the Council, the Commission and the Member States.

Secondly, to stop this happening again, we need to know what has failed in the markets and what principles we should re-establish. There has been a failure in the management of risk, in governance and, finally, in ethics.

This means that we must re-establish some basic principles: transparency in products, in companies and in markets; responsibility of managers; confidence between the financial economy and the real economy, and the central role of politics.

I agree with the Council that the times of total deregulation are over. Neither the markets nor industry can self-regulate.

The final prescription – which is needed to vaccinate the patient and ensure that this does not happen again or in any other way – is that we must continue with market integration. We have to achieve a sufficiently critical dimension, as they have done in the United States. We have to establish a democracy of the euro so that our currency can have some influence in the world in a crisis that is global. Finally, we have to review the regulatory framework and the supervisory framework which are what have failed.

I therefore do not agree with soft legislation, with codes of conduct or with self-regulation. It is up to us all to offer a response to our people who are, after all, the ones who will ultimately pay the price.

Elisa Ferreira (PSE). – (PT) In one minute, what conclusions can I draw on the current crisis? It is the result of choosing not to adequately supervise the activities of the financial markets. Competent regulation does not kill markets but, on the contrary, is essential for their survival. There are people who are responsible for the losses, but there are now also citizens who are paying the price for their excesses and for the failures in public supervision.

Warnings were given some time ago. The Rasmussen report, which this Parliament adopted yesterday by a very large majority, makes specific proposals on the risks of excessive leverage, lack of transparency and conflicts of interest, but this report stems from work begun by the Socialist Group years before the crisis began in 2007.

The own-initiative report by Ieke van den Burg and Daniel Dăianu takes the same line. The European Union is a major partner in the international context and I congratulate Commissioner Almunia on his announcements today; but will Commissioner McCreevy agree with these? The paralysis affecting the Commission in relation to these matters has no possible justification. Parliament is doing what it should. The other institutions should also act accordingly.

Margarita Starkevičiūtė (ALDE). - Mr President, it is a pity that Mr Schulz has already left. I wanted to make the point that it is too early to say who will go bankrupt, because nobody knows who the end-investors in the toxic assets are. Maybe they are state-owned banks.

Nevertheless, I would like to encourage a broader view of events and to recall that Parliament, as early as the beginning of this year, put forward some valid proposals which were not accepted by the Council and the Commission. Firstly, we asked for economic management at EU level to be brought into line with global developments and for the broad economic guidelines to be updated. We also suggested ensuring vigorous enforcement of EU competition rules and not allowing the crowding-out of small and medium-sized business from the market, or the creation of monsters which are too big to fall. We have to promote and preserve our national, traditional business culture because the slogan of the European Union is 'in diversity we are united'.

John Purvis (PPE-DE). - Mr President, let us hope that the American proposals for purchases of toxic assets do work, because, if they do not, the contagion will almost certainly spread over here. I would like assurance from Mr Jouyet and Mr Almunia that we really do have our defences in place. Do we have our lenders of last resort ready to meet the very worst which might occur in such a circumstance? We are moving from a liquidity problem to a solvency problem.

It is true that, in due course, we will have to review our regulatory defences, but this cannot and should not be done precipitately, in the heat of the crisis. We would risk overreacting, imposing unnecessary, wrongly directed, over-draconian conditions which would only harm the prospects for investment in our economies and jobs for the future.

The most vital thing, which we must bring about immediately, is the restoration of confidence. Mr Almunia, you mentioned the word several times. Let us see how we can set about it.

I would urge that the leaders of the world's most important economies of America, Europe, the Middle and Far East meet together within days and assure the world unequivocally that whatever is necessary to douse the flames will be provided unequivocally wherever those flames may erupt. Only when the flames and embers are extinguished can we turn to post-mortems as to how this happened and what is needed to avoid it happening again.

Confidence is the vital base on which a vibrant financial system and a vibrant global economy rests. It is now up to the political leaders of the highest level – a summit indeed – of the free-market economies to come together – no excuses, no holding back, no arguments – to take full responsibility for restoring confidence.

Wolf Klinz (ALDE). - (DE) Mr President, ladies and gentlemen, Treasury Secretary Henry Paulson called the past few weeks a 'humbling' time for the United States as he unveiled his rescue package of up to 700 billion dollars for the country's crippled financial sector.

The situation in the US is indeed alarming. The US financial system with its investment banks, hedge funds and structured products, which are not subject to normal banking supervision, and its numerous business operations conducted through single-purpose companies which do not appear in any balance sheet, has virtually collapsed. It is unlikely to be resurrected very quickly in its original form. The last two pure investment banks – Goldman Sachs and Morgan Stanley – have now switched to the commercial banking sector. The promise of cheap money for everyone to fuel ever more growth, profits and liquidity has been revealed as an illusion: this type of perpetual motion simply does not exist. A debt-fuelled high standard of living for everyone with a car, house and everything else early on in life simply cannot be maintained over the long term. The real economy has caught up with us: without employment, there can be no savings, without savings, there is no investment, and without investment, there is no sustainable growth.

We Europeans should learn from the US disaster. There is no alternative to budget consolidation. Money does not grow on trees. A plentiful supply of cheap money, which is what the Socialists are always demanding from the ECB, will not solve the problem; it will simply make it worse.

The Commission should implement the proposals which have the European Parliament's support as regards securitisation, maintenance of structured products on the initiators' books, more supervision, a code of conduct for market participants and various other measures as swiftly as possible, albeit with a sense of proportion and diligence.

Jean-Paul Gauzès (PPE-DE). – (FR) Mr President, Mr Jouyet, Commissioner, I would like to begin by thanking Mr Jouyet for being available and for the great competence he displays in all areas.

Europe cannot go on periodically suffering the consequences of crises that are rooted in American capitalism. This has been made quite clear by previous speakers. This position is not one of hostility towards the United States. It stems from an obvious fact: the crisis is the result of serious malfunctioning which requires vigorous remedies. Self-regulation is not enough.

Today, however, the crisis is global. Mr Jouyet said earlier that we needed new measures – legislation and regulation – and to assess the balance sheets and solvency of banks, the sovereign wealth funds, salaries, transparency, supervision and accounting standards. All of this should be built upon and improved.

It has also been said many times that we need to restore confidence in the financial system, which is an integral part of economic life. I disagree with the criticism that has been voiced and believe that, in this regard, the French Presidency has been quick to react. The proposals put forward by President Sarkozy, speaking on behalf of the European Union, gave a strong signal in New York and the extended G8 meeting he has proposed will allow the world's various economic players to come together round the table, which is truly a significant step.

In order to come up with global rules, we cannot simply settle matters in Europe. Of course, there needs to be progress in Europe and, in this respect, it is unfortunate that there has been some slowness to act. However,

rules also need to be adopted internationally. The economy is global, meaning that the rules must also be global.

There is a great deal of work ahead of us and I am confident that the measures Mr Jouyet announced earlier will ensure that, over the coming weeks and months, possible solutions are found. It would be foolish to think that these matters can be resolved in a few minutes.

Karsten Friedrich Hoppenstedt (PPE-DE). - (DE) Mr President, over the last few days, we have seen great turbulence in the US financial system, and that is putting it mildly. One of the major news items was that the company Lehman Brothers Holdings was forced to file for bankruptcy protection from creditors. I would like to make two points in this context. Firstly, the US is planning a massive support package. However, this will not end the crisis or protect us from further surprises as events continue to unfold.

Secondly, yes, it is necessary to determine which regulatory mechanisms could be improved and where more transparency could be created. Unfortunately, though, more and better regulation will not rule out all the unpleasant surprises that might occur in the financial markets in future, because we are not familiar with all the existing banking mechanisms.

Why do I say that? Let me give you an example. Surprises can arise, for example, in the netting agreements between banks, which are very important in minimising risk. Of course, banks can only take netting agreements into account in risk assessment if these agreements are enforceable in law. Could better rules in future rule out any uncertainty about the validity of netting agreements? I do not think so. In my view, therefore, even sound and reliable regulations will not rule out unpleasant surprises in future.

Manuel António dos Santos (PSE). - (PT) Mr President, the current financial crisis, which in the short term will be economic and cannot fail to be social, perhaps also political, could have been anticipated because it was predictable. It is a shame that ultraliberal dogmatism and the economy of financial speculation, the so-called 'economy of the devil', have taken the upper hand over social concerns and the economy of entrepreneurial spirit and action, which is the only economy capable of generating wealth and serving the citizens.

Regulation has failed, as Commissioner Almunia stated. It has failed and must now be radically overhauled, after being punished. The crisis in the world's financial system is structural, as Commissioner Almunia also stated. As a result, merely using the political instruments at our disposal today is not enough. The attitude of the European Central Bank, which is insisting on applying remedies that the current disease is rejecting, the blindly optimistic autism of certain members of the Ecofin Council, who just 15 days ago expressed surprised at the dimensions of the crisis, and the attitude of Commissioner McCreevy, who is proposing changing something so that everything stays the same, are unacceptable.

The Commission now has a responsibility to use all its instruments and to put pressure on the Member States to create new instruments. This responsibility particularly involves paying heed to the correct and ambitious recommendations made by the European Parliament following the Rasmussen report.

Dumitru Oprea (PPE-DE). - (RO) They say that you can run, but you can't hide from globalization. The same holds for global financial markets. While there was profit all around the world, there was normalcy; now that losses occur, it is the fault of capitalism. In our opinion, the blame rests to a great extent with the state which has forgotten about one of its main infrastructures, the financial one, which is just as important as roads, railways and airlines.

What the United States and the European Union, as well as Member States, are trying to do now, is to lay the foundations for a new infrastructure: the global financial infrastructure. Unfortunately, state intervention comes rather late. This is not a new regulation, but a fluidization, a supervision of global financial flows, and all the states should take part in it, thus enabling the financial system to regain credibility.

Proinsias De Rossa (PSE). - Mr President, on Monday we were told by Commissioner McCreevy that hedge funds and private equity were not the cause of the current turmoil. In today's *Guardian* it was reported that the billionaire John Paulson was revealed yesterday as one of the hedge fund bosses who has been short-selling UK bank shares, placing a nearly GBP 1 billion bet that their shares would fall dramatically. His New York-based Paulson & Co was last year's most successful hedge fund after it bet against the sub-prime mortgages that later turned toxic in the credit crunch. Paulson & Co has placed bets on four high street banks, including HBOS, which was forced to agree a rescue takeover by Lloyds TSB last week after a precipitous collapse in its shares.

If Commissioner McCreevy is not prepared to regulate all financial institutions, then he should be forced to step aside. The Commission has a responsibility to ensure that these institutions are not allowed to pick the pockets of pension funds, of savings and of jobs. They have to be stopped and the only way to do it is to bring transparency and regulation into this area. The so-called 'invisible hand' of the market is in fact a pickpocket and the more invisible it is, the more pockets it picks.

President. – I think that Mr De Rossa is proposing that Commissioner McCreevy be offered a subscription to *The Guardian*. The President's office will look into it.

Olle Schmidt (ALDE). – (SV) Mr President, we have every reason to react to unreasonable compensation and bonus schemes. I think that we all do that and it is entirely understandable, but I will say nevertheless, having listened to the debate, that strident political rhetoric is not the way to resolve global financial crises. Do not sound as though you are throwing the baby out with the bathwater and adding to the panic which raged on in the financial markets last week. That must not happen in this House. We must be reasonable, we must be sensible. That is the responsibility we have been given by our voters. My friends, we must take a balanced view, we must create good and effective rules and laws which allow scope for growth and self-regulation. I worry when I hear this strident rhetoric. It makes me anxious, and I fear that it will lead to an overregulated financial community which will not be able to deliver the growth we all need so much. It is growth and the prospect of creating more jobs which our voters are looking for.

Jean-Pierre Audy (PPE-DE). – (FR) Mr President, Mr President-in-Office of the Council, ladies and gentlemen, I have listened in amazement to the views of the socialists and communists, who tell us that it is the failure of the system. They obviously have a short memory, they who, in the 20th century, bankrupted every economy in their hands. The problem is global and the solution must therefore be European.

Regarding the financial question, Commissioner, I would like to know whether or not you are going to implement Article 105(6) of the Treaty establishing the European Community, under which the Council may, acting unanimously on a proposal from the Commission, confer on the European Central Bank a task relating to the prudential supervision of credit institutions. I believe that, today, citizens consider that is time for us to monitor the arrangements in place for the prudential supervision of financial systems. We cannot build an internal market without a European regulation policy.

Dariusz Rosati (PSE). – Mr President, this crisis has demonstrated that the global financial system is seriously flawed. First the supervisory agencies failed to prevent irresponsible behaviour by investors. We have seen the development of new financial instruments that are, however, not transparent enough and do not allow for proper risk assessment. Secondly, owners and shareholders of financial institutions failed to supervise properly their own managers, who paid themselves exorbitant salaries and bonuses, and for what? For driving their companies into bankruptcy!

We need urgent action at least in these two areas. We do not want a repetition of the American meltdown scenario in Europe. We do not want in Europe a situation in which chief executive officers of financial companies go away with tens of millions of dollars while taxpayers are left to pay their bills. We expect the Commission to take serious action on this.

Jean-Pierre Jouyet, President-in-Office of the Council. – (FR) Mr President, I would like to thank Members for this exciting debate. We could stay here for hours, as the subject is certainly worthy of a great deal of discussion and the thoughts they have shared have been fascinating. Unfortunately, however, our time is limited.

I shall draw the following conclusions. Firstly, as regards the laissez-faire approach and the lack of regulation, bearing in mind the reserve that comes with my job, I think I have expressed myself quite clearly. It is my opinion that we must move beyond the regulation/no regulation debate. Financial deregulation is now an outdated notion. Strong, modern financial regulation will be the solution from now on. It must be adapted; we must go beyond what has been done so far.

This is the first point I wish to make and, on this, I am extremely clear. I also listened carefully to what Mrs Koch-Mehrin was saying and I repeat what she said, namely that regulation is not the enemy of the market. Everyone must face up to their responsibilities. It is the job of the public authorities to regulate and to adapt the rules in force, because the stability of the system, the protection of individual savers and the protection of depositors are at stake. I would also say to Mr Wurtz: it is also employment and growth, which have a direct impact on the real economy, that are threatened by this crisis. That is why we must act, including for the least wealthy, and quickly.

My second belief is that Europe must act within a framework of enhanced international cooperation. There is no alternative. As has been said, Europe must make its voice heard, otherwise we will be subjected to the effects of US solutions. It has already happened with Sarbanes-Oxley. We saw the consequences that had for some European companies; we saw the effect it had on accounting and market standards.

We can begin as of now. The only advantage we have is that, today, Europe can, as Mr Almunia and President Sarkozy have both stressed, assert itself firmly, make its voice heard on the international stage, take the reins and get a head start. I call on Europeans to coordinate themselves so that the Union has a strong presence on the international stage, and to reflect upon international financial structures and on international regulatory authorities.

Because if no international measures are adopted, we cannot complain about having no alternative but to draw on sovereign funds, which, moreover, we wish to keep. I am not passing judgment, but there needs to be a certain consistency in this respect. We need to know what we want to do and that if Europe fails to act, we will have to rely on other funds to stabilise the financial system.

My third belief is one that has been mentioned by several speakers, including Mr Schulz. It is true that we must address the issue of salaries and the problem of profits linked to cyclical market activities. The issue of market operators' salaries should also be seen in the context of this international reflection. I am not the first to say so. Gordon Brown has also said so in the past. It seems logical to me, and in-depth thought must be given to this issue.

It is clear that this is not just an economic and financial crisis, but also one of ethics and responsibility. It is a crisis of economic ethics and concerns all actors and political leaders, whatever their leanings. As Mr Wurtz and other speakers have stressed, finance must continue to serve the economy; the economy must not be the victim of finance.

As I have said, thought must be given to the role of financial institutions and to the roadmap concluded by the Finance Ministers on the basis of Commission proposals. Let us talk about specific progress. To Mrs Berès, I say that we must go further and, with regard to the timetable, act quickly. I repeat what Mr Almunia said: the Commission must act quickly because it is a question of restoring confidence, and I wish to conclude on this point.

Even if Europe is less affected, it is still important for us to send out messages of confidence. This means action, international cooperation, not being afraid to adapt rules, acting quickly and having proposals on the table ready for the European Council on 15 October, applying the suggestions made by Parliament and, as has been said, being aware of the fact that we are dealing with transactions that affect not only the liquidity but also the solvency of the entire financial system.

It is now economic confidence that will kickstart growth and that is why we must cast aside dogmatism to take firm action and use the full range of tools at our disposal.

Joaquín Almunia, Member of the Commission. – Mr President, I agree with all those who have stressed in this debate that we have to react; that we have to react to a very big transformation in our financial system; that we need to learn from the errors of the past; and that we need to work together – the European institutions – because, without our interinstitutional cooperation, we all know that we cannot succeed. We also need, in reacting, to work together with the other players in this game, and we know that we are talking about global financial systems. If they were not global, we would not be affected in the way we are, so we cannot forget that our leadership, our initiatives and our decisions should be followed by a high degree of consensus around our positions with the other partners and the other players. If not – let us be honest – we will pay the price of being clear but naive, and we will not be competitive in the financial industry, and we need to continue to be competitive – not only efficient, not only rigorous, not only able to learn the lessons of the past, but also to be competitive.

As I have already said in my introductory remarks – and I agree with the chair's remarks – what I mean by reaction in the short term is to fully implement the ECOFIN road map as soon as possible – and we are on track, Mrs Berès. The assessment carried out a few weeks ago in Nice shows that we are on track in adopting the decisions of this ECOFIN. Next week we will need to put forward proposals on the Capital Requirements Directive and, in a few weeks, to the Credit Rating Agencies Directive.

In this Parliament and in the Council, the adoption as soon as possible of the Solvency II Directive is also very important. But beyond the EU's borders the Financial Stability Forum needs to continue working very intensively; it is a very important institution at this moment – the level 3 committees of the Lamfalussy

framework. We are deeply concerned – Parliament, the Commission and, I hope, also the Council – about the lack of efficiency of some reactions at this level, and these are key institutions that should work much more efficiently than when these institutions were created a few years ago – the Basel Committee, the International Accounting Standards Board – that is a key issue, as Mr Jouyet said. So, we are not alone. We have to react quickly, in an efficient way, taking into account the big problems that we are facing and, at the same time, ensuring that our leadership is followed by others – as we know is the case in many other regulatory areas.

From a structural point of view, unfortunately, we cannot decide on everything today. But it is true – and I fully agree – that the relationship between regulation and markets will change because of this crisis. It is obvious there is a regulatory failure, among things.

I think we all agree that we need to establish a more intense relationship at all levels with the US authorities, not only in our task as the Commission or the executive branches, but also Parliament with Congress, which is now a key actor in the solution of the particular problems in the USA. We need to react at the multilateral level. The real origin of all these failures in the financial systems – the excess of liquidity, the excess of risks adopted by the actors, the low risk aversion that we have seen in the past – the *cupidité*, in the words of Mr Jouyet – has been created by these global imbalances that the global institutions have not been able to solve so far, and we need to act, as Europeans united, to convince the other partners in the global arena that, if we are not able to adjust these global imbalances in an orderly way, they will create new problems in the future, and we need to coordinate ourselves within the EU in a more clear and efficient way.

We are living in an economic and monetary union. We have an internal market, we have an action plan for integration of financial services, but we still have a lot of internal barriers and inefficiency. I think all of us should be aware that this will require more European integration and not more national reactions or defensive attitudes from the Member States.

Beyond this, we need to keep in mind what our challenges are for the medium to long term, and we need to preserve, in this very difficult environment, the Stability and Growth Pact, the Lisbon Strategy, and the energy and climate change strategies, which are extremely important now. We cannot afford to forget that we are facing not only very difficult short-term challenges from the point of view of financial markets, but also big challenges over the medium to long term for the world economy and for our own future.

One last word: this was not in the road map but will be on the agenda of the next ECOFIN, and the Commission will fully agree with this issue. We need to think about the systems of remuneration of executives, directors and CEOs and all those who can create trends and who can adopt decisions in the markets. I will tell you one thing – and this is also addressed to the Council – in 2004 the Commission – and in particular my colleague Charlie McCreevy – put forward a recommendation asking the Member States to adopt decisions in this regard, to avoid wrong incentives. We have been considering what has happened since then, during the last four years. Only one out of the 27 Member States reacted positively to this recommendation from the Commission point of view. So the Commission fully agrees now with this consensus to touch upon these important issues as well.

President. – The debate is closed.

Written statements (Rule 142)

Sebastian Valentin Bodu (PPE-DE), in writing. – The US financial system has been jolted in the last few days as Lehman Brothers filed for bankruptcy and Merrill Lynch, fearing a similar-type collapse, agreed to be taken over by the Bank of America. The Dow Jones industrial average fell 4.4 % on 15 September, and another 4.1 % two days later. The decline in stock prices worldwide on 15-17 September resulted in about USD 3.6 trillion in losses for the investors. The stock of AIG has plunged more than 90 %, from USD 72 last year to USD 2.05. The U.S. government took control of AIG with an USD 85 billion bailout on 16 September. These 'developments' point to the largest financial crisis facing the US since the opening of the Great Depression. They have occurred a week after the US federal government seized control of Fannie Mae and Freddie Mac, the giant mortgage companies. The problem is that Lehman Brothers and AIG owe many billions to creditors not only in the United States but in Europe as well. Is Europe prepared to absorb the shock induced by its indissoluble link with the US market? Is the EUR 36.3 billion injected into the market by the ECB and Bank of England enough to make the danger disappear?

Zbigniew Krzysztof Kuźmiuk (UEN), in writing. – (PL) I should like to draw the attention of the House to the following issues.

1. The US Government and the Federal Reserve have so far allocated a sum close to USD 1 trillion to combating the effects of the financial crisis. The so-called Paulson package contains additional proposals estimated to cost a further USD 700-800 billion. This suggests that the current crisis is comparable to the great crash of 1929.

2. In addition, the ECB made available around USD 750 billion to improve liquidity, whilst the Bank of England released approximately USD 80 billion. These moves provide further confirmation of just how serious the situation of Europe's financial markets is deemed to be.

3. All the measures mentioned indicate that strong and decisive government intervention is back in favour. Even the most liberal economists recognise the need to introduce rules to stem the crisis, and are actually prepared to accept the involvement of governments and international financial institutions in these processes.

4. The scale and extent of this crisis will impact negatively on the course of transactions in the real economy. This will result in recession in the US economy, which means negative economic growth. It will also mean a slowdown of economic growth in Europe.

5. In view of this situation, it is imperative for all countries to strengthen institutions providing financial supervision. This is particularly true of the EU. These institutions need to be able to exercise stronger supervision of the activities of the major banks, investment funds and insurance bodies. Stronger supervision is the only way to improve financial security and ensure financial stability in the future.

Esko Seppänen (GUE/NGL). - (FI) Now we know that the state is needed as a guarantor of capitalism financially and not just militarily. The Government in the United States of America, that fatherland of predatory capitalism, has privatised the profits from speculation and is now socialising the biggest losses to the trash bank through speculation in the history of its economy.

Raubtier (predator) is the German name for that type of capitalism that is based on another word *Raubgier* (rapacity), which is close to *Raub* (robbery). Both are better.

Savers who have prepared for rainy days everywhere in the world will be robbed of the value of some of their savings in the years to come when, as a result of the events of last week, the world economy is inflated and/or we go into economic decline. It is hard to imagine how the United States could otherwise pay the enormous debts it is only now incurring and how, in a time of inflation, the weakening of the value of money, it will respond to its own worsening ability to pay off its debts and normalise its overpriced assets.

The time bombs permitted by the American Government and made by the market terrorist banks of predator capitalism there, based as they are on swap deals, the virtual packaging of financial products, the insolvency of customers who are not creditworthy, and bogus loan insurance policies, have exploded in the face of the taxpayers; and the rest of the world is paying the price.

15. Getting a grip on energy prices (debate)

President. – The next item is the debate on:

– the oral question to the Council on Getting a grip on energy prices, by Hannes Swoboda, on behalf of the PSE Group (O-0082/2008 - B6-0460/2008)

– the oral question to the Commission on Getting a grip on energy prices, by Hannes Swoboda, on behalf of the PSE Group (O-0083/2008 - B6-0461/2008)

– the oral question to the Council on Getting a grip on energy prices, by Giles Chichester, Anne Laperrouze, Sophia in 't Veld and Eugenijus Maldeikis, on behalf of the PPE-DE, ALDE and UEN Groups (O-0089/2008 - B6-0463/2008)

– the oral question to the Commission on Getting a grip on energy prices, by Giles Chichester, Anne Laperrouze, Sophia in 't Veld and Eugenijus Maldeikis, on behalf of the PPE-DE, ALDE and UEN Groups (O-0090/2008 - B6-0465/2008)

– the oral question to the Commission on Getting a grip on energy prices, by Rebecca Harms and Claude Turmes, on behalf of the Verts/ALE Group (O-0091/2008 - B6-0466/2008),

– the oral question to the Council on Getting a grip on energy prices, by Esko Seppänen and Ilda Figueiredo, on behalf of the GUE/NGL Group (O-0093/2008 - B6-0468/2008),

– the oral question to the Commission on Getting a grip on energy prices, by Esko Seppänen and Ilda Figueiredo, on behalf of the GUE/NGL Group (O-0094/2008 - B6-0469/2008).

Hannes Swoboda, *author*. – (DE) Mr President, I would like to welcome the Commissioner and Minister Borloo very warmly. We have a number of questions because we feel, quite honestly, that the European Union – and this applies to the Commission and perhaps also to the Council – has devoted too little attention to oil price trends. Although I have the greatest respect for the Commissioner, I believe that we should be doing more here.

Let me turn, firstly, to rising oil prices. I have always pointed out, Commissioner, that substantial profits are being made. What is happening to them? In reality, they are not being invested in alternative energies, for example, or in other important investment projects; instead, they are being used to buy up shares and pay dividends.

Secondly, as to the falling oil prices which exist to some extent as well, does the Commission have an overview of whether these falling oil prices are being passed on to consumers? I am afraid that this is not the case, and I would be grateful for an answer from you on this issue too.

Thirdly, I would like to raise the issue of energy poverty, which we have discussed before, also in connection with the reports which we adopted in committee. There is no reason why the Commission, independently of future legislation, should not bring in a very practical fuel poverty package. This is not only a measure that the Commission could take; it is also a measure which the individual governments must of course take. Here too, though, we would like to see more initiatives from the Commission.

That brings me, fourthly, to the issue of external energy policy and the energy supply, and especially gas, of course, which is a topic we have discussed many times. I hear that you were in Nigeria recently. It would be interesting to hear what initiatives have been adopted in that context.

We are seeing the Nabucco project drifting, to cite just one example. The Americans have achieved the PTC pipeline for oil. Everyone claimed that this was not going to be profitable but it certainly is profitable now, with the surge in oil prices. They simply said, 'This is what we want and what we need to diversify our energy supply'.

What is Europe doing? I think Europe's approach has been far too wishy-washy to achieve certain things and I would like to see the Council and Commission being far more robust and resolute in pursuing diversification for Europe, as this is also important for our energy supply. A particular concern for our group, however, is the issue of energy poverty and what we are doing to address it, for this is still a very serious problem in Europe.

Giles Chichester, *author*. – Mr President, I am sorry the Socialists have chosen to vent their old prejudices about profits and social issues in what is, essentially, an economic and industrial question. Clearly, oil price rises are serious for the real economy – especially any volatility or instability in those prices – but let us remember the lessons that we learned from the 1970s. Those lessons include the fact that higher prices will encourage more exploration and the development of resources. They will discourage excessive consumption, and they will drive efficiency. I submit the issue of fuel poverty is an important one, but it should be tackled via social security measures and not through market distortions such as seeking to cap prices.

Let us also remember that prices can come down as well as rise, and that markets always tend to overshoot before settling down at a realistic level. Establishing a truly competitive market is an essential prerequisite for pursuing other policy objectives. This prices issue underlines the fundamentals of EU energy policy and the EU energy situation – the three pillars, namely: the essential need for truly competitive markets – markets which will deliver the lowest prices and the most efficient services; the security of supply issues in our dependence on imported fuels; and the convergence of sustainability objectives with the other two elements of our policy. Let us beware throwing out the baby with the bathwater because we are concerned about price rises last summer and forget that prices come down as well as go up.

Rebecca Harms, *author*. – (DE) Mr President, ladies and gentlemen, Commissioner, Mr Chichester, of course the prices can go down as well as up, but I think almost all of us here would agree that given the scarce energy resources and their limited availability, and the growing competition worldwide over access to, and shares in, these resources, it is likely that prices will remain very high over the long term.

Current developments and the problem of energy poverty demonstrate that we have not yet responded adequately to this situation. In my view, the acute social problems related to high energy prices must always be tackled through social policy, but we also have to ensure in structural terms that our societies are no longer wasteful of energy resources. Mr Piebalgs will undoubtedly have something to say about this, as he showed such commitment to this issue at the start of his term in office.

The goals of energy saving and energy efficiency must be pursued much more consistently than has been the case so far. We have often said that we should build a different type of house, and that we need different types of heating and cooling systems and more efficient electrical appliances, but where is the large-scale concerted action that we need to harness the major potential available to us in relation to energy efficiency and energy saving?

If there is an area where we need some kind of European master plan or national plans, it is here. In my view, the Structural Funds, the Cohesion Fund and European Investment Bank programmes etc. should be utilised in a joined-up way in order to pursue seriously the objectives that you, Mr Piebalgs, repeatedly proposed three years ago.

If we look at the current debate about oil prices, for example, and see what has been proposed in this House in order to apply the brakes to the Commission, which after all wanted to make cars more energy-efficient, the question we should be asking ourselves is whether the idea that prices will remain high for the long term is actually being taken seriously.

Commissioner, I would like to encourage you to place your earlier proposals on energy efficiency and energy saving at the heart of the Strategic Energy Review, because this will be the area which will determine whether we do the right thing for our societies or not, and whether we serve their needs at times of permanently high prices.

Anne Laperrouze, author. – (FR) Mr President, Mr Borloo, Commissioner, ladies and gentlemen, the increase in energy prices is having all kinds of negative effects, the most obvious being the rise in the cost of living for our fellow citizens. This again illustrates just how reliant we are on energy. Various actions are needed if we are to reduce energy price fluctuations and, more especially, drive down prices.

I have three proposals to make in this regard. The first course of action concerns the economic management of energy prices. This is something that has to be done right away, in other words the Member States need to develop financial mechanisms whereby the factor of rising prices can be deleted from company budgets and from household budgets too. They also have to promote social measures aimed at combating energy poverty in low-income households.

The second line of attack is to work on the prices being charged for imported energy. What are you proposing that will enable the European Union to speak with one voice when dealing with the producer countries – and people are always talking about ‘speaking with one voice’ – so that all these neighbourhood policies and partnership agreements can at last take proper account of the energy dimension? Allow me, perhaps naively, to put forward a solution that might help ease relations in our negotiations with Russia. Why not interconnect the Nabucco gas pipeline operation with the South Stream project? Perhaps this would help calm things down a bit.

The third course of action is to reduce imports, or even stop them completely, which would be the ideal solution. To achieve this we need to break the symbiotic link between increasing growth and increasing energy consumption. It is really important that growth should not automatically generate a proportionate rise in energy consumption. Of course we need to develop renewable and low-CO₂ forms of energy, and the report presented by our colleague Mr Turmes is a step in this direction. Being efficient in energy also means saving energy, which is something we are not doing sufficiently at present. The texts that will be tabled here are therefore well overdue. We need to focus on physical and technological energy storage capacities and indeed on those elements that are acting as vehicles for energy consumption.

Could you tell us, Mr Borloo, if you have high hopes of the energy-climate package being adopted at any time in the weeks ahead? What would need to happen before an ambitious package of measures is put in place to meet these various objectives?

Esko Seppänen, author. – (FI) Mr President, Commissioner, in the compromise resolution the significance of speculation in the rise in the cost of energy is excluded from energy prices. Virtual oil is, however, being sold on the derivatives markets for six times more than physical oil. The price of electricity is also tied to the

securities market: virtual electricity is being sold on the energy markets for more than physical electricity, and on the European Energy Exchange it costs five times more.

There is massive evidence of fraud in the OTC derivatives market, which is unregulated and not monitored by the stock exchanges themselves. The harmonisation of electricity will result in automatic windfall profits for big companies, and by 2013 emissions trading will increase the scope for speculation many times over.

In the energy derivatives markets, consumers are being forced to pay the price of speculation, the same way they did in the subprime mortgage market in the United States: the profits were privatised and the losses are being socialised. Capitalism is a casino where the price of energy is raffled in the stock exchanges. Thank you.

Jean-Louis Borloo, *President-in-Office of the Council*. – (FR) Mr President, ladies and gentlemen, after having listened to the various questions that practically everyone seems to be asking, allow me to make a few remarks of my own.

The first concerns the erratic way in which prices have been changing: at one point USD 10, then 140 a short time ago, now it is back to 100. In fact there seems to be a disconnection between the way the product itself is appreciating and the financial market that is based on that very same commodity. However, in the long term, it seems to me to be fairly clear that speculators will always be active as long as it is our perception that global energy needs – which continue to grow – are not based on a new energy mix that is less reliant on hydrocarbons.

Moreover, I note that in Jeddah at the end of June, where Commissioner Piebalgs and I attended a gathering of all the producer and consumer countries, the common message was absolutely clear. The expectations were unmistakable: the main consumer countries have to indicate their clear intentions to modify their energy mix, implement energy efficiency measures and become less reliant on hydrocarbons. The producers themselves are all for this. I think that this is what the forthcoming climate-energy package is all about and I believe that Europe's 500 million consumers are saying: let us have more locally produced energy, more self-sufficient energy, and let us have a more direct link between producers and consumers.

That said, in the very short term it is obvious that there are various regulatory problems to be solved, including access to information on commercial stocks, and this does not just mean strategic stocks. The United States does it, Japan does it. The Commission has been asked to think about this. I believe that by the end of October or early November the Commission will be putting forward a proposal aimed at providing greater transparency in this area in the very short term. However, a proper strategy for energy self-sufficiency and a different energy mix still represent the most effective response in the medium and long term.

Andris Piebalgs, *Member of the Commission*. – Mr President, I think these are very timely questions and this is a very important debate. The Commission is now finalising the second Strategic Energy Review, which is also based on the debates in this House. I expect that this second Strategic Energy Review will be adopted in November, and it will particularly cover the issues that we have been addressing today.

Definitely there is a limit to what we can propose in the strategic energy review due to the Lisbon Treaty ratification, because there is an energy article that would give much more opportunity to streamline the response. But still we can do quite a lot.

The Commission shares the opinion that oil prices are likely to remain high in the medium and long term. The justification for this type of prognosis is volatility in daily markets. Even if now, the oil price is USD 106 or USD 110 per barrel, which is much lower than it was some time ago, at USD 145, the daily volatility still makes the situation relatively difficult to predict, and it is definitely making a major, wide-ranging impact and deserves a response.

While there is clearly a need for short-term action by Member States to mitigate the impact on the most vulnerable households, the main policy response should aim at facilitating our transition towards clearly more sustainable ways of producing and consuming energy. In other words, to pursue our aim of becoming a low-carbon and energy-efficient economy. In order to do so it will be vital to take forward the Commission's proposals on climate and energy policy, following up on the political commitments of the European Council.

On the structural reforms. It is important to underline that we are facing an energy price increase, not only for oil: it also goes for coal, it also goes for gas and, as a result, it also has an impact on electricity prices. Links between these prices are related by pricing structure: for example, gas contracts often use oil price benchmarks; gas-fired electricity generation is increasingly marginal and thus price-setting. So I think it is very important

to address not only issues about oil prices but all the sectors. The situation clearly reinforces the need for encouraging competition throughout the whole energy sector. That is why, again, I would like to underline the importance of swiftly reaching an agreement on the third internal energy market package.

Europe can and must develop its own strengths to deal with the fast-changing global energy economy. A well-functioning, fully interconnected and competitive EU-wide internal market is a response. This will diminish European vulnerability to energy-supply disruption and facilitate our cooperation with energy producer and transit countries. Solidarity between Member States in crises will be enabled by European networks.

On European energy oil stocks, we have now prepared legislation that will clearly address two things: one, that these oil stocks will be always available at moments of crisis and can be easily used; and second, it is issues of precedence addressed, it is transparency and reporting on a weekly basis on commercial stocks. In this respect, even though we are not the biggest oil consumer in the world, we are able to influence transparency in the market and diminish volatility and the level of speculation in the market.

Speculation is definitely an issue. We have done an analysis. The available evidence suggests that supply and demand are the main drivers of oil prices, and that these fundamentals are set to underpin high prices in the future. But, at the same time, we will continue our work on analysing what impact speculation has at a particular moment and whether there is really the ability to diminish volatility and have more supervision in the energy market.

In any case, it is very clear that transparency in oil markets, both in terms of contracts and related financial instruments and fundamentals, is a must. I would also like to say that both Commission and national competition authorities are acting against anti-competitive behaviour. This is a way in which we can pass the changes in oil prices to the consumers, because consumers use refined products. The Commission will make additional efforts in this respect – we are following this issue – and a lot of competition authorities in member countries have already started investigations into the issue of how soon and how fast the oil price changes are being passed to the consumers. At the same time it is very clear that there are differences between different member countries, because there are different sourcing strategies for the companies concerned. Also, in some countries there are biofuel blends that also influence the velocity of the possibility to change prices according to the oil price. Nevertheless, it should be very clearly in the focus of attention in all anti-trust authorities.

Energy efficiency, renewables and diversification: it is very clear that our main lines are in our energy and climate policy, and it will be prominent in our Strategic Energy Review.

There is already a substantial European legal framework in place. In addition, there are many actions being pursued under the current Energy Efficiency Action Plan, including also legislative initiatives and studies. And there are also support actions, for example under the Intelligent Energy Europe programme.

Regarding existing EU legislation, it is implementation that is very essential. The ambitious 2020 target for energy savings cannot be met without adequate transposition by Member States. The Commission is vigorously pursuing infringement procedures to ensure that member countries are really implementing their existing EU legislation.

This year the Commission also will adopt an energy efficiency package. This will include a communication with a comprehensive overview of the Commission's ambitions for energy efficiency, as well as legislative and policy initiatives – in particular, prominent proposals for an ambitious recast of the Directive on the energy performance of buildings; also for a modification of the Energy Labelling Directive, to ensure more effective and dynamic labelling. Needless to say, continued high energy prices further support the need for action in this area. And also we get clear involvement of the European Investment Bank in this area.

The European Council, when analysing the appropriate responses to the high oil price situation, underlines the importance of a sustainable and adequate tax framework.

There is considerable scope for the EU and its Member States to make more systematic and effective use of taxation to encourage energy savings. The Commission intends to present proposals and recommendations on the cost-effective use of taxation and specific tax incentives, including reduced VAT, to promote the demand and supply of energy-efficient goods and services.

Furthermore, in its review of the Energy Tax Directive, the Commission will look at how it can better support the EU's energy and climate policy, encouraging energy efficiency and emission reductions. More widespread

and systematic use of road pricing, in line with the principles of the Commission's 'Greening Transport' Communication, would also encourage a shift to more energy-efficient transparency rules.

On financing alternative energy technologies and research, let me draw your attention to the fact that we are in the process of preparing a communication on financing low-carbon technologies as a follow-up to the European Strategic Energy Technology Plan. The Communication will analyse the resource needs for long-term research and development, large-scale demonstration projects and the early-stage commercialisation phase. We are considering measures that best use public investment to leverage additional private investment, such as the creation of a specific facility for large-scale demonstration projects. This could be built on existing instruments such as the Risk Sharing Financing Facility, a joint initiative of the Commission and the European Investment Bank. The Commission also encourages Member States to use national resources, for example potential resources that could be raised through the auctioning of CO₂ allowances in the revised ETS schemes.

On energy security and foreign policy aspects, I come back to the idea that Europe can and must reinforce its own strengths to deal with the fast-changing global energy economy. Internal and external policy in energy work together. The stronger a common European energy market is, the stronger it will be towards external energy suppliers. We are pursuing diversification with countries like Azerbaijan, Turkmenistan, Egypt, Iraq, Nigeria, but it is clear that we also encourage predictable relations with current suppliers like Russia, and definitely we are looking very much at the possibility that Norway could increase supply to the market, because it is very clear that the EU market is attractive for suppliers, and we should not be afraid that we will run out of gas, but we should really work for competitive supplies to the European market and not be in a situation where we could be blackmailed on prices.

Regarding the issue of assistance to oil-importing developing countries. Given the strong impact of access and price of energy on development and global climate change, energy cooperation is increasingly important throughout our development assistance activities. It was a central theme of my joint visit with Commissioner Michel to the African Union and a number of African countries earlier this month. We invest substantial resources in supporting movement of these countries, not only to eliminate energy poverty, but to power themselves with clean and new energy sources.

On macroeconomic and social aspects, the increase in oil price levels certainly put a strain on consumers and certain sectors of the economy which face difficult adjustment processes. More immediately, most member countries have undertaken – or are currently considering – short-term measures in response to the recent surge in energy prices. In line with the European Council conclusions, most of these policies focus on vulnerable households. Some Member States have also implemented or discussed temporary measures targeted at specific sectors.

As high energy prices are expected to prevail in the long term, it is essential that the policy measures aim at facilitating the structural shift to more sustainable patterns of production, transport and consumption. This also points to the significance of flexible product and labour markets and the Lisbon agenda, and to the importance of the transition towards a low-carbon and highly energy-efficient economy.

But I believe there is clearly not one answer to these issues. Still, the framework that we propose with the energy and climate change package and the internal energy market package is a backbone, because, the sooner it is adopted, the stronger we will be, and also there will be more competition and lower prices for consumers. At the same time we should be open and honest and say to the people: do not expect oil prices to come back to USD 20 per barrel. That means each of us also should change our behaviour, because part of the issue is also our behaviour, and I believe that we should really pay true attention in our everyday lives.

Jerzy Buzek, *on behalf of the PPE-DE Group.* – (PL) Mr President, we are confronted by two different problems. The first relates to the price of oil and gas. The Union imports most of the aforementioned resources. The second relates to the price of electrical energy.

Regarding the first point, I should like to say that oil and gas prices could fall, if the producers, not just the consumers, become subject to market forces. This is a subject for our negotiations as a Union with Russia, the North African countries and OPEC. We must also significantly improve energy efficiency and energy saving. It is our duty to do so and we should give priority to this task. We have been discussing it for a long time now. Obviously, we must also develop the use of renewable energy, as it exploits our indigenous resources. It will certainly not suffice for our purposes, however. That leaves us with our coal and our nuclear energy. If we wish to forestall drastic price increases, we cannot afford to disregard either of these two energy sources.

This leads on to the second point, namely electrical energy. The cost of electricity could be reduced through a determined effort to create a common European market in energy. Swift implementation of the third energy package is needed. We can also control electricity prices through sensible and gradual implementation of the energy and climate change package. This is particularly important for the electrical energy sector. In connection with the latter, it is important to consider benchmarking or phase-in arrangements in the directive on the emissions trading scheme.

I should like to thank the Commission for undertaking such hard work on these matters, and the authors of the resolution for raising the subject.

Robert Goebbels, *on behalf of the PSE Group*. – (FR) Mr President, on 2 January 2008 Richard Arens, who is a trader at Nymex, offered USD 100 000 for a consignment of one thousand barrels of oil. The price of a barrel of oil had reached USD 100 for the first time. The trader laid out some USD 5 000 for this transaction. He sold it on immediately and in doing so accepted a loss of USD 800. It was a small loss that he fittingly celebrated with his colleagues as being the first to break the psychological barrier of USD 100 a barrel.

New York traders were frequently to celebrate new records in the months that followed. On 14 July oil reached USD 148 a barrel. Even if prices are now falling again the damage has been done. The explosion in oil prices has triggered an orgy of speculation in raw materials, including foodstuffs.

The global economy cannot do without markets, but it is unacceptable for the financial world to be indulging in wild commercial gambles more worthy of a gaming casino. With a lever of a mere USD 5 000 the New York trader had succeeded in triggering a wave of speculation on oil that was to wreak havoc throughout the world economy. The stock-market authorities finally put the brakes on this unadulterated speculation by prohibiting traders, at least temporarily, from selling shares they did not hold, a process known as 'naked short selling'. If we are to curb this unhealthy practice it is not temporary rules that we need but absolutely strict regulations. We therefore have to be more consistent in the way we control the gambles being made by the speculators. The US Senate is now debating a proposal aimed at increasing to a minimum of 25% the actual stake being put up by traders for each transaction. This would prevent many of the risky gambles that at the moment are based on nothing more than small change.

The amount of money invested in the US raw materials market alone has increased tenfold in the course of the last four years. The price index for the 25 main commodities has exploded by more than 200%. Price levels are no longer being determined by physical supply and effective demand for raw materials but by the speculative mechanisms of the financial markets. During the first six months of this year 60% of the deals being done on the American oil market were for virtual oil that was repeatedly sold and re-sold. The stock exchange is no longer being used as a means for adjusting the complex interplay between available supply and actual demand but has become a venue where bets are being placed on financial products whose complexity is even too much for those in charge of the finance companies to understand. The only thing that matters to the traders and their bosses is the bonus. All these 'golden boys' from this global casino have pocketed millions while losing billions belonging to their clients. The profits were cashed in while the losses have now been nationalised. American taxpayers are going to have to fork out more than USD 1 000 billion to pay off the bad credits of the financial world. This is equivalent to seven times the total EU budget.

In Europe, too, purchasing power is down, credit has become more expensive and recession is looming. The Commission and the national governments have always refused to introduce too much regulation to the financial markets, which were renowned for their efficiency. However, with the total demise of these financial geniuses the public authorities now have to act quickly by imposing stricter rules and by introducing effective measures to prevent the wild speculation running through the markets, including the oil market.

IN THE CHAIR: MR DOS SANTOS

Vice-President

Liam Aylward, *on behalf of the UEN Group*. – Mr President, I welcome the fact that this debate is encompassing all energy prices, and not just that of oil – which of course is a major concern. Over the past year it is not only oil that has experienced a price shock: the cost of coal and gas is rising just as fast as oil, if not faster. As is always the case, the consumers are the worst affected.

Spikes in energy prices put huge pressure on the budget of the average consumer. As representatives of the people at policy level, it is up to us to implement policies that will ensure a sustainable fuel supply at a reasonable price. How can we achieve this as fuel wells' supplies approach depletion? We should be

concentrating to an even greater degree on renewable energy and resources. We should increase study of, and investment in, alternative fuel sources. This is by no means a new idea, yet to date we have not done enough in this regard. We have a duty to the European people, and for the sake of our environment, to turn our words into actions.

Environmental protection and consumer financial welfare are not mutually exclusive goals. By spending more money, time and resources on the area of renewable energy, we can achieve them both and can ensure a sustainable supply of energy for the future.

Claude Turmes, *on behalf of the Verts/ALE Group.* – (FR) Mr President, ladies and gentlemen, Mr Goebbels is quite right that there is massive speculation in oil prices, and indeed Mr Borloo and Mr Piebalgs have said the same. The Greens, the Socialists and the United Left have all tabled amendments aimed at ensuring that our resolution takes this issue into account and those on the Right who today applauded the idea of measures to combat wild speculation in the oil market – and I am delighted about that – will, I hope, be voting for our amendments tomorrow. It would be ridiculous if this House were to vote for a resolution that did not deal with the subject of excessive speculation in the oil markets.

The second important matter is the social aspect. We have to help the poorest members of our society to overcome this situation. I for my part would recommend targeted aid. It would be better to give poorer households EUR 100 than to float so-called good ideas such as reducing VAT. This notion, so dear to Mr Sarkozy, will clearly be rejected tomorrow by Parliament, for we would rather side with Mr Borloo, who is for encouraging the bonus-malus system, by giving citizens access to services and appliances that consume less energy.

Let me just make two final remarks. Firstly, we shall only be able to deal with the issue of the allocation fund by making progress in the area of energy management and renewables management. I would therefore ask the Commissioner if the Commission is once again set on looking foolish by presenting a strategy document on energy and energy security that fails to deal with the issue of transportation? In all the drafts that I have seen there is no mention of transportation. This is ridiculous, for Europe is most heavily reliant on oil, not on gas, and there is nothing about this in your documents.

Now a final remark to Mr Borloo: today Coreper discussed renewable energies and I for my part no longer comprehend the French Presidency. You are undermining things with the rendez-vous clause, including the 20% target. Thankfully, this proposal was today rejected by the majority of the Member States. I would therefore appeal directly to the French Presidency: stop jeopardising this directive, for it is a very important document.

Sergej Kozlík (NI). – (SK) Europe has a great opportunity to influence energy prices by achieving sufficient production of its own energy based on resources other than oil and gas. Is Europe going down this route, however?

In the 1980s, Slovakia and Hungary began the joint construction of the Gabčíkovo-Nagymaros hydroelectric power plant. Hungary subsequently withdrew from the project and Slovakia completed the hydroelectric power plant alone. Rather than the production of peak energy, the consequence was an international arbitration dispute, the results of which, however, have been ignored by Hungary.

In the 1990s, Slovakia invested significant resources in improving the safety and extending the service life of the Jaslovské Bohunice nuclear power plant. The International Atomic Energy Commission confirmed that the safety standards were satisfied. As part of the process of accession to the European Union, however, Slovakia was obliged to close two reactors at the power plant prematurely.

The European Commission is currently considering the matter of the construction of two additional reactors at the Mochovce nuclear power plant. The first two reactors are already operating safely and efficiently. The European Commission, however, is taking its time in producing a response. The example of Slovakia shows that the aim of increasing our own production and thus controlling energy prices in Europe is still a long way away.

Margaritis Schinas (PPE-DE). – (EL) Mr President, the rise in oil prices this year is a major scandal, which hits the lowest-income households in Europe. It demands answers in terms of policy because, as well as adjusting to a green economy, a policy for pipelines, and an energy package policy, we must resolve the fight against the oil cartels without fail.

There are currently two oil cartels operating at the expense of European citizens.

One is the international oil cartel, which we do not address in one voice – or any voice at all – because when OPEC acts, it feels under no pressure from the EU to refrain from doing so.

There is a second cartel, within the European market itself, Commissioner; your fellow Commissioner responsible for Competition is still observing it without interfering. I think that beyond the profiteering issue that Mr Goebbels has quite rightly raised, we have to deal with a lack of transparency in the internal market for petroleum products. This is a shining opportunity for the European Commission's Directorate General for Competition, from which we expect some action in the interests of citizens, as, if I am not mistaken, competition policy remains a Community responsibility.

If, then, we have difficulties with OPEC, let us implement competition policy within the EU.

Eluned Morgan (PSE). - Mr President, there are going to be radical changes in the way the EU produces and consumes its energy. This has been based on a three-pronged strategy by the Commission: security of supply, sustainability and competitiveness. But the Commission left out a fundamental part of this important debate, namely the issue of affordability.

Since the publication of the Green Paper on energy, Socialists in this Parliament have been asking for consumers to be put right back into the driving seat. We want to see energy poverty as a part of this debate. So far in the EU there are no national definitions and there is no data collection, so we have no idea of the scale of this problem. We know that energy prices have been rising exponentially and they are hitting the most vulnerable in our society the hardest.

I would like to give fair warning to the Council that, in the negotiations on the electricity and gas directives that we are about to begin, the issue of energy poverty will be fundamental to our agreement. We are not going to step on your toes. We are asking for domestic action on this – not Community action – but we do expect action for the poorest people in the EU on energy poverty.

Luca Romagnoli (NI). - *(IT)* Mr President, ladies and gentlemen, I would venture to suggest that one cannot possibly say how to curb rising energy prices in just over one minute. Let us try to sum up the situation: first of all we need national social policies in favour of the most vulnerable groups and small businesses, such as fishermen, but also public authorities. I am therefore in favour of targeted social measures, as Mr Turmes said. Next, we need a different policy towards producer cartels and countries, as Mr Buzek and perhaps others have said. This is without doubt essential.

I also wish to stress another aspect on which we often draw a blank. It is the question of excise duty. If the maximum price governments could charge for fuel were capped, excise duty would automatically be adjusted to this ceiling without infringing either fiscal subsidiarity or the laws on free competition. Why not consider this idea? It seems to me that Mr Piebalgs was implying that he favoured something similar.

Generally speaking, in my view, we need a strategy which rewards those who consume less and penalises those who consume more: in other words, a strategy which rewards energy efficiency. However, we also need measures to clamp down on speculation, which do not exist as yet, and a two-way adjustment of retail prices and production costs.

Vito Bonsignore (PPE-DE). - *(IT)* Mr President, ladies and gentlemen, the trend in energy prices is throttling the economy and eroding the purchasing power of families, who are seeing energy bills rise relentlessly.

In this new context the link between energy prices and foreign policy, and hence the increased political clout of producer countries, is obvious. Clearly, Europe must pursue a short strategy based on speeding up the use of renewable energy sources, the promotion of and search for new methods of exploiting natural, clean energy, and the building of new pipelines. Therefore it is also necessary to increase our oil and gas reserves.

All of this is not enough; new initiatives are required. I would emphasise the two proposals made by Prime Minister Berlusconi in recent weeks: a coming-together of all energy-purchasing countries and hence the setting of a maximum price; and the launch of a major plan for nuclear power stations. Can the Commission respond to these two proposals, Commissioner? Furthermore, when elucidating its strategies for mapping out a different future in terms of supplies, can you tell us whether – as far as you know – financial speculation is taking place, and what the Commission intends to do about it?

Reino Paasilinna (PSE). - *(FI)* Mr President, this resolution is important and we have our own basic view of it. This situation is as stormy as the Bermuda Triangle, and dependence, climate problems and prices that the poor just cannot pay are making the sea churn - not to forget the speculators and the price of food.

Saving energy is necessary and the most effective solution; that we know. The carbon footprint of the poor, however, is tiny compared to the rich, who have no intention of actually reducing it but are ready simply to pay more.

Should we in this situation therefore introduce legislation on energy taxation that is progressive? Those who can afford to pay would pay relatively more for energy. Or should we impose a higher price on goods that consume a lot of energy or services that waste it? The speculators must obviously be brought under control. We speak of sustainable development: its heroes are the energy-poor and their situation needs to be organised sustainably. That is our basic view.

Jim Allister (NI). - Mr President, among the projects that the EU has encouraged is the single electricity market on the island of Ireland. Can the Commission explain why it is not working for consumers in Northern Ireland and why, instead of stability and price savings, we have seen a massive 52% hike since January of this year and an ever-widening gap with prices prevailing in the rest of the United Kingdom, where in the same period the price rise was 29%? Big in itself, but a lot less than 52%.

Will the Commission investigate the failure of this scheme to deliver the promise of Minister Dodds, when he launched it, of efficiency savings and enhanced competition to help minimise the wholesale cost of electricity, with the vast bulk of the benefits, he said, going to the consumer? For my constituents, less than a year on, that rings very hollow indeed. In particular, will the Commission investigate the contribution to the non-delivery of the single electricity market of the failure adequately to address the dominance of the ESB in the southern market and the resulting lack of competition, which of course is the imperative to success in any single electricity market?

Ari Vatanen (PPE-DE). - Mr President, we always talk about renewable energy when we talk about prices. Well, we know that it is going to cost us an arm and a leg and so financial responsibility regarding energy prices often has gone with the wind. What about this 80%? What about meeting the needs of tomorrow's increasing energy consumption?

Look at Nord Stream. We are just talking about the environmental standards regarding Nord Stream. Well, that is a little bit like looking at the standards of the rope that is a noose around your neck, because Nord Stream and such projects are reducing our energy independence when we have to increase our independence.

So, what are we going to do? The only really responsible answer is the nuclear one: it is independent, it is cheap, it is competitive and the price is foreseeable – it is also emission-free and Russia-free.

Atanas Paporizov (PSE). – (BG) Mr President, Commissioner, in the conditions of growing energy prices it is especially important to ensure more transparency in respect of price formation. Common rules have to be regulated for the development of a single European energy market. This will provide greater security for new investments in the energy sector and in electricity and gas transmission networks. It is precisely the third energy package that must be adopted as soon as possible, and the role of the Commission and the Council in this respect is particularly significant. The package strengthens the rights and independence of energy regulators, and harmonises their activities through the newly established agency. It is also necessary to pay particular attention to the notion of “energy poverty” and to the national definition of this notion, among other things in order to ensure, through the mechanism of public services of general interest, a minimum amount of energy in winter for people below the poverty threshold.

I believe that the problem of high energy prices could also be brought under control by an adequate energy policy, intended to offer incentives to energy efficiency, renewable energy sources and environment-sparing products. We will consider with interest the proposal on the matter of energy efficiency that Commissioner Piebalgs discussed in his statement.

Rareş-Lucian Niculescu (PPE-DE). - (RO) According to research, at least 20% of the energy consumed in the EU is wasted. We should stress that households have an energy-saving potential of nearly 30%, which means that one third of the energy currently consumed by apartment buildings can be saved. A handy solution is the heating rehabilitation of houses, but this solution is unjustly ignored and underfunded by the European Union.

In Romania, for instance, rehabilitation would lead to savings in excess of 600 000 tonnes of oil equivalent every year. I believe that the European Parliament should support the increase by at least 10% of the EU funding that can be allocated to improving household heating efficiency. This is a concrete, convenient and sustainable solution to the problems caused to citizens by the increasing price of energy.

Gyula Hegyi (PSE). - Mr President, I would like to speak about only one aspect of energy prices, namely the price of district heating. In Hungary, hundreds of thousands of households use district heating – mostly families with modest incomes – and its price is a crucial social issue. However, due to the run-down infrastructure and for other technical reasons, district heating is far more expensive than individual heating. This contradicts common sense and the basic interests of the environment. That is why, whenever I can, I urge the Commission and the Council to provide financial support to improve district-heating systems in order to make it socially acceptable and environmentally efficient. As long as district heating is more expensive in some Member States than individual heating, it is nonsense to speak about energy efficiency.

Paul Rübzig (PPE-DE). - (DE) Mr President, Mr President-in-Office of the Council, the European Commission has unveiled a package of measures for the safety and security of nuclear power plants. Will you ensure that this package is now finally put on the agenda of the Council working group so that it can become a success for the French Council Presidency?

I would like to ask Commissioner Piebalgs whether it would be possible to talk to Commissioner Kovács to see whether we could get some incentives and opportunities to write off investment in the energy sector, so that the profits can be invested sensibly. This could also drive down prices.

Danutė Budreikaitė (ALDE). – (LT) In order to solve our energy problems, it is essential to have a common energy policy with foreign policy aspects. We have to establish the internal market. The third energy package forms the basis of this. However, the directive itself is not the answer. We need financial input and the creation of proper links in the sphere of both gas and electricity. This would guarantee our energy security.

With regard to the external aspect, the European Union, like the WTO, should speak unanimously. The Commission should have the power to negotiate energy prices. This should not be a matter for every individual state to speak about; we should negotiate this subject jointly as one major world market participant.

We should take a wider view of who our energy suppliers are. Are we not building gas pipelines that could potentially have no gas, as is suspected with Nord Stream? Do we view the Arctic as a potential energy source?

I would also like to point out the importance of short-term measures. Here I am thinking of talks with the OPEC countries and the issue of value added tax.

Christopher Beazley (PPE-DE). - Mr President, during this debate colleagues from the Socialist and Green benches have referred to speculation and how unacceptable that is in terms of energy prices, and I agree with them. I would ask them also to reflect on the political context of energy pricing, and in particular on the career of former German Chancellor Gerhard Schroeder, currently employed by Gazprom, who quite clearly is pursuing an interest which is nuclear-free, but as Ari Vatanen has reminded us, is not free of Russian politics.

I should like to ask the Council if it could explain in its reply the route map towards achieving a common energy policy in the EU, giving the timescale. And I should like to ask the Commissioner whether he has produced a table for the Council of relative costings of oil and gas, for example from Russia, as opposed to liquefied natural gas from Qatar, nuclear energy, and all the others, because it seems to me that our governments are not actually producing energy at the prices that the consumers would want. They are pursuing their own political interests.

Jean-Louis Borloo, President-in-Office of the Council. – (FR) Mr President, here are three pieces of information. I really think that the era of producing energy in one place and then transporting it and selling it all around the world has taken us into a territorial situation that for good reason has become part of the global financial crisis, for there is rainfall that is beneficial and then there is flooding. When we suddenly have too much rain in a place that cannot absorb it we call it a flood and a disaster, and this results in a stream of by-products and in all this accumulated money supply being managed in an unreal way.

Mr President, Commissioner, ladies and gentlemen, energy is the subject of the century. I have listened to Mr Goebbels speaking just now and I was struck by the emotive tone of his contribution. I am of the view that we not only have to reduce our consumption levels but also localise it in a way that removes our dependence on the type of energy involved. This will also create problems, as is the case with coal, which is a localised resource and one that has to be taken into account. We also need to localise speculation, we need to limit it and we need to combat it.

The EU-OPEC meeting one and a half months ago proposed calling in specialists to carry out a major review in an attempt to understand what has been happening from a short-term perspective in various market sectors.

Then we have the matter of long-term anticipation. The only response as far as anticipation is concerned is to abide by what was decided at Jeddah, namely that Europe, which means every country in Europe and Europe as a whole, has to move towards energy efficiency and reduced consumption. If we give up six to nine billion, and if we follow this model, then the anticipators will clearly always be right.

The question may arise, Commissioner, about a certain course of action, about increasing the global financing for various areas of research. As for energy efficiency, that is a subject to which we will certainly be returning.

Andris Piebalgs, Member of the Commission. – Mr President, I really would like to reassure you that oil prices will go down. But I would like to draw attention to the issues that somehow we have underestimated. Oil markets have ensured the physical delivery of oil, gas markets are delivering physical supplies of gas and coal markets deliver coal. That means that the interaction between financial markets and oil markets can work. In other words we do not need to question the market, but we need to change the way we produce and consume energy inside the European Union. This is the real answer, because we cannot expect the market to become easier.

There is growth. If growth is there, then there is more demand for energy resources, and none of the existing energy resources are in such quantities that we can say easy access is guaranteed. So for this we need a paradigm shift, we need to really invest in energy efficiency, renewables, research and development: a new investment.

But for this we need money, coming from both private investors and public investors. So we should be able to do this only if there is a really functioning market. A really functioning market means that everybody pays the real price to cover not only the cost but also the interest on investment. What we need to concentrate on – and there is EU existing legislation on this – is public service obligations that apply to households or small and medium-sized enterprises that really need it. But we should not deviate from this course.

I believe – and I have said it again and again – that the proposals made in the second package are crucial to making this change, and for this to be strengthened we will add a couple of elements in the second strategic energy review under the headings: infrastructure needs and diversification of energy supplies, external energy relations, oil and gas stocks and crisis mechanisms, energy efficiency and making the best use of the EU's indigenous energy sources.

We are on the right track. We do not need to deviate and believe that there is a magic solution that will bring prices down immediately. But, if we follow this path, we can really guarantee that already in this generation we will have efficient, affordable, clean energy. If we are slow in changing the energy sector, then not only will we suffer but also the next generations will suffer.

So we are at this critical stage and, as the Minister said, energy is this century's main issue. It is a main issue, but the public perception is not always there. The belief is that we have this silver bullet which will change everything. We should continue on the path we have started with Parliament, and I believe it is consistency that matters, and I very much hope that the proposed legal proposals will be adopted during this Parliament. It is crucial: this is the best response to the rising oil prices.

President. – I have received six motions for a resolution⁽³⁾ pursuant to Rule 103(2) of the Rules of Procedure.

The debate is closed.

The vote will take place tomorrow.

Written statements (Rule 142)

Ilda Figueiredo (GUE/NGL), in writing. – (PT) We recently saw an unprecedented rise in fuel prices. This mainly resulted from speculation engaged in by companies which have made very high profits from the speculative valuation of oil stocks purchased at lower prices.

(3) See Minutes.

This scandalous rise in prices has worsened the living conditions of the general population, particularly the economically weaker sections of society, and has had a devastating impact on economic activity in various sectors, such as transport and other services, industry, agriculture and fisheries.

However, despite a significant fall in the price of crude oil, in some countries high prices are being maintained and the victims are the consumers. This should prompt the creation of a tax, by each Member State, imposed solely on extraordinary and speculative profits in order to bring these into the State coffers, which can then help to support the sectors and people most affected by the situation.

However, the main changes should be structural, with a halt to the liberalisation of the energy sector, bearing in mind that this is a strategic sector for development. As a result, this should be nationalised in order to guarantee public policies that serve national interests and the population as a whole.

Urszula Gacek (PPE-DE), in writing. – How appropriate that the European Parliament is debating energy prices just as the summer ends. Many of my constituents are already watching the thermometer with a real sense of dread. Falling temperatures mean that they have to calculate whether they can justify switching on the oh-so-expensive heating.

The day the bill for a household's gas or electricity is expected is anticipated with dread. It is not just the poorest families who have to make the decision of which essential purchases they will have to do without this autumn and winter in order to keep themselves warm.

Households with small children or elderly residents are especially hard hit. They have the most limited budgets and at the same time the greatest requirement for energy.

Any action taken which alleviates the burden of energy costs placed on the most venerable in society gets my wholehearted support.

In the civilised heart of Europe, in the 21st century a warm home cannot be treated as a luxury item.

András Gyürk (PPE-DE), in writing. – (HU) In recent months, right before our eyes, energy prices have risen as never before. The soaring costs of energy consumption may have extremely harmful consequences for Europe's competitiveness. Furthermore, the process has a severe impact on the most defenceless layers of society. The problem is made even greater by the fact that some countries subordinate the reserves of raw materials available to them to political goals. For these reasons, the increase in energy prices has become one of the most sensitive political questions.

Although not a single Member State can pull itself out from under the impact of price increases, some countries are in a particularly defenceless situation. Thanks to drifting, erroneous government policy, Hungarian consumers have been forced to bear an increase in gas prices four times in 2008 alone. For this very reason, the increase in energy prices has become one of the most important sources of social dissatisfaction in Hungary.

Coordinated, consistent action is needed in order for prices to remain manageable. Everything must be done to ensure that the system of long-term international agreements that define energy supply is transparent. Furthermore, competition must be tightened up both at Community and Member State level, together with measures aiming for an improvement in energy efficiency. The European Union must take real steps in order to make a firm stand, primarily through building alternative energy transport routes. At the same time, we feel it is appropriate to coordinate measures aiming to protect the most defenceless. We feel that the increase in electricity prices may not combine with an exacerbation of social differences.

Katrin Saks (PSE), in writing. – (ET) It is essential that this coming winter the Governments of the Member States do everything possible to support individuals for whom the rise in energy prices may be too much. Price rises of up to 30-40 per cent are also forecast in Estonia. I am especially worried about the impact which rising energy prices may have on those on low incomes, the poor and vulnerable groups.

I agree one hundred per cent that the Member States must take adequate measures to guarantee affordable energy prices. These include dedicated income support and abatements, and incentives to improve the energy efficiency of domestic households.

I am also convinced that the Member States should compile action plans to combat energy poverty. There is above all a need to define 'energy poverty'. Definition of the concept would help focus attention on the objectives. We must lift everyone out of fuel poverty!

Unlike for example in Great Britain, at home, in Estonia, the term 'energy poverty' is very strange. It is a typical example of Euro-jargon which, whether intentionally or not, is creeping into use. Behind it, however, is a very interesting idea with which the authors of legislation must familiarise themselves.

Dedicated support for the elderly, large families and the disabled along the lines of 'winter fuel payments' or 'cold weather payments' in Great Britain play an important role. Measures such as these are, in my view, a magnificent example to others.

There is much talk of savings but little action, although action would be the quickest way of changing anything. The better insulated and energy-efficient our homes, the less we will have to spend on maintaining the temperature inside them. The savings would be large because in Estonia, for example, buildings absorb 40% of primary energy. But on this point we must not rely on leaving things to the initiative of each person feeling the cold.

IN THE CHAIR: Diana WALLIS

Vice-President

16. Question Time (Commission)

President. – The next item is Question Time (B6-0462/2008).

The following questions are addressed to the Commission.

Part one

Question No 35 by **Mairead McGuinness** (H-0637/08)

Subject: Eurozone budget deficit limits

Under the rules of the European Union's Stability and Growth Pact, eurozone countries should remain inside a budget deficit limit of 3% of GDP.

Can the Commission provide an up-to-date assessment of current adherence to the rules?

Does the Commission consider current fiscal rules to be flexible enough to allow governments to react to economic trouble but strict enough to ensure the sustainability of public finances?

What, if any, are the circumstances in which eurozone countries may be permitted to exceed the 3% budget deficit?

Andris Piebalgs, *Member of the Commission.* – The subject of the first question is covered in detail in the Commission's 2008 report on public finances in the EMU. The only significant budgetary development which is not covered there is the recent launch of the excessive-deficit procedure for the United Kingdom.

Given that the budget deficit in the UK is expected by the Commission to exceed the 3% reference value in both fiscal years 2008-2009 and 2009-2010, in accordance with Article 104(6) of the Treaty, the Council has decided this year that an excessive deficit does exist in the United Kingdom. On the same occasion, in accordance with Article 104(7) of the Treaty, the Council set a deadline of one year for the correction of this excessive deficit.

More generally, in line with its mandate under the Treaty and the Stability and Growth Pact, the Commission is continuously monitoring the economic and budgetary development in Member States and stands ready to activate the instruments of budgetary surveillance where necessary.

The answer to the second question is positive, particularly with reference to the corrective arm. Since the 2005 reform, excessive deficits have been corrected, with currently only the UK and Hungary subject to the excessive-deficit procedure. Overall, in 2007 the euro area recorded its lowest structural fiscal deficit since 1973. Nevertheless, the application of the preventive arm has sometimes been uneven. So, in the April 2007 Berlin Declaration, the euro-area Finance Ministers committed themselves to reaching their medium-term budgetary objectives by 2010 at the latest. In principle this commitment was reiterated this year. At the same time, the 2005 reform introduced enough economic rationale into the pact to be able to react flexibly to serious disturbances where necessary, in particular through the revised flexibility clause and the incorporation of implicit liabilities in MTOs.

The functioning of the revised pact is well documented in the Commission reports on public finances in the EMU of 2006, 2007 and 2008 and in the accompanying communication. In this year's report, the methodology proposed for incorporating implicit liabilities in the MTOs of the preventive arm is also presented.

Regarding the third question, according to the reformed Stability and Growth Pact, only under tightly constrained circumstances are budget deficits in EU Member States permitted to exceed the 3% reference value without resulting in the existence of excessive deficit. In particular, these deficits will always have to be close and also temporary. In addition, either the excess over the reference value must be exceptional, and/or it must include a deficit occurring under circumstances of severe economic downturn, which is defined as negative growth or accumulated loss of output.

If the deficit is close and temporary, various other element factors always need to be taken into account, but this must happen in a very balanced way. Other relevant factors include, for instance, growth-enhancing expenditure on research and development. However, a direct deduction of any spending items from the deficit is excluded. Finally, in any event, an annual structural fiscal improvement of the order of 0.5% of GDP as a benchmark must be delivered.

Mairead McGuinness (PPE-DE). - I will take time to digest the detail in your answer. You mentioned in particular the UK. I have an interest, obviously, in the Irish situation and we are expecting a tough budget in Ireland in a number of weeks. I would like you to comment if you will on the conversations you have had with the Irish Minister about our deficit and, indeed, whether we will exceed and what impact that will have from an EU perspective.

Andris Piebalgs, Member of the Commission. - Well, we always follow facts. Any conversation between my colleague Joaquín Almunia and Irish colleagues is for more information, but we analyse the facts and figures at the end of the year. That is why, unfortunately, I cannot answer this question, but it is very understandable. As I said today, we have excessive-budget procedures against the UK and Hungary.

Richard Corbett (PSE). - Does the Commission accept that under the Treaty – as opposed to the Stability Pact – the 3% is not a limit, it is a reference value? The Commission's report on any Member State that exceeds that reference value has to take account – and I quote Article 104(3) of the Treaty – 'of all other relevant factors including the medium-term economic and budgetary position of the Member States'.

Does he not think that in the last few days and weeks the economic positions of Member States have necessarily changed, and perhaps warrant an extra degree of flexibility?

Andris Piebalgs, Member of the Commission. - I think we have a rather good track record when we start the procedures. Three per cent is a threshold that we really looked at. If it is exceeded, then, in very exceptional circumstances, we will not start the procedures. So, basically, 3% is the threshold that we are looking at, and I think we will follow the procedures we have always followed. We will not change the goalposts, even in the current situation.

President. - Question No 36 by **Olle Schmidt (H-0668/08)**

Subject: Mortgage crisis and financial regulations

During the spring, there were further economic problems and strains in the global financial markets, caused particularly by the spreading mortgage crisis. With both Fannie Mae and Freddy Mac now receiving capital injections from the US State, the mortgage market is rocking on its foundations. I was in Washington in July and met a number of Senators who believed that the bottom of the mortgage crisis had not yet been reached and this would not happen before 2010.

How long does the Commission think the financial crisis will continue? What does the Commission think of the signal sent to the market by the USA bailing out companies in financial straits, even though these are not generally protected by the State - first Bear Stearns and now Fannie May and Freddy Mac?

Finally, what does the Commission think of the current and upcoming reviews of existing legislation such as Lamfalussy and the Capital Requirements Directive, given the major risk nowadays of the changes spilling over and damaging the competitiveness of the European financial market?

Andris Piebalgs, Member of the Commission. - International financial markets have now been in turmoil for about one year and the interaction between accumulating losses in the financial system and the deteriorating

global economic outlook make it very difficult to predict when the turmoil will end. The current situation in financial markets illustrates how the problem that seemed initially limited to a specific market segment, for the United States and sub-prime mortgages, can rapidly affect the international financial system as a whole.

As losses linked to the US sub-prime mortgages have spread via interconnected markets and complex financial products, several key credit markets have been disrupted. Problems in the functioning of these markets have been felt, though, most severely within the banking sector, where substantial losses have been incurred and market liquidity shortages have required support by central banks.

Nevertheless, a number of financial institutions in the United States and in Europe have been rescued from insolvency after experiencing serious difficulty in accessing liquidity. These public sector interventions have reflected concerns about risks to financial stability and have been met by a generally positive response from financial markets.

In the United States, as a consequence of the mis-selling of sub-prime mortgages in the past, reset of these mortgage contracts is expected to continue until mid-2009. Problems in the international financial market remain acute – you have already discussed these issues today – driven partly by developments in the financial sector itself and partly by the implications of the deteriorating economic environment.

Uncertainty about the ultimate scale and location of credit losses continues to undermine investor confidence, and the total losses so far disclosed by banks remain well below estimates for overall losses across the financial system based on various projections of future mortgage losses.

Banks are increasingly forced to recapitalise, often at high cost and in difficult market conditions. Moreover, problems in the banking sector are increasingly reflected in tightening lending standards and reduced bank lending activity.

The implied higher financing costs and the reduced access to credit are likely to interact with other headwinds, such as high oil prices and rising inflation, facing the global economy.

On this basis, the economic outlook for the EU and the euro area economy has further deteriorated since the Commission's spring 2008 forecast. Economic prospects vary across the Member States. As economic conditions deteriorate, the pressure on bank balance sheets is set to continue.

Fragile market conditions require continued vigilance from public authorities, notably central banks, supervisors and finance ministers, to monitor market developments. The need for further interventions in the case of systemic crisis cannot be ruled out.

In a broader context, concrete actions to address weaknesses in the framework for financial markets are being addressed. Further to the Economic and Financial Affairs Council discussion in October 2007, a road map of regulatory actions has been adopted.

While this road map applies only to the EU, it is consistent with corresponding initiatives at a global level. The objectives of the road map are to enhance transparency, address valuation issues, strengthen prudential supervision of banks and examine structural market issues by analysing relevant weaknesses in the regulatory framework and formulating appropriate policy responses. The Commission is currently working to ensure that this road map is delivered on time, including concrete initiatives on enhancing transparency for investors, markets and regulators, revised capital requirements for banks and the regulation of credit-rating agencies.

In this respect the Commission has completed its external consultation on proposed changes to the Capital Requirements Directive and intends to come forward with a proposal during the coming months.

It is also considering legislation on credit-rating agencies. In this context, a public consultation was launched at the end of July 2008.

Progress has also been achieved with regard to supervisory cooperation across borders within the EU with the entry into force of a new memorandum of understanding at the beginning of July 2008.

More generally, one of the aims of the Lamfalussy review is the improvement of the new supervisory arrangement where the Commission plans, for instance, to revise the decisions on the EU committees of supervisors.

In all its efforts, the Commission is well aware of the global dimension of the required response and in this respect we are coordinating our responses with our partners.

Olle Schmidt (ALDE). - Sometimes a question flies away, and this is perhaps a bit obsolete, I must admit, but I thank the Commission for giving such a fair answer. My appeal, and my worry, is that we are over-reacting, and I hope the Commission could consider that. I agree that we should act and react, but we should not overdo it, because we need a balanced approach. Otherwise – and I think that is something we should consider in the long term – we could harm growth in Europe. So, I think, a balanced approach; and I rely on the Commission to ensure these measures are implemented in an appropriate way.

Andris Piebalgs, Member of the Commission. – I think the Commission is really balanced. We have had one hour of debate when a lot of Members of Parliament called for very hasty action, but the Commission is really taking a balanced approach.

Danutė Budreikaitė (ALDE). – (LT) Today we held a discussion on the world financial crisis and its impact on our economy. One Member mentioned the fact that in her country one bank had already gone bankrupt. Are you aware of any imminent danger of banks going bankrupt in our countries, the EU countries?

Paul Rübiger (PPE-DE). – (DE) I would be interested to hear about the current situation regarding real purchases as opposed to financial transactions in the energy sector. Does the Commission propose to indicate clearly, in the statistics, which are the real purchases of energy and what is simply being traded in the financial markets, and does it plan to adopt rules governing short sales?

Andris Piebalgs, Member of the Commission. – My country, Latvia, has plenty of banks, and definitely insolvency could happen. I believe that we have rather an advanced market. But it happens under central bank supervision, and at least there was no turmoil whatsoever on the Latvian financial markets. Therefore, I can assure you that the Latvian financial market is very stable and there has been no perturbation. But it is very important to emphasise the role bank supervision should play and that all the conditions for this supervision are fulfilled by commercial banks.

Concerning energy purchases, if the honourable Member is agreeable, I will reply in writing because I think it is a very specific question and I would hesitate to give a concrete figure.

President. – Question No 37 by **Rodi Kratsa-Tsagaropoulou (H-0679/08)**

Subject: Air safety

The recent Spanair disaster in Madrid in which many people were killed and the forced landing of a Ryanair Boeing 737 in Limoges in France, in which 26 people were injured, once again raise questions about whether the Community's arsenal of legislation and controls governing air safety is being adequately and effectively implemented. Regulation (EC) No. 1899/2006⁽⁴⁾ specifically lays down the obligation of airlines to carry out accident prevention and flight safety programmes and the requirements applicable to the operation of any civil aeroplane (certification, supervision, maintenance, instruments and equipment, safety, etc.).

Does the Commission consider that these provisions are satisfactory and adequate, or does it believe that a more stringent control framework should be established for airlines? How does the Commission judge the implementation to date of Directive 2003/42/EC⁽⁵⁾ on occurrence reporting in civil aviation (adoption of a system of notification of accidents and serious incidents)? Does it consider that the aid provided so far for control mechanisms and early warning systems in respect of airlines with a dubious safety record and for the compliance inspections carried out by the European Aviation Safety Agency in respect of the airline authorities of Member States and the data released for establishing a blacklist is satisfactory?

Andris Piebalgs, Member of the Commission. – With regard to the application of the Community rules regarding aircraft operations, the Commission has no indication of weaknesses or safety-related loopholes in the respective air safety legislation which only recently became applicable in the Community on 16 July 2008. The set of technical requirements for aircraft operations is constantly undergoing changes reflecting the state of scientific knowledge. This is achieved through constant monitoring of the performance of operators; hence, at this stage, a more stringent control framework is not deemed to be required by the Commission.

⁽⁴⁾ OJ L377, 27.12.2006, p.1.

⁽⁵⁾ OJ L167, 4.7.2003, p.23.

With regard to the application of Community rules regarding occurrence reporting, the Commission is satisfied that all Member States have set up a mandatory reporting system and collect the information in national databases. These rules contain a system of exchange of information and provide for the dissemination of information. The exchange of information is still not fully operational, because it requires the agreement on individual protocols between each Member State and the Commission for the updating of the central repository in accordance with the Commission Regulation. The Member States and the Commission are actively working on this matter, but information is already available at national level at this stage.

The dissemination of information is correctly implemented on the basis of the Commission Regulation of 24 September 2007. The implementation of the protection of information has been transposed into national legislation, but only time will enable us to judge the efficiency of these provisions, which constitute the cornerstone of good reporting culture by ensuring the necessary trust of the reporters.

With regard to the control of airlines with a dubious safety record, the Commission can reassure the honourable Member that it is applying scrupulously the provisions of the Community rules regarding the imposition of operating bans on air carriers not complying with safety requirements. Today in Europe 54% of all aircraft ramp inspections concern European operators. That means that the Commission pays equal attention to the safety performance not only of European but also of non-European airlines. Thanks to its constant and close cooperation, the civil aviation authorities in Member States are stepping up the supervision of their carriers. The results of the ramp inspections have been a particularly successful preventive instrument to avoid air carriers being faced with operating restrictions in the Community.

With regard to the standardisation inspection of national civil aviation authorities by EASA, the Commission should like to reassure the honourable Member that it is thanks to the close cooperation and mutual trust established between the civil authorities in the Member States and EASA that sustainable solutions are being agreed and worked out between the Agency and the inspected authorities. Evidence of the good cooperation is the fact that the Agency has been able to double the number of inspections since the relevant rules were adopted in 2006, and the safeguard measures imposed on a Member State at the end of that year were lifted this week.

Rodi Kratsa-Tsagaropoulou (PPE-DE). – (EL) I am very grateful to the Commission for its answer, but I do wonder, Commissioner. Air accidents happen comparatively infrequently compared with flights, but they are still accidents that cause many deaths, create doubts in public opinion and undermine confidence in our policy and our inspections.

I have not seen you propose any measures or allocate any new responsibilities or missions to the safety organisation. This concerns not only airlines, but also the civil agencies responsible for inspections in the Member States. It also concerns the blacklist: on what criteria is it based? Will you support it? You have not given me an answer to match the consequences of these accidents and the problems created in addition to the tragic effects on human lives.

Andris Piebalgs, Member of the Commission. – I can assure you that the safety system in Europe is at the highest level. It is very clear that it is implemented, and we have all the measures in place.

Unfortunately it does not prevent accidents from happening. I am very sorry that people have been killed, but it is not because safety levels in the EU have not been satisfactory.

As soon as we know the results, what caused the accident, we will carry out analyses, and if there is a need to strengthen some of the measures, it will be done.

But today I can assure you that Europe's aviation safety meets the highest standards that exist anywhere in the world.

Jörg Leichtfried (PSE). – (DE) The situation is as follows: the European Aviation Safety Agency (EASA) is now being given more and more competences in order to guarantee a uniform standard of safety in Europe, and that is most welcome. Its competences are now being extended for a second time. What is not happening, however, is any budget increase for the EASA, nor are other sources of financing being identified. There are two options here. The first option is not to treat all the agencies equally. I would not go as far as some colleagues, who say that if some agencies ceased to operate, no one would notice. The EASA is different: if the EASA has no money, human lives are put at risk.

The second option is third-party financing, which means boosting the EASA's funding through some sort of ticket-based levy. My question is this: which of these two options would you favour?

Madam President, I would also like to make a brief comment outside the agenda, if I may: I fully endorse what our fellow Member from Poland has said regarding the conduct of the sitting.

Andris Piebalgs, *Member of the Commission*. – For any agency, my view is that direct financing through taxpayers' money is the best way because, with its own income, you can never guarantee that public service, exactly, is delivered. So, I believe that the best way is for the budget to finance any agency, but if there is the possibility of supplementary funds being raised, it should be evaluated. In any case, each budget is discussed according to the procedure and tough regulations imposed by European legislation.

Part two

President. – Question No 38 by **Emmanouil Angelakas** (H-0612/08)

Subject: Safety of nuclear power plant

The European Union is now being faced with the immediate problem of satisfying ever-increasing energy demand. Given that oil and, natural gas supplies and renewable sources of energies can only meet some of this demand, the major role of nuclear energy in resolving the problem is undeniable. At the same time, European citizens are becoming particularly anxious about the safety of nuclear power plant and proper nuclear waste management, particularly following recent leaks of radioactive material from nuclear plant in France and Slovenia.

It is therefore only natural that a large number of questions should arise concerning the safety of nuclear power plant in all EU countries and of the nuclear power plants to be constructed in Turkey and other Balkan countries and the guarantees provided concerning their safe operation. Has the Commission made a survey of the need to build nuclear power stations? What are its conclusions? Finally, has it calculated the extent of EU dependency on nuclear energy in the near future?

Andris Piebalgs, *Member of the Commission*. – The EU currently relies on nuclear energy for 30% of its electricity production, and it accounts for two thirds of the EU's carbon-free electricity. By 2030, energy demand in the EU is expected to grow by 20% and electricity demand by 38%.

As a result, the share of electricity in the final energy demand would grow from 20% to 23%. Electricity-generation capacity is forecast to grow by 31%, but, under the PRIMES baseline assumptions studied by the Commission, the share of nuclear energy will decrease from 30% to 20% in electricity generation.

Also, the International Energy Agency in its recently published EU energy policy review concluded that 'EU nuclear generating capacity will decline from now on unless significant investment is forthcoming in the near future for plant lifetime extensions and the replacement of facilities reaching the end of their operational lives.'

It is for each individual Member State to decide whether or not to rely on nuclear power for the generation of electricity and launch new projects or go ahead with a nuclear phase-out policy. Should the Member States decide to invest in new nuclear power generation, the Commission will exercise its available powers to ensure that the new projects in this field meet the highest standards of safety, security and non-proliferation as required by the Euratom Treaty.

The assurance of the high level of safety, security and safeguards throughout the entire lifecycle of a nuclear installation also represents a priority in the context of EU enlargement, and in relations with third countries through the Instrument on Nuclear Safety Cooperation.

The Commission is following the overall picture of ongoing investments in the nuclear energy sector in the EU. In 2007, the Commission adopted the Nuclear Illustrative Programme which provides an overview of the status of the EU nuclear sector. At present, the Commission is updating this Communication, as part of the Commission's overall Strategic Energy Review. It should be available before the end of 2008.

In addition, the Commission launched two initiatives to further debate the future of nuclear energy and to identify requirements for its development. The first is the 'High Level Group on Nuclear Safety and Waste Management' focusing on identifying safety issues for priority handling and recommending actions to be taken at EU level.

The second, the 'European Nuclear Energy Forum', intends to provide a platform for a broad and transparent stakeholder discussion on the opportunities and risks of nuclear energy.

Emmanouil Angelakas (PPE-DE). – (EL) Madam President, Commissioner, I understand that we shall be waiting till the end of the year to see the results of these studies so that we can draw some better conclusions.

I wanted to hear the Commissioner comment on information that has been known since last year: Russia is building a floating nuclear plant to be completed in 2010 and sent to a remote part of Russia. There are plans to build a further six for distribution to countries that may request them and have already expressed an interest.

What is your comment on this, in terms of safety?

Andris Piebalgs, Member of the Commission. – Russia is also part of the International Atomic Energy Agency, and Russian nuclear technology corresponds to international standards. So, if any country would like to have Russian nuclear technology, there are some international rules that Russia is following.

For the EU, Russian supply technology could be used, provided that the Commission's opinion is positive towards it and, from the standard level, Russian technology competes with other technology providers.

So merely because it is Russian does not mean that it is less safe.

Justas Vincas Paleckis (PSE). – Commissioner, I would like to ask you once more about our famous Ignalina atomic plant.

Recently our Prime Minister met the President of the European Commission, Mr Barroso, and in our papers there were some interpretations that there is a gap; there is a possibility of prolonging the work of this station.

What is your opinion, and what would you recommend to the Lithuanian Government in this situation?

Zita Pleštinšá (PPE-DE). – (SK) Nuclear power plants and nuclear facilities are among the most closely monitored installations with regard to safety.

The prospects for using nuclear power engineering in Slovakia, activities requiring the construction of the 3rd and 4th reactors at Mochovce, and the Slovak Republic's undertaking to shut down the reactors at Jaslovské Bohunice in 2006 and 2008 represent difficult tasks for Slovakia.

Why, Mr Commissioner, is there such political caution on the part of the Commission as regards the construction of the nuclear power plant at Mochovce? Does the Commission have real reservations about its safety?

Andris Piebalgs, Member of the Commission. – I will start with Ignalina, because I have talked about this issue many times.

During the accession negotiations it was agreed by Lithuania and the negotiating parties – the other Member States – that because of safety concerns it should be closed by the end of 2009. This Treaty is primary law and it is ratified by all Member States. The Commission is not part of this process. The Commission is the guardian of the Treaty and its role is really to see that the law is being observed.

Therefore I cannot give you any positive news about any change of position, because the Commission position is decided by the Treaty. What could be done? I believe that in the Treaty there are also general provisions for support for Lithuania's transformations in the energy sector – an overall package, if I am not mistaken, of EUR 1.3 billion, and this should address areas that could strengthen the supply of energy resources to Lithuania, by strengthening interconnections, by financing energy efficiency measures, by financing alternative supplies. So that is the way to go, but, at least in my opinion, there is no way in which the Treaty could be changed, because only an intergovernmental conference and ratification can change a primary law of the European Union.

As for Mochovce, in the Commission's opinion it is actually the same question as for Ignalina – it is not a different approach. But, for Mochovce, we analysed the situation, and in today's world there are particular requirements for new challenges we face. We have also seen not only safety but security concerns where aircraft could be used to target nuclear installations. The technology proposed for the new reactors did not sufficiently address this issue. That is why we asked the operator, together with the Slovak nuclear energy control authorities, to take some supplementary measures that would guarantee that, even if a nuclear power plant was targeted in this way, it would sustain no permanent damage.

President. – Question No 39 by **Liam Aylward** (H-0624/08)

Subject: Investment in first generation, priority for second generation

The Turmes draft report (2008/0016/COD) on the proposal for a Directive on the promotion of the use of energy from renewable sources, currently making its way through Parliamentary committees, is reconsidering the Council and Commission biofuel and renewable energy mandatory target in transport, because second generation research and development has not attained a breakthrough.

Is it not the case, however, that we should set out a clear regulatory policy for investors in first-generation biofuels? Why? These are the very same investors in second- and third-generation research and development who will build plants which can be easily converted to the needs of second- and third-generation technology. They cannot afford not to invest in R&D for next generation plants, as their plants will become obsolete.

Andris Piebalgs, Member of the Commission. – The Commission agrees with the opinion of the honourable Member that clear regulatory policy is needed for investors in first-generation biofuels in order to get to the second-generation biofuels.

The Commission sees the first-generation biofuels as a bridge to the second-generation biofuels using lignocellulosic materials as a feedstock.

Without a good domestic production base for first-generation biofuels, innovative and efficient products will have difficulties finding their way into the market. Having said this, clear regulatory policy is paramount not only to spur growth in the biofuel industry but also to avoid negative effects on the environment. The development of biofuels should also not be to the detriment of food security and also should not influence the prices of food.

At the same time, there should be no doubt that the Commission wants to accelerate the development of second-generation biofuels.

The proposed directive on the promotion of the use of energy from renewable sources clearly specifies that the contribution made by biofuels produced from waste, residues and non-food cellulosic material shall be considered to be twice that made by other biofuels, when counting towards national biofuels obligations.

Further to this, Member States will also be required to report on how they have structured their support schemes in favour of second-generation biofuels.

The EU is also providing significant support to the ongoing research to develop second-generation production techniques. The activities under the EU's seventh Research Framework Programme have an increased focus on second-generation biofuels and 'biomass to liquids' processes in particular.

Research should include technically and economically based pilot studies to ensure not only an attractive economic benefit-cost ratio but also one that yields net benefits toward the Community's goals of curtailing climate change and affordable food prices for all citizens of the world.

So Commission policy and the Commission proposal were really tailored to the need to develop second-generation biofuels, the need to use also, if necessary, those of the first generation, but in a sustainable way.

Liam Aylward (UEN). - Mr Commissioner, can I ask you why you think the European Union is losing the information battle on the advantage of strong and consistent biofuel targets, particularly in a world of more limited supply? I would like to ask this in relation to biodiesel, which has the potential to make a significant contribution to enhancing the European Union's security of energy supply. Biodiesel can be produced in accordance with sustainability principles without endangering food supply – which you have referred to – and biodiesel is the only renewable energy where Europe holds a strong, wide leadership.

Andris Piebalgs, Member of the Commission. – The Commission proposal does not discourage development of the biodiesel industry and its use in the transport sector, particularly as the refining sector very specifically suffers from a lack of diesel production in the European Union. So it is not that we are discouraging it, but I believe that if there is no clear sustainability requirement the damage done by one unsuccessful project will be to the detriment of the whole industry, because the focus is so strong now on biofuels that we cannot afford to have any unsuccessful projects, because that would mean the end of the whole industry.

To explain why I feel so strongly about biofuel policy, what we have in transport is: firstly, more efficient cars – and in this House there have been some very tough debates on cars; secondly, there is modal shift, but people still prefer in a lot of cases to use the car; and the third is replacement with alternative fuels – one of the alternative fuels is biofuel, but we should take into account that it is produced on the land that could also produce food products, so that is why I believe that although this measure is positive – and it is very clearly positive – all the necessary precautions need to be taken.

Teresa Riera Madurell (PSE). – (ES) Commissioner, on the subject of biofuels, fact and fiction are often combined in a way that easily confuses the population, causing damage to research, innovation and industrial investment in this area.

Has the Commission considered launching a Europe-wide information campaign, which must be rigorous and objective, in order to clarify this situation?

Avril Doyle (PPE-DE). – Indeed, the two questions could almost have been taken together, but the subliminal message, I think, in my Irish colleague's question, if I am doing justice to it, is that he would like to see – or that the legislation might favour – first-generation investment, or at least that we should not apologise for legislation favouring first-generation investment, as that leads on to second- and third-generation.

I would come at it slightly differently, and I would like ask you through the chair, Commissioner: should not all legislation in this area, as a matter of principle, be technology-neutral?

Andris Piebalgs, Member of the Commission. – I will perhaps start with the second point. I think we need to be aware, from the debate on oil, that we could face a similar situation with an unpredictable growth in demand in other sectors, and food is the one that is a really basic need for people. So we need technology to give us a broader opportunity. Broader opportunity definitely comes when you use things that usually just go to waste. So for this purpose I believe that we clearly need to promote second-generation. I would say that perhaps even this is not sufficient, because there we do not have the risks. We need new technologies. It is not just that we would like to replace oil with biofuels, but that we have technology that really guarantees that we do not have this competition, or limited competition. That is why – even if in theory all technologies should be equal – I still believe that the second generation is worthy of particular attention.

With regard to education, I believe that this is a broader part of education. There are educational programmes, because generally this is not education about biofuels but about sustainability, energy efficiency and a quite different attitude towards the environment and knowing that whatever you use is taken from somewhere and is always doing damage. Sometimes, in the debate on biofuels, we forget that oil is also produced and sometimes it is produced from tar sands. Recently some pictures have been published about where it is produced. It is not a farm and it is really also a challenge. So I believe that each of us, when using energy, should try to use it as efficiently as possible and follow the trend of using greener energy, supporting this even if it costs a bit more.

President. – Question No 40 by **Avril Doyle** (H-0632/08)

Subject: Biofuels

When determining targets for biofuels should priority not be given to biodiesel rather than bioethanol?

Andris Piebalgs, Member of the Commission. – The Commission recognises that there is greater demand in the European Union for biodiesel as a replacement for diesel fuel rather than bioethanol, which could reduce petrol consumption.

With this in mind it can be expected that in the years to come biodiesel consumption in the EU will remain higher than that of bioethanol. Nevertheless, the Commission believes that it is not necessary to have technologically specific targets as both biodiesel and bioethanol can have an important role to play in reducing the oil dependence of the European transport sector.

Having said this, it is second-generation which promotes biodiesel or bioethanol independently, but still demand in the EU market is definitely bigger for diesel. I do not believe that we should discriminate between ethanol and diesel, but we should encourage second-generation instead of first-generation.

Avril Doyle (PPE-DE). – Could you comment please and give your views on the whole issue of the life-cycle sustainability for biofuels, or transport fuels generally, in relation to the Turmes report? In other words, on the overall CO₂ reductions from start to finish, including the production of the crop, the production method,

the transport, refining and use. Where do you come down in the argument concerning the percentage of CO₂ reduction? Are you in the 40-45% or 35% camp?

Andris Piebalgs, *Member of the Commission*. – I would be in the 35% camp, because it is important that, if we put requirements that completely ban biofuels from the market and there is too high a risk of leverage, we will move to oil – and deeper – and perhaps to coal and liquid technology.

In my opinion this is worse than really keeping 35% as the threshold, and a 35% threshold is clearly saving CO₂.

So I will stay with 35%. It is now up to negotiations with Parliament and Council: if it comes to be a different figure, well, I will live with this figure, but I think 35% is rather tough, because in the college, when the figure was discussed, we were also in different camps, and this is already compromised from the two camps: one that believes in biofuels and one that is afraid of biofuels. So 35% was actually the compromise.

Zita Pleštinská (PPE-DE). - (SK) Madam President, today we are looking for ways forward in the field of alternative sources of energy. Together with my fellow Member Mr Rack, I went to New Zealand in July: I was attracted by the use of geothermal energy. My region, Stará Ľubovňa in Slovakia, has similar geothermal sources but developing them requires large financial resources.

What is the Commission's stance on the use of geothermal sources for energy production?

Reinhard Rack (PPE-DE). - (DE) I would like to raise an issue which has not yet featured in the debate to any great extent. Biofuels, biodiesel and bioethanol all have different efficiency values and different classifications, also in terms of their CO₂ emissions. One issue which has not really been addressed is actual energy input in the production of these various fuels. Could the Commissioner comment on that?

Andris Piebalgs, *Member of the Commission*. – We are very positive about the development of geothermal, and I believe that the draft directive now being discussed, and the climate-energy package, will facilitate the use of renewable power, including geothermal.

Why is it not being used now? Well, partly because it is not sufficient to focus on the renewables. It is much easier to pass the costs of fossil fuels to the consumers, because to use renewable energy, like geothermal, you need capital investment, and for this you need a specific environment for, and focus on, renewables. So I believe that a renewable energy source, like geothermal, will have much better developments in the EU, not only for power production but, for example, in Copenhagen it is used for district heating. So there are different applications of this technology, and it will grow in the European Union.

Concerning energy content: it is true that biofuels have a low energy content and you need bigger volumes, and I think we should not be mistaken that we will replace oil with biofuels. But at least here I drive a car that is powered by biofuel, and its only disadvantage is that I need to go to a service station much more often, but I do not mind this. That is why I would say that it is different, but not so different as to make me change my behaviour.

That will be a problem with the electric car. At the moment it is very much slower, at least at this stage – city-run cars. Perhaps there is a need for some kind of hybrid, because if you travel a longer distance, electric vehicles might not be satisfactory – but for biofuel-driven vehicles there is no problem.

President. – Question No 41 was ruled inadmissible and Questions Nos 42 to 45 will be answered in writing. As they deal with the same subject, Questions 46, 47, 48 and 49 will be taken together:

Question No 46 by **Georgios Papastamkos** (H-0613/08)

Subject: Price fixing in the telecommunications sector

Following the regulatory action taken by the Commission seeking to rationalise roaming charges, the Commissioner responsible for the information society announced plans to cut charges for mobile data roaming services from the summer of 2009, targeting principally the disparities between SMS messaging service charges.

What is the Commissioner's response to the telecommunications sector which is levelling charges of populism and attempted market manipulation through 'price fixing' in place of measures to create a healthy competitive environment in the telecommunications sector? How will she respond to the open hostility of the

telecommunications sector to the above plans? Does she consider that price fixing policies should have been adopted in other sectors of the EU internal market also?

Question No 47 by **Giovanna Corda** (H-0618/08)

Subject: Lowering the price of SMSs sent or received in a different Member State (roaming)

The European Regulators' Group (ERG), which comprises the 27 European regulators, has been calling on the Commission for a year to cap prices for SMSs sent or received in a different Member State other than the user's state of origin. The Commission gave operators until July 2008 to lower the price of SMSs and the internet in the case of messages sent or received when roaming in the European Union. The operators have not responded, and are penalising consumers heavily.

Can the Commission state what measures it intends to take to force operators to lower the exorbitant prices charged to consumers for SMSs and the internet when roaming within the EU and whether it plans to extend beyond 2010 the cap on mobile communications prices introduced in 2007?

Question No 48 by **Brian Crowley** (H-0626/08)

Subject: EU Roaming Regulation

What has been the exact progress to date vis-à-vis the EU Roaming Regulation, and has there been success for the voluntary reduction of roaming prices for text messages and mobile data services in the mobile industry?

Question No 49 by **Marian Harkin** (H-0645/08)

Subject: Roaming charges

In light of the Commission's commitment to set regulatory caps on cross-border text and data roaming fees, what steps has the Commission taken to ensure that inadvertent roaming charges do not occur for people living in and travelling to border areas of a particular country?

Viviane Reding, *Member of the Commission*. – You know that the Commission yesterday decided on a proposal for the second roaming package – this time on SMS and data roaming. Parliament will remember very well that this analysis of the market was done at the request of Parliament which, during the voice roaming package in June last year, put in Article 11 of the Regulation that the Commission should come back to SMS and data roaming in due course in 2008. That is what the Commission did, and you know that we have proposed price caps.

That brings me to the question of price fixing. No, we do not fix prices. We fix ceilings under which operators have the flexibility to compete and to innovate, either with roaming offers below the maximum oral tariff ceilings or with other packages which customers might then choose. So, flexibility is given.

As regards SMS, the evidence suggests that prices have been more or less static over the last year and remain at levels that cannot be justified by reference to the underlying cost, and the SMS market presents roughly the same problems as the market in voice roaming.

In February this year, I went to the GSM Association World Congress in Barcelona and warned the industry. I spoke personally with industry leaders to tell them that they had time to bring down prices by themselves and that the deadline was 1 July. What we saw is that the prices between last year and this year for SMS roaming did not move at all. Our proposal therefore is to cap the retail charge at a maximum of 11 cents and the wholesale charge at a maximum of 4 cents.

Turning to data roaming, we have included actions to deal with the very famous cases of bill shocks where customers have to pay several thousand euros when they come back from one or two weeks abroad, because they used their mobile phone for data downloading in the same way as at home where a data download per megabyte could cost between 5 and 15 cents. Abroad, it can go up to 16 euros per megabyte so you can imagine what kind of bills you can receive if you are now aware of what is happening.

That is why we have proposed several measures. The first is a transparency measure to inform citizens crossing a border what data roaming will cost. The second is a measure where the consumer can fix, together with his operator, a ceiling over which he does not want to pay any more so that communications are then cut; and the third is because we have seen that the whole problem here comes from highly overpriced

wholesale costs which one operator imposes on another. That is why we propose a wholesale cap at one euro per megabyte, hoping that normal price structures can then be developed and offered to consumers.

Georgios Papastamkos (PPE-DE). – (EL) Madam President, before submitting my supplementary question, let me congratulate Commissioner Reding on today's vote in the European Parliament in favour of the electronic communications package. This is yet another initiative that bears your stamp, Commissioner, like the policy you have decisively promoted on roaming charges.

Perhaps, however, this policy on roaming risks prompting European mobile phone companies to implement a practice followed in non-European, third countries, where consumers pay not only when they make calls, but also when they receive them?

Marian Harkin (ALDE). – Firstly I would like to congratulate the Commissioner on the roaming package. I think it will be positive news for many EU phone users. My particular question referred to inadvertent roaming charges, when people are travelling close to a border – and indeed I have plenty of experience of that myself. I heard what you said about the transparency initiative, namely that, when crossing borders, users would be informed as to what the cost would be. That was not in reference to telephone calls, but I just want to ask if you have any initiatives in that area and, if you have not, would you consider the transparency initiative that you mentioned a few moments ago in your reply?

Viviane Reding, Member of the Commission. – Madam President, first I would like to thank the honourable Member of Parliament for his congratulations, but I would like to pass his congratulations on to Parliament, because Parliament, in a very difficult situation with five directives on the table on very complicated matters, has done a wonderful job. I might not agree 100% on everything Parliament has voted, but what Parliament has done today is put the single market for telecoms on the agenda. Now the Council has to look at what Parliament has proposed and try to find a common way in order to make this telecom package become a reality for industry and consumers.

With regard to the question on roaming, is there not a risk that, because we bring down prices on roaming, the operators try to raise prices in another way? We already heard last year, when we introduced the voice roaming package, that the operators would be forced to raise the national cost for voice mobiles, but what we saw was just the contrary. So what happened? Firstly, citizens, instead of switching off their phones when they are abroad, are now using them. So the volume on voice has gone up tremendously, by 34% in one year only.

Secondly, because there is competition at national level, national prices have not risen but have gone down by 10-12%. The honourable Member recalls the polemics which were going on at a certain time about 'bill and keep'. It is up to the operators what kind of billing system they want to adopt. Our European way of doing it is not to use 'bill and keep'. That is the American way of doing it. I have just seen that prices in the United States are lower than prices here, and I told the operator very clearly that they should choose their business model. It is not for the Commissioner to do that, but they have to be on terms with their customers. The only thing that concerns me is that there is transparency, that prices do not go above price limits which are unacceptable, and that all European consumers can feel at home when they are travelling in Europe and when they are communicating in Europe.

Regarding the question on inadvertent roaming: yes, we are aware of this. Coming from Luxembourg, you can imagine how many complaints I receive from consumers on this question, because some Luxembourgers living in a border area have one operator in the living room, another one in the kitchen and a third in the bedroom, so I am fully aware of this question. That is why we have raised this question with the national regulators, and we are monitoring this problem with the European Regulators Group. We will also continue to do so with the national regulators. We have also increased the transparency initiatives for data and SMS on the package which is now on the table in the European Parliament. There have already been some positive developments concerning this inadvertent roaming, for instance in Ireland, with good work done on both sides of the border. I think that is a positive way to see it, and I think that the operators also should be very conscious of the fact of inadvertent roaming. Even if it is only a very small percentage of the population which suffers as a result of this question, it is the responsibility of the operators to try to solve the problem.

Paul Rübzig (PPE-DE). – (DE) I would also like to express my congratulations on the outcome of today's vote. I would be interested to hear whether you have any plans to draft a work programme for BERT with agreed objectives and an agreed timetable so that we can make clear progress as regards inter-state cooperation as well. After all, we recently read in *New Europe*, the news source for Europe, that roaming has allegedly cost European consumers 30 billion euro.

I would like to thank you for addressing the roaming issue pro-actively. In your view, is it also necessary to draw up an action programme for the Member States to deal with some of the tasks identified by the European Parliament? Is a new institution required here?

Reinhard Rack (PPE-DE). - (DE) Madam Commissioner, as you have heard, you have rightly been praised, and citizens applaud you, for the fact that telecoms in Europe have become cheaper, with prices likely to fall even further in future.

In this context, I would like, if I may, to pass on a question which is often put to me. I am not certain whether you are responsible for this area, so I would ask you to pass it on if necessary. In the telecoms sphere, the Commission and the Commissioner can ensure that competition operates effectively, and that services become cheaper through caps and other measures. That being the case, why is this not possible when it comes to oil and related products? Why do we have a situation in which prices generally only move in one direction, namely upwards?

Viviane Reding, Member of the Commission. - (DE) Madam President, Commissioner Piebalgs should really answer that question, but I will pass it on to him. A roaming system for oil products: that would be quite something!

As regards the timetable which Mr Rübzig asked about: we now have what I believe is the second roaming package on the table. I can imagine that Parliament will act very fast to produce its opinion on this roaming package so that it can be concluded swiftly before the end of the French Presidency.

I have also spoken to the French Presidency of the Council this afternoon; the Council Presidency will address the issue and ensure that the Council produces an analysis of the Commission's proposals as quickly as possible so that the new provisions can enter into force on schedule on 1 July 2009. That is what the citizens – the consumers – expect from both Parliament and the Council.

Brian Crowley (UEN). - Madam President, I just want to apologise for not being here when the Commissioner was answering my question. I was stuck at another meeting. I am very sorry.

President. - Thank you Mr Crowley, and thanks too for not insisting on a supplementary.
Question No 50 by **Paul Rübzig** (H-0665/08)

Subject: Break in transmission of the Chinese TV channel NTDTV

On 16 June transmission of New Tang Dynasty Television (NTDTV) to mainland China was suddenly halted by the operating firm Eutelsat. The reason given was 'an irregularity in the power supply' to the satellite. Since then Eutelsat has given no satisfactory explanation of the causes. NTDTV has not been informed whether efforts are being made to remedy the technical faults. NTDTV is the largest independent TV broadcaster in Chinese and, before 16 June, the only one which could be received in uncensored form in China. NTDTV broadcasts programmes in Chinese and English. Eutelsat did not want to renew the contract with NTDTV for transmission to Asia in 2005, but the cancellation of the contract was prevented by international intervention.

What measures will the Commission be taking to ensure the continued transmission of independent TV channels in China?

Viviane Reding, Member of the Commission. - I am at the disposal of the honourable Mr Crowley if he would like to speak with me later on and has a supplementary question.

As for the question concerning the break in transmission of the Chinese TV Channel NTDTV, The Commission was very much aware of this problem, and therefore asked Eutelsat to clarify the situation.

We received a letter from Eutelsat which answered that the irreversible loss of one of the V5's two solar panels has been confirmed both by Eutelsat and by the satellite manufacturer, Thales Space.

To safeguard the satellite's operation, Eutelsat switched off the four transponders providing direct-to-home television services while keeping the 20 remaining transponders used for telecommunication services.

As Eutelsat does not operate any other satellite with coverage of Asia, they have provided their customers, including the service provider of NTDTV, with a list of competitor satellites with appropriate coverage and availability capacity.

Eutelsat also pointed out that their satellites carried channels representing all channels, cultures and political viewpoints. They refrain from indulging in the slightest judgement as to the ideological and political positioning of the channels. Eutelsat reaffirmed to the Commission that they had not taken any action against NTDTV at the behest of the Government of China or anyone else. NTDTV is actually still carried by one of their European satellites.

Eutelsat also supplied technical information showing that, in order to receive NTDTV, rather large satellite dishes were necessary, which made it unlikely that a significant part of the population of the People's Republic of China could receive it.

Paul Rübiger (PPE-DE). - (DE) Can you give an estimate as to when the service provision and the broadcasting capacity will be restored? My second question is related to that: do you think we will be able to create a 'Europe without borders' for television as well, with all the national broadcasting services being received throughout Europe?

Viviane Reding, Member of the Commission. - Concerning the first question, Eutelsat has told us that the breakdown is irreversible and that the transmission of TV services cannot be resumed. So it is a purely technical question. Unfortunately, the capacity is only 50%, so the energy which can be taken up is only 50%. It is a technical question which, unfortunately, cannot be solved.

Now to the more fundamental question from the honourable Member as to whether we should, some day, have a 'Europe without borders' for television. We are not yet there. We have our Television without Frontiers Directive, which is now implemented in an Audiovisual Services without Frontiers Directive, where I hope very much that the video-on-demand services can become Europe-wide services. The dream, of course, is that one day there will no longer be any borders and that citizens, wherever they are, can receive whatever TV channels they want. We are not yet there because the selling of rights is still done under a national system. One day, Europe will arrive at a situation where the selling of rights can also be done at a European level. I favour this. I cannot impose it, but I favour it, and I believe that slowly but surely we will move beyond the national selling of rights to the European selling of rights.

President. - I apologise to the remaining two questioners for Commissioner Reding, but Questions Nos 51 and 52 will be answered in writing.

Question No 53 by **Seán Ó Neachtain (H-0622/08)**

Subject: Irish as an official working language of the European Union

How does the Commission intend to implement its new strategy for multilingualism, particularly with regard to the strengthening of the Irish language as an official working language of the European Union?

Leonard Orban, Commission Member. - (RO) The European Commission's new strategy on multilingualism, entitled "Multilingualism – An asset for Europe – A shared commitment", was adopted on 18 September 2008. The main topic of the strategy is linguistic diversity and the best way of using and developing it in order to foster intercultural dialogue, to stimulate the competitiveness of European companies, and to improve the skills and work-finding abilities of European citizens.

The strategy focuses on encouraging the learning and use of foreign languages in the Member States, not on the in-house linguistic state of affairs of European institutions. We reassert our commitment to developing the citizens' ability of communicating in two languages other than their native languages; at the same time, we stress the need of making available a wider range of languages for citizens to choose from according to their interest. The Commission will rely on existing community programs, particularly on the Lifelong Learning Programme, to support Member States in promoting foreign languages by enforcing this strategy.

Through Regulation 1 of the Council of 15 April 1958, amended by article 1 of Regulation 920/2005(EC) of the Council of 13 June 2005, Irish became an official working language of European Union institutions as of 1 January 2007. However, articles 2 and 3 of the Regulation provide for a partial derogation, renewable every 5 years, concerning the use of Irish by European Union institutions. Basically, this derogation implies that for the time being only proposals for regulations within the codecision procedure and certain related documents, as well as direct communication with the public, are translated from or into Irish.

Therefore, according to the above-mentioned provisions, the Commission performed all the Irish translations required for the legislative process, and succeeded in transmitting them on time. Moreover, answers were given in Irish to the questions addressed to the Commission by citizens or by legal entities. The Commission

also started to make available Irish versions of its most important web pages, with priority to content of particular interest to Irish speakers.

As far as interpretation is concerned, DG Interpretation is capable of meeting all interpretation demands, from and into Irish, coming from the Council, the Commission or the Committees, and will endeavour to do so in the future, making sure it has the necessary resources.

Seán Ó Neachtain (UEN) - (GA) Madam President, I am very grateful to the Commission for its support, and for the progress the Commission has made, in relation to the Irish language. There is a saying in Irish that "its lack of use is to its detriment". I only have thirty seconds left so I cannot waste any time. One minute is the maximum amount of time I am normally allowed in Parliament to express myself in my own language.

I would like to inquire of the Commissioner, if the Commission would be happy to see the Irish language develop and if it would be possible to use it to a greater extent here in Parliament and in the other Institutions, especially, at committee level where the language could be spoken for longer periods. A language will not survive on a few seconds alone.

Leonard Orban, Commission Member. - (RO) Looking at the demands faced by the European Commission, we are pleased to say that they were not only met, but also exceeded. The European Commission went above and beyond. On the other hand, further joint effort is needed in order to promote the Irish language on a wider scale. These efforts should come both from community institutions and from Irish authorities and the Irish society at large. For instance, we need more Irish interpreters, more translators, and this objective is hard to achieve unless significant resources are allocated at country level, that is, in Ireland.

This is why I am working closely with the Irish authorities to encourage and stimulate those who want to train and acquire the necessary skills that would enable them to do linguistic work for community institutions.

I would also like to stress that we are working closely with the Irish authorities with respect to the various developments of the Irish language, not only its institutional aspects. We want to do our best to help Irish terminology and, as I said, we have a close cooperation with all the stakeholders.

President. - Question No 54 from Mr Higgins has been withdrawn.

Question No 55 by **Marco Cappato** (H-0630/08)

Subject: Multilingualism in the EU institutions

The Commission organises traineeship programmes which it publicises only in English, French and German⁽⁶⁾. Equally, it publishes EIDHR announcements only in English, French and Spanish, stating that only in those languages will it accept projects from European organisations, whatever their national origin. Indeed, the website of the Commission's own anti-discrimination campaign⁽⁷⁾ is, like many others, registered only in English, and its homepage displays logos in that language only.

What policies does the Commission intend to introduce in order to ensure that the multilingualism which is always defended in public and is officially promoted in all its own documents is implemented in reality in its day-to-day activities?

Leonard Orban, Commission Member. - (RO) The European Commission's internship program is aimed at any university graduate who has not been through such a European internship before and who is proficient in at least one of the working languages of the European Commission: German, English, or French. This is a practical necessity which enables an intern to take part in the activities carried out by our services, taking full advantage of his/her internship. All the practical information and explanations to the applicants are available only in these three languages. On the other hand, the rules governing the internship program are available in all the official languages of the Union in force on the day of adoption of the Commission's decision.

In order to fulfil the mission described in Article 177 of the Treaty, the number of admissible languages for the proposals of the European Instrument for Democracy and Human Rights must be limited to those languages which are currently used and understood in the respective third countries. Nonetheless, the

⁽⁶⁾ http://ec.europa.eu/stages/index_en.htm

⁽⁷⁾ <http://www.stop-discrimination.info/>

documents sent by non-governmental organisations in support of their applications for external aid are now accepted in all of the official languages of the European Union, via PADOR, the online system for NGOs.

Concerning awareness-raising or coordination actions taking place within the EU only, which are aimed at European citizens only, we will assess the applications submitted in the language(s) of the respective Member State(s). Indeed, the front page of the online campaign against discrimination does use a logo written in English, but this provides access to webpages in almost all of the official languages of the EU.

According to the action plan for improved communication with the citizens, in 2006 the Commission set up a web translation service within DG Translation, thus increasing its capacity for multilingual communication. However, given the rapid evolution of the internet, as well as the necessity of ensuring legal translations first and foremost, according to Regulation 1, the Commission must always be on the lookout for the right balance between providing relevant and up-to-date information to the stakeholders within the EU, and ensuring the fully multilingual character of all of the Commission's websites.

The general principle governing the use of languages on the webpages is to adapt the language of each site to the target audience. Therefore, the Commission ensures the translation in as many languages as possible of those websites or website sections which are of interest to all citizens, whereas more technical subjects, which are of interest to specialists, are available either in a limited number of languages or in their original language only. Likewise, the information expected to be valid for longer is available in more languages than ephemeral content.

The Commission's obligations according to Regulation 1 include the translation of all regulations, directives, legislative proposals and officially approved communications sent by the Commission to the institutions into all of the official languages; on the other hand, the answers to letters from the citizens are given in the language of the addressee(s). Apart from discharging these duties, and in accordance with the principle of multilingualism and multiculturalism, the Commission undertakes to make every effort in order to ensure the equal treatment of citizens, cultures and languages.

Marco Cappato (ALDE). - (IT) Madam President, ladies and gentlemen, I would say first of all that the distinction you have suggested drawing between documents of a technical nature and – if I have correctly understood the interpretation – documents of public interest strikes me as a particularly dangerous and slippery distinction, since documents of a technical nature may in actual fact be of considerable public interest.

The problem is quite straightforward: texts which are purely working documents are subject to linguistic constraints, but all documents which might potentially be addressed to the public, even if of a technical nature, must be handled on a fully multilingual basis: they must be translated into all languages. In particular, I find it absolutely incomprehensible that calls for tender relating to projects to promote democracy and human rights should be accessible only in English, French and Spanish. The websites must be not only multilingual but registered in all languages. Finally, I fail to understand why even the internal newsletter *Commission en direct* should appear almost exclusively in English.

Leonard Orban, Commission Member. – (RO) As I said, the European Commission is bound, on the one hand, by legal obligations under Regulation 1 of 1958, and there is no hesitation whatsoever in the fulfillment of these obligations; on the other hand, there are certain matters, such as the ones you mentioned, related to the translations available on European Commission websites, in which case the Commission and the other community institutions are facing a major dilemma.

On the one hand, the fully multilingual content of these websites cannot be provided; it is simply impossible to ensure full multilingualism for all the documents found on the Commission websites, due to the Commission's limitations in terms of financial and human resources.

On the other hand, what we are doing right now is to increase the number of documents that can be translated in as many official EU languages as possible, without prejudice to our legal obligations, and within the resource limitations that I've mentioned. We have proved ourselves to be flexible when various requests to the Commission were made, and, to the extent that we can physically meet these demands, we are ready to show the same flexibility again.

President. – I am sorry to have to disappoint further questioners, but in view of the time I am afraid we are going to have to leave it there.

Questions which have not been answered for lack of time will be answered in writing (see Annex).

Robert Evans (PSE). - It is a point of order in a roundabout sort of way. Mr Orban and I go back a long time, so I hope he will take this in the spirit that it is intended, because one of his answers did actually take six minutes, and I think, as we are trying to get many questions up in future, I wonder if he could perhaps try and make his answers a little bit more focused or succinct in future for the benefit of all Members.

President. – Mr Evans, we have discussed the matter with Vice-President Wallström. On the one hand, we know the Commission is trying to give us answers that are as full as we would like them to be, but then that obviously curtails the number of Members able to participate. Thank you all, and I am sure that you will receive full answers in writing.

(The sitting was suspended at 19.15 and resumed at 21.00.)

IN THE CHAIR: MR MARTÍNEZ MARTÍNEZ

Vice-President

17. White Paper on Nutrition, Overweight and Obesity-related health issues (debate)

President. – The next item is the report (A6-0256/2008) by Mr A. Foglietta, on behalf of the Committee on the Environment, Public Health and Food Safety, on the White Paper on 'A Strategy for Europe on Nutrition, Overweight and Obesity related health issues' (2007/2285(INI)).

Alessandro Foglietta, rapporteur. – *(IT)* Mr President, ladies and gentlemen, before opening the debate about the report on which we will be voting tomorrow, I should like to take this opportunity to say some words of thanks. I would begin by thanking my colleague Adriana Poli Bortone, now a senator of the Italian Republic, from whom I inherited the draft report and an already detailed, meticulous study of the topic; next my staff, who have supported me enthusiastically and conscientiously in furthering my exploration and analysis of the phenomenon; and finally the shadow rapporteurs, whose commitment undoubtedly contributed to the adoption of the text in the Committee on the Environment, with a virtually unanimous cross-party consensus.

Ladies and gentlemen, when this draft text was entrusted to me, I asked myself what my aim should be as rapporteur in carrying forward a study of this kind. I found an answer in the strategic nature of the document, which showed me the two pillars on which I came to base my work: firstly completeness, so as not to leave any gaps or underestimate the importance of any of the numerous aspects of the subject in hand; and practicality, so as to be able to draw up a genuinely future-oriented document identifying effective instruments and solutions.

In adopting this approach I relied on the data, statistics and percentages already widely available on the topic. The percentages are discomfiting once we look into them since, according to the World Health Organisation, more than 1 billion people are overweight and over 300 million are obese. Child obesity is growing rapidly, and we should bear in mind that diseases related to obesity and overweight absorb up to 6% of national health expenditure in certain Member States.

In seeking possible solutions we took care not to demonise certain types of food as being solely responsible for the problem of obesity. The problem will not be solved by eliminating such foods from our diet, but rather by educating consumers, and especially young people and children, to eat sensibly. Fats are an essential part of a correct nutritional intake, but in the right quantities and at the right times of the day. Lessons on diet, on which I lay great emphasis, are not about the ability to distinguish good foods from bad; nothing is harmful in absolute terms, and nothing needs to be excluded from the diet of healthy people not suffering from an eating disorder.

Another issue to which I would draw your attention is that obesity certainly does constitute a disease. It is a disease whose causes are not only physical but often social or psychological, but it nevertheless remains a disease which costs our national health systems huge sums of money every year. It is a disease which, as such, must be tackled by means of practical, multi-layered solutions. During these months of study, however, I have realised that all too often this aspect is underestimated by public opinion, which indulges in wholly justified alarmism and awareness-raising campaigns about anorexia but also takes an equally *unjustified* consolatory approach towards overweight, with slogans such as 'big is beautiful', and so on. This is misguided; it sends out the wrong message. We are not discussing aesthetics or appearance; we are talking about health. Therefore, just as the scourge of anorexia needs to be fought energetically, we wish to try and combat obesity in the same manner, working on the various fronts set out in this report, which calls for parallel and consistent efforts.

Efforts are required from educators, health professionals, the food industry and the media, especially television. All of them must exercise the strong sense of responsibility deriving from their potential to guide public opinion. Public authorities, especially local ones, must play their part too.

I wish to close, ladies and gentlemen, with a news item which has made waves in the past few days: namely, one of the two candidates in the race for the White House has stated that it would be useful, right and proper to tax obese citizens as well as alcoholics and smokers. This, in my opinion, is absurd as a principle, but I do believe that this serious problem must be addressed in an appropriate manner, because only by tackling it head-on will positive results be achieved.

President. – I am going to ask all speakers to pay close attention to the time as we cannot overrun on this debate, given that it is an evening debate and we have very limited time, particularly in terms of logistics, for example the interpreting service.

Please ensure that I do not have to cut you off because I regard this as very awkward for the Presidency and I would prefer that you all took individual responsibility.

László Kovács, Member of the Commission. – Mr President, I very much welcome Parliament's report in response to the Commission White Paper on nutrition, overweight and obesity-related health issues. In particular, allow me to congratulate Mr Alessandro Foglietta on his excellent work.

I am happy to note that Parliament shares the Commission's view that the obesity epidemic can only be halted by means of an integrated approach and that Parliament welcomes the Commission's White Paper as an important step towards stemming the rise in obesity and overweight across Europe. I also take note of Parliament's request for a number of further actions – including more regulatory measures – beyond those currently envisaged by the Commission.

The Commission will, in 2010, hold a first review of achievements against the objectives set out in the White Paper of 2007.

If monitoring shows that progress is not adequate, further actions, including a possible regulatory approach, will of course need to be considered.

With regard to the monitoring process, I wish to draw your attention to the important role being played by the World Health Organisation. We are working together in line with the conclusions of the WHO Ministerial Conference in Istanbul, with a focus on monitoring actions in Member States to implement both the Commission's White Paper and the WHO strategy.

Finally, I wish to share with you today some of the most recent developments in the implementation of the strategy for Europe on nutrition, overweight and obesity-related health issues, which respond to some of the actions called for in your report.

As you know, to strengthen actions at the European level the Commission has to set up a high-level group focused on nutrition and physical-activity-related health issues. The group is ensuring the rapid exchange of ideas and practices between Member States, with an overview of all government policies.

Looking at the engagement of the stakeholders to date, the pan-European organisations, members of the European Platform on Diet, Physical Activity and Health, are currently implementing more than 200 commitments in key areas such as product reformulation, labelling and responsible advertising.

Monitoring is ongoing and annual reports are publicly available on the Commission's website.

Complementary to the EU Platform, to date Public-Private Partnerships between governments and the private sector are reported in 17 EU Member States and I consider that this is going in the right direction.

In July, the high-level group met with the European Platform on Diet, Physical Activity and Health in order to discuss potential for synergies and partnerships, focusing in particular on salt reduction – the agreed initial priority for joint action with Member States.

This joint meeting was positive and I am certain that such gatherings involving both high-level officials from Member States and Platform members will increase the impact of actions taken both by government authorities and by Platform members in the future.

Let me also draw your attention to the Commission's proposal last July to reserve EUR 90 million every year for the purchase and distribution of free fruit and vegetables to schools.

Turning the tide on obesity is one of the most important public health challenges we are faced with in Europe today.

I am grateful for your continued support and look forward to continuing dialogue with Parliament on how best to proceed so that the European Union can play its role to the full in addressing this issue.

Małgorzata Handzlik, *draftsman of the opinion of the Committee on the Internal Market and Consumer Protection.* – (PL) Mr President, obesity and overweight represent challenges for contemporary society. They lead to many chronic conditions such as circulatory diseases, hypertension, Type 2 diabetes, strokes and certain types of cancer. Combating obesity and overweight should be a priority for the Union's health policy. The greatest possible number of partners should be involved. I am thinking of local authorities, the Member States, the European Commission as well as representatives of industry. We should not, however, overlook consumers, who make their own choices about food. Educational campaigns and promotion of physical activity seem to constitute the best approach. The consumers would then have clear and comprehensible information on the basis of which they could make wise food choices. I do not believe, however, that imposing restrictions on the food producers alone will result in a reduction in the number of overweight individuals. I am thinking of advertising, for example.

I should also like to draw attention to another somewhat neglected aspect of this debate: appropriate training for health service professionals, notably as regards caring for diabetics and the treatment of diabetes. Such training has been somewhat neglected, especially in the new Member States.

Czesław Adam Siekierski, *draftsman of the opinion of the Committee on Agriculture and Rural Development.* – (PL) Mr President, I could almost have drafted this document myself. I support the measures contained in the White Paper. It refers to the adoption of a healthier lifestyle and to physical activity of all kinds as being the most effective methods of treatment. The White Paper also contains preventive measures in the form of far-reaching recommendations for food producers, consumers, restaurant owners, food outlet chains and the advertising industry. Information campaigns are also mentioned.

Coordination between the various policy areas and levels of management along with the involvement of the private sector are crucial for the effective implementation of these measures. We need to face this problem together. Particular emphasis must be placed on implementing those actions intended to prevent obesity in children. Adults are responsible for drumming sensible eating habits into children. It is often the case, however, that we adults ourselves are not fully aware of what is and is not advisable. That is why it is so important to organise information campaigns aimed at parents, so that they can ensure that their offspring enjoy a balanced diet.

Programmes promoting the principles of healthy eating and physical activity should also be directed at children and young people. It is certainly the case that widespread obesity exists. It is also true, however, that there is a strong obsession, insistence and indeed a requirement to be thin. Eighty per cent of teenage girls under the age of 18 have tried to lose weight at least once in their life. Trying to lose weight in the wrong way can be dangerous. It follows that just as it is important to impart knowledge about the world wisely to young people, so too must young people be taught about sensible nutrition that results in a hunger for knowledge. That type of hunger is highly desirable.

Every effort should be made to implement the pan-European programme known as the School Fruit Scheme. The European Commission proposed allocating a mere EUR 90 million to this programme. I believe that this amount should be increased several times over so that the ubiquitous school vending machines filled with crisps, chocolate bars and fizzy drinks can be replaced with others selling fresh fruit, vegetables and dairy products. We should always remember that our children's diet will determine their health in later life.

Anna Záborská, *draftsman of the opinion of the Committee on Women's Rights and Gender Equality.* – (SK) Thank you, Mr President, I do not have much time so I just want to mention a few points.

As always, I am in favour of prevention and prevention from childhood. Prevention is closely linked to the promotion of parental responsibility. The best way of preventing childhood obesity is not to use the television, video games and the Internet as babysitting services. Without creative activities, children and adults do not get enough exercise.

Children must get to grips with proper eating habits in terms of the quality and quantity of food and laying the table. It is essential to promote family meals, with parents and children eating together. There is nothing better than when a family can eat at least one meal together. In order to make this possible, it is essential to facilitate a work-life balance. Teaching children to cook is another good way of preventing obesity. Children like to help with cooking and it would be a good idea to encourage this.

Philip Bushill-Matthews, *on behalf of the PPE-DE Group*. – Mr President, obesity is one of Europe's greatest health challenges, but some may say what has it got to do with us here in the European Parliament? Or indeed within the EU?

There are at least two reasons. One is, as the rapporteur has already said, obesity-related diseases account for more than 6% of taxpayer-funded national health budgets in the EU. We all have to pay for it. Secondly, different EU countries are tackling the issue differently, and all have much to learn from each other.

So may I congratulate the Commission for their White Paper in triggering this debate, and I would just highlight a few key points. We generally welcome the Commission's proposal on food labelling, but felt it would be inappropriate for this report to pre-empt the detailed discussions which will be necessary on this specific issue.

On obesity, evidence shows that the problem is much more about how much exercise people take rather than just how much food they eat. It is about calorie output, not just about calorie input. So it would be totally wrong to blame the food and drink industry for causing the problem, or indeed for failing to provide a sufficient solution.

The reality is in fact much more complicated. We need more activity-friendly communities offering more bicycle routes, better town planning, more promotion of public transport, more parks and sports facilities, more school playing fields and yes, better education. We need many aspects of our lives to change.

So may I congratulate the rapporteur on his wide-ranging report and his very difficult task, picking up from his predecessor, and dealing with so many shadows with so many ideas of their own. I particularly thank him for accepting some of my amendments including those concerning the problem of malnourishment, particularly in hospitals and care homes for the elderly. It is most important that we look after the more vulnerable in our society.

Some people make themselves vulnerable, and, if I may conclude with a sweeping generalisation, one of the problems of society today is a lack of personal responsibility, a belief that every failing is someone else's problem, that someone else will solve it. More regulation simply feeds this perception; more self-regulation and self-discipline is the answer. We need to encourage greater personal responsibility, and that way we will all make greater progress as a society.

Linda McAvan, *on behalf of the PSE Group*. – Mr President, this is a long report. There were 400 amendments, and I would like to thank the rapporteur because he has tried to make some sense of it. I hope the key messages will not be lost because it is so long.

For us in the Socialist Group the key messages – and there are some very positive points here – are that we need good food-labelling regulation and we want to see front-of-pack labelling, if possible using colour coding, included in the forthcoming discussions. We know the Commission is looking at this and that is what we want to see.

We are pleased that there is now support across the Parliament for a ban on artificial trans-fatty acids. When I first raised this two years ago there was no support in the Parliament – in fact the Commission was taking Denmark to court and there was nothing happening. We have now had a written declaration and we have a consensus, so I hope the Commission will do something like this.

Commissioner, you spoke about product reformulation. I think this is crucial. It is true what Philip Bushill-Matthews says that obviously people have to take some responsibility, but manufacturers have a responsibility in terms of how they make products. Many of them are now making great efforts to cut salt, fat and sugar. Often these things are hidden in foods. It is not obvious to consumers when they buy ketchup or yoghurt that they contain lots of sugar. In fact the labelling system often disguises what is in the product, such as yoghurts which are labelled 'low fat' when they have very high levels of sugar.

We do not believe that self-regulation is the answer to everything. We think there has to be a degree of regulation, in particular in relation to children. Yes, adults can make choices but children need to be protected

by the law and that is why we want to see independent monitoring of any voluntary agreements by industry. We know that you are taking the first steps in this direction.

Finally, this is a huge issue for Europe. It is going to cost the public purse a lot of money if we do not tackle it and we now need some concrete proposals to come from the Commission – not on issues which are to do with national responsibility, but in those areas where the EU has responsibility we need clear policies which help national governments to reduce obesity.

Frédérique Ries, *on behalf of the ALDE Group.* – (FR) Mr President, a sedentary lifestyle ailment and now increasingly a young person's disease, it has been said that the problem of obesity is central to the work of this House and has been since the start of the current legislative term. Every year more than 400 000 young people are added to the long list of those who are destined to know all about the yo-yo effect of dieting.

Europe has therefore done well to tackle this problem head-on. It also adopted a clear strategy in this area in March 2005 when it launched the European platform that was to unite all those involved, including the agro-food industry, the retail and distribution sector, medical professionals and consumer associations.

It has to be recognised – and people have said as much here today – that it is not easy to convince people that Europe should have more than a say in this fight against obesity. To do this we have to start by clarifying the levels of authority, which does not prevent us – and indeed we are doing this – from reminding the Member States just what their powers and responsibilities are.

I am thinking here of two hard-hitting proposals that we have made in the report: the first is to prevent discrimination and the stigmatisation of obese people by officially recognising obesity as a chronic disease, as has been done for example by the WHO and Portugal; the second is to ensure that all schoolchildren have access to physical exercise and sport – two hours a week would be the minimum requirement in my opinion – along with better funding of school canteens so that fresh products are put on the children's menu, and here I welcome the Commission's initiative for the free distribution of fruit at school, as referred to by the Commissioner. I would also add that it is through simple, tangible and sensible actions such as this that people will learn to like Europe again.

I now come to Mr Foglietta's report, and I wish to thank him for all the effort that he has put in. I would like to highlight two proposals that have been made here. The first concerns opting for a political incentive – such as lower prices and tax concessions – rather than a system that is based on increasing the tax on high-calorie products, namely the famous 'fat tax', which at the end of the day will penalise low-income households the most.

The Group of the Alliance of Liberals and Democrats for Europe, which I represent here today, is therefore opposed to Amendment 6 by the Group of the Greens/European Free Alliance and prefers to stand by the proposal for a substantial cut in VAT on fruit and vegetables, as laid down in paragraph 28.

My Group also supports the banning of artificial trans-fatty acids, which are recognised as being linked to a significant increase in cardiovascular problems. We are therefore opposed to the amendments proposed by Mr Blokland, which are aimed at softening the impact of paragraphs 32, 34 and 35 and at clearing the way for, if not to say whitewashing, these hydrogenated fats. Our message to manufacturers is quite clear: show goodwill and make innovations for the sake of consumers' health and also in your own best interest.

As time is short I would like to conclude by mentioning the first parliamentary meetings on nutrition and health issues that I set up in this Chamber a year ago. This was the start of a major debate for all the parties involved and one that was centred on four key priorities: getting through to people from a very early age, eating a varied and balanced diet, treating obesity as a chronic disease and legislating if necessary. This is more than just a slogan, it is the moral duty of this European Union of ours and we need to commit ourselves fully to the fight against obesity and the sedentary lifestyle.

Ewa Tomaszewska, *on behalf of the UEN Group.* – (PL) Mr President, over 50% of Europe's citizens are either obese or overweight. Three million children are obese and 22 million overweight. Obesity places a great strain on the bone structure with all the negative consequences that entails. It also causes metabolic disorders and a consequent propensity to diabetes, circulatory diseases, hypertension and high cholesterol levels.

The problem is partly due to inappropriate nutrition and partly to a sedentary lifestyle that does not involve any physical effort. Certain features of our civilisation, notably stress, play their part too. The social dimension of the problem calls for determined action, in particular as regards protecting children. Children are eating too many sweet things instead of well-balanced meals, and spending whole days in front of the television or

computer. This is because adults are failing to guide children's lifestyle appropriately and provide good models of behaviour. The White Paper on nutrition is a useful document in terms of action to control obesity, especially amongst children. The selection of healthy products should be facilitated by a promotion and information policy focused on children but above all on their parents. In particular, we support the School Fruit Scheme.

Kathelijne Maria Buitenweg, *on behalf of the Verts/ALE Group.* – (NL) Mr President, today we are discussing overweight and obesity and I think it is important – as several people have already said – not to talk too much about diet and waste, but to talk mainly about the need to eat healthily.

A couple of months ago I was very shocked when my daughter, an extremely slim daughter, came home and did not want to eat her second slice of bread because she would get fat. She had heard a lot at school about how above all you must not be fat, but she was not sufficiently aware of how you should eat healthily and what a normal helping is. A child of eight does not really understand when you are too fat. Thus it is very important to talk mainly about healthy eating and not about whether a person is too fat.

In fact, it is mainly the responsibility of parents to show children what is healthy and what it means to eat a balanced helping, and the responsibility of schools to pass this on and set an example. Parents themselves must learn more about food values and the fat content of products and so I agree with what was said earlier about labelling. We should therefore review that point in the legislation on labelling.

I also think that it is a good idea to talk a lot about sport and about the fact that children must be able to play happily outside. Therefore, we must in any case make a recommendation that in town and country planning more attention is paid to the wishes of children to have plenty of freedom.

As far as eating is concerned, the European Commission has a very good EU MiniChefs website. The website has already been improved. It now has vegetarian dishes as well, which it did not have many of before, but nearly all the recipes contain meat. Let us be honest about that, animal proteins are a major contributor to overweight. Apart from animal welfare, the European Commission should not be explicitly promoting meat consumption.

I just want to say a final word on VAT. Mrs Ries has just said that she is against our Amendment 6 because she wants to reward people, not penalise them. Therefore, she wants not a fat tax or higher taxes on unhealthy products and imports, but, in particular, lower taxes on healthy products. I certainly agree with that, but now it appears that, in the Netherlands too for example, all foodstuffs now fall into the low category. Crisps, lollies and the like all have a low VAT rating at the moment, but surely it cannot be the intention that you make that special exception for unhealthy products. Thus it is not a question of penalising; you should not reward products that are not healthy by giving them a lower VAT rating.

Jens Holm, *on behalf of the GUE/NGL Group.* – (SV) A third of Europeans suffer from overweight and obesity. A substantial share of the Member States' health budgets has to be allocated to combating the problems raised by overweight. Furthermore, the overweight problem reflects socio-economic inequity. People on low incomes are worst affected since they consume more sugar and saturated fats. Quite simply, they have a poorer diet.

It is clearly the task of policy to create the best possible conditions for people to eat more healthily. That is exactly what Mr Foglietta sets out to do in this report. He therefore has the support of the Group of the European United Left. The report calls for the EU to be more flexible in allowing the Member States to apply lower VAT rates for healthy food and higher rates for what we should eat less of. It is an important demand which I hope EU leaders will listen to. What does the Commission have to say about this? Can the Commission come back with a review of the EU VAT Directive allowing more flexibility in the Member States, so that we can get to pay less VAT on healthy food, for example?

Another question to the Commission concerns trans-fats. We know that trans-fats are bad for us. That has been established by authorities in the Member States, as well as by EFSA, the EU's own Food Safety Authority. At a hearing in the Committee on the Environment, Public Health and Food Safety on 1 April this year, Commissioner Androulla Vassiliou said that trans-fat is definitely not good for health, there is no doubt about it. In this report we call for a ban on trans-fats, but the Commission refuses to propose it. Mrs Vassiliou will not even allow individual Member States to go further and introduce national bans. Now the Commission has a chance to withdraw from this unhealthy position. When shall we get a ban on trans-fats? Can the Commission at least guarantee Member States freedom to ban trans-fats if they wish to?

Meat is another dimension of the public health problem, as the previous speaker, Mrs Buitenweg, pointed out. Meat consumption is soaring across the world. If nothing is done, the UN Food and Agriculture Organisation (FAO) warns that the already high consumption of meat will double by 2050. Meat contains saturated fats and contributes to obesity. Furthermore, the meat industry is seriously helping to hasten climate change. The EU should phase out subsidies to the meat industry; yet, in the budget for 2007 alone, over 45 million euros were appropriated just for the marketing costs of the meat industry. It is counter-productive and, besides, a bizarre waste of taxpayers' money. The phasing out of these meat subsidies and a strategy for reduced meat consumption should be self-evident measures for better health in the EU.

Johannes Blokland, *on behalf of the IND/DEM Group.* – (NL) Mr President, trans-fatty acids are not the healthiest fatty acids. These fatty acids exist in natural and industrial form and are found in many food products.

Although the results of scientific research vary, most research shows that the trans- fatty acids naturally found in foodstuffs and artificially added industrial trans-fatty acids present an equal risk. Both types of trans-fatty acid are in fact equally harmful if too much is consumed. It therefore does not seem to me appropriate to maintain that distinction in the present proposal; hence my amendment.

Furthermore, it is very difficult to ban all trans-fatty acids completely without creating other risks to public health. According to the UK Food Standards Agency for instance, a ban on trans-fatty acids in fact leads to a concentration of saturated fatty acids. Saturated fatty acids are at least as harmful as trans-fatty acids. On average the total intake of saturated fatty acids is considerably higher than the World Health Organisation recommends. I have therefore tabled amendments to limit the quantity of saturated fatty acids as well and at the same time I suggest that we do not call for a ban on trans-fatty acids, as indicated now in paragraph 32 of the report.

What might be a possibility is for us to set a limit of, for example, a 2% proportion of trans-fatty acids in total energy intake. That appears to be technically very feasible and to some extent it is already being done. We have to ensure that we do not have a trade-off between trans-fatty acids and saturated fatty acids, with consumer health not being improved at all as a result.

Irena Belohorská (NI). – (SK) The deteriorating trend towards unhealthy eating and insufficient physical exercise in Europe is alarming. I am therefore very pleased that we are looking at this problem here in the European Parliament.

We know that obesity is one of the factors responsible for 'civilisation diseases', such as high blood pressure, heart disease, diabetes and consequent diseases of the musculoskeletal system. On 17 September I organised a working lunch here in the European Parliament devoted to the problem of the relationship between obesity and diabetes in pregnancy. The Members and assistants present were able to listen to the top experts in Europe, such as Dr Rosa Corcoy Pla, chair of the working group for diabetes in pregnancy, and Professor F. Andre Van Assche, former President of the European Association of Gynaecologists and Obstetricians and Professor Dr Pera Ovesena.

Obesity and maternal diabetes represent an increased risk of maternal and also neonatal morbidity and mortality. We must realise that this involves not just disease in the mother, someone who often may not follow a proper diet, but also responsibility for the healthy development of the future population.

An obese diabetic mother will have obese children, and so it goes on from generation to generation. I should therefore like to draw your attention to the written declaration I and my colleagues have prepared on this problem, the relationship between diabetes and obesity in pregnancy. The EU Member States should devote more attention to preventing and screening for diabetes in pregnancy and make the population more aware of the risk and consequences of obesity.

Horst Schnellhardt (PPE-DE). – (DE) Mr President, ladies and gentlemen, with the White Paper, the Commission intends to present an integrated strategy for the EU which aims to reduce diseases related to poor nutrition and the overweight and obesity-related health issues with which it is associated. That is right and proper, for the increase in diseases related to poor nutrition and lack of exercise forces us to act.

The Commission's aim of adopting an integrated approach across government policy areas is the right one. This is the only way to tackle the causes of obesity-related diseases. A balanced diet is important, as are nutritional education and promoting sports in schools, and it is important that we provide guidance and support so that people in the European Union can move in this direction. Various positive initiatives have

already been launched. The EU Platform for Action on Diet, Physical Activity and Health is one of them, and supports this objective. It is a Europe-wide initiative which attempts to encourage citizens to make the necessary changes. The Commission's school fruit programme is another example.

However, if we resort to populist demands again, as advocated in the proposal, we will simply distract attention from the real problem. What is the point of demanding, yet again, a restriction on advertising? We have only just adopted the Television without Frontiers Directive. It contains very clear rules, and yet here we are coming up with new ideas and demands again.

I lived for 40 years in an area of Europe where advertising was banned. The result was not that we all slimmed down in the communist part of Europe. What are the Greens doing, calling for taxes on foods with a particular type of nutritional content? Do we want the poor in the European Union to be unable to eat certain types of food because they can no longer afford them? Which strategy, then, do we want to adopt?

The strategy that we should be adopting starts with education and training. That is where we should be investing. We should not be restricting our citizens' freedom of choice with punitive measures or restricting their access to food.

Edite Estrela (PSE). – (PT) Mr President, this debate is very important. I therefore want to start by welcoming the Commission's initiative and Mr Foglietta's report. More has been said about anorexia than obesity, despite obesity having become a truly global epidemic. More than 50% of Europeans are overweight and around 6% of health expenditure is spent on obesity, as already mentioned here today. Child obesity is continuing to grow, with 22 million European children now being overweight.

The fight against obesity must be a political priority of the European Union. I therefore agree with most of the measures proposed: consumer information, restriction on television advertising, nutritional and health information on food labelling. People must realise that obesity is one of the main causes of death and is associated with many chronic diseases such as diabetes, high blood pressure, cardiovascular disorders, bone and joint problems, respiratory diseases and cancer. We must act, and we must act quickly. There is no secret to the solution: more physical exercise and greater care with food, which is totally the opposite to what most people are doing. Sandwiches and soft drinks, sweets and snacks should not be consumed every day and a sedentary lifestyle does nothing for your health.

Physical exercise can simply involve walking for at least half an hour a day. It does not take much effort or cost a lot, but it works. It is important for adults and vital for children. Many parents do not even realise the harm they are doing to their children by allowing them to spend their free time in front of the television or computer, eating what they should not be eating, without any kind of monitoring or control.

We need to join forces to combat obesity which is why the actions must be concerted and involve schools, families and operators in the productive, health and social sectors. Everyone has a responsibility. The role of the family in changing habits is decisive. Schools should be responsible for the qualitative and nutritional control of school meals, prohibiting the sale of high-fat, high-salt or high-sugar products in bars and vending machines. At the same time they should facilitate and promote physical activity for students.

Holger Krahmer (ALDE). - (DE) Mr President, I very much welcome the strategy set out in the White Paper, which will enable us to tackle the causes of poor nutrition and obesity and the diseases with which they are associated. Unfortunately, in Europe's food policy, whether we are talking about nutrient profiles or food labelling, or indeed in some aspects of the White Paper, we tend to resort to a very one-sided approach. We generally try to resolve Europe's problems through product policy.

In my view, assuming that there are good and bad foods is fundamentally the wrong approach. As many of the amendments show, this is not the case. There are only good and bad, or balanced and unbalanced, types of diet. That should be our approach. There are many reasons why people eat the wrong type of diet. Addressing this problem by attempting to steer consumers in a particular direction with product labelling or even by introducing advertising bans or regulations or applying different VAT rates, will not bring us closer to our desired objective.

I do not want to pre-empt the debate on the Food Labelling Directive, but I do believe that whatever action we take here should be guided by the principle that we should be motivating consumers to think about their eating habits. Traffic-light labelling – which is supposed to make the consumer stop and think whether he or she is about to choose a good or a bad product – is an approach which patronises consumers rather

educating them and raising awareness. I would like to see a more balanced approach, along with the recognition that pursuing a solely product policy-oriented approach will not take us very far.

Roberta Angelilli (UEN). - (IT) Mr President, ladies and gentlemen, I should like to begin by complimenting the rapporteur on her excellent work. I am obviously about to repeat many of the remarks already made by my colleagues, but I do not think that we should mince our words: obesity affects approximately 25% of European children and is therefore a serious threat to their future health. The causes include inadequate information, poor eating habits, a lack of physical activity and even a shortage of sports facilities. Nor should we underestimate the social and psychological problems involved, partly because overweight children are often victims of bullying.

I believe, for this reason, that the proposed increase in funding for the school fruit programme, whereby fruit and vegetables are made available free of charge in the classroom, is a good idea. Indeed, 2009 should see a revival of the Mediterranean diet and the production of fruit and vegetables, especially in view of the latest WHO data indicating that the consumption of these foods is falling even in Mediterranean countries. Under this initiative, rather than being destroyed to keep prices high, fruit will be used to ensure a healthier diet, especially for our children, and therefore a healthier future for Europe's citizens.

Ilda Figueiredo (GUE/NGL). - (PT) Mr President, it is vital to have a comprehensive and integrated approach to nutrition, overweight and obesity given that there are many factors involved, with the issues of food poverty, malnutrition and lack of information on healthy diets being of particular importance.

The issue of guaranteeing healthy food is therefore of key significance. We must guarantee, through public policies, that everyone has access to healthy food. This means implementing a range of measures to ensure local and high-quality agricultural production of high-quality foodstuffs, including milk, fruit and vegetables, and their distribution to people on low incomes.

Furthermore, another common agricultural policy, which involves protecting family-based agriculture and creating local markets with fruit, vegetables and other essential foodstuffs, with production being duly supported, can guarantee healthy food, at accessible prices, for the general population.

As there are proposals to provide support for the distribution of fruit and vegetables in schools, it is vital to increase the amount that the European Commission is proposing for this programme in order to guarantee their free and daily distribution to all school-age children, and not just once a week as is currently happening. However, it is equally important to implement a whole series of public health policies and programmes which have nutrition as one of their priorities, including campaigns on health education and information and on the promotion of healthy lifestyles and diets. These must include physical education and sport with guaranteed access for the general population, particularly children and youngsters, and specifically in schools.

Urszula Krupa (IND/DEM). - (PL) Mr President, the text on the health issues related to nutrition, obesity and overweight contains many important observations. There are alarming indicators showing how common being overweight has become. Accordingly, it is essential to combat this by paying particular attention to the promotion of organic food, sport and physical exercise from an early age. It is also important to raise awareness of harmful adverts that deliberately encourage overeating. Other positive features of the document are the promotion of breastfeeding, measures to improve the quality of school meals, the provision of fruit, and the ban on the sale of food and drink containing high levels of fat, salt and sugar on school premises.

There are further causes of obesity and overweight, however. These include trauma and psychological conditions, which play an important role. A range of psychological disorders lead to irrational eating disorders. Anorexia and bulimia are obvious examples of this. Biological responses created by the general availability of fast food can be much stronger than usual when there is inadequate personal development, a lack of respect for values, widespread depression and nervous conditions. Contempt for ethical and moral principles and disregard of the meaning of fasting can even stunt personal development by making a person dependent on his or her blood sugar level and on visual and taste sensations.

It is surprising that there has been no mention of the significance of saturated fatty acids in the e-mail discussions and in the amendments tabled. Consumption of these substances is increasing. The problem of the different effect of artificial trans-fatty acids compared to that of the rest seems, however, to have been settled. In their natural form trans-fatty acids only occur in a few products, in particular in milk, which contains a small percentage of these acids.

Avril Doyle (PPE-DE). - Mr President, more than half of the European population is overweight, and the World Health Organisation tells us that a billion people worldwide are overweight, 300 million of them obese. As many as 50% of Europeans take no exercise at all.

Cardio-metabolic diseases such as diabetes, hypertension and heart disease are growing at an alarming rate, and those with high levels of obesity are extremely prone to develop type-two diabetes with all the consequent morbidity issues, as witness the alarming increases in this type of diabetes among very young teenagers. Doctors are now also telling us there is a serious connection between obesity and dementia/Alzheimer's disease.

Critically this is a huge challenge for policymakers, especially when it comes to our children, 22 million of whom are overweight in Europe. We have reached a stage in this strange world of ours today where there are more people overweight than there are hungry. On top of all of this, particularly in wealthier countries, we have an increasingly problematic relationship with food, with increasing anorexia and bulimia, diseases of countries where there is plenty to eat.

Although health matters largely fall within the Member States' area of competence, there are many ways in which issues around obesity can be tackled at EU level: exchange of best practice, promoting healthier lifestyles in relevant EU policies and cross-border epidemiological cooperation.

Last week I hosted a breakfast week here in Parliament, where we underlined the fact that 61% of Europeans skip breakfast regularly during the week. This fact can be directly linked to excess weight gain by our doctors. The Harvard Medical School recently conducted a study which found that people who ate breakfast every day were 35% less likely to be obese. Research has also found that these people who skip breakfast are likely to be more tired, irritable and restless in the morning.

Starting the day with a proper blood-sugar level is the best antidote to snacking and sugar cravings. So while citizens are ultimately personally responsible for their own diets, the ongoing promotion of healthier lifestyles is a must.

I support this report strongly, except for paragraph 28, with which I cannot agree: I do not believe tax measures should be raised in a health-based report.

Åsa Westlund (PSE). - (SV) Mr President, as many have said, the matter we are discussing here today is an important one. It is an immensely important subject on which we can learn from one another, the Member States together, but it is also immensely important for us to respect the subsidiarity principle when we discuss this issue.

There is much the EU can do to reduce the problem of obesity and on which we should focus attention here in Parliament. Advertising and consumer information are areas on which we take decisions here in Parliament and which should be our focus. I think we have failed to some extent in this respect. We have, for example, failed to ban advertising directed at children, a group which cannot differentiate between advertising and facts, and any information presented to them in this way is therefore by definition misleading for precisely those consumers. A great deal of the advertising directed at children does in fact relate to food which contains a lot of fat, salt or sugar. A ban on advertising directed at children would be an effective way of reducing the obesity problem in Europe.

The second point I wanted to take up was that of trans-fats. I am extremely glad that we shall perhaps be able to call on the Commission tomorrow to propose a ban on trans-fats. The usual argument against such a ban is that it is actually saturated fats that are the biggest problem for public health in Europe. Strictly speaking, that is so, but why not reason as they do in Denmark? While we do have a huge problem with saturated fats, why do we have to put up with the additional problem of trans-fats as well? I cannot understand why. We cannot remove all saturated fats, but we can effectively remove the industrialised production of trans-fats, which is just a cheap and bad way to produce food.

I am also extremely glad that we addressed the question of glutamates in the report. Finally, I want to reiterate the importance of subsidiarity. We could have had a lot less to say about what schools should do and what food they should serve. I actually think that there are better political levels on which to take such decisions than here in the European Parliament.

Cristian Silviu Buşoi (ALDE). - (RO) We have all heard the statistics concerning obese children and adults, so there would be no point in repeating them. What is worrying is that the prospects after 2010 are even

gloomier. This is why excess weight and obesity should concern us; therefore, I welcome the Commission's White Paper, as well as Mr. Foglietta's report.

Unfortunately, obesity affects mainly people from disadvantaged categories, all the more so as the price of staple foods has risen considerably; however, promoting a healthy lifestyle and healthy eating could prevent obesity and lead to a decrease in the number of obese persons, at the same time cutting costs in the health system by eliminating the need to treat all the complications related to obesity.

I, too, believe that coercive measures are not a solution. European citizens have the freedom of choice. The solution is better nutritional information, with appropriate labels specifying the contents, as well as information campaigns funded by the European Commission and the governments of Member States. We should not forget campaigns targeted at parents, who have a very important role, and at children. Moreover, Member States should supervise the content of vending machines placed in schools, they should monitor the food provided by schools and kindergartens, and they should encourage the consumption of fruit and vegetables. Physical education classes are also very important. Not last, the Commission should pay particular attention to industry initiatives concerning responsible advertising and the reduction of salt, sugar and fats.

Zdzisław Zbigniew Podkański (UEN). - (PL) Mr President, according to WHO statistics, over 1 billion people are overweight, and over 300 million are obese. The situation in Europe is even more dramatic. Obesity is no longer just a problem; it has become an epidemic involving diabetes, hypertension, heart attacks and certain types of cancer.

Combating overweight and obesity calls for a complex range of actions. These include the production of healthy food, sensible nutrition, improving the financial situation of the poorest people, raising awareness in society, developing research, monitoring children's diet, leading a healthy lifestyle and promoting active leisure time. Unfortunately, in addition to the generally recognised causes of obesity and overweight there are contributory factors linked to irresponsibility and the desire to make a profit. A good example of this is the spread of genetically modified organisms. Planting and cultivating the latter is detrimental to biodiversity and takes the place of healthy food.

In the interests of human welfare, development and health, we should take concerted action to make Europe GMO-free. Doing so will also protect the natural environment. We must remember that healthy natural food is the best way to combat diseases, including obesity and overweight.

Christa Klauß (PPE-DE). - (DE) Mr President, overweight and obesity are a major problem for our society. We know that we cannot change consumer behaviour with legislation. Rather, changed behaviour throughout society has an impact on the individual: after all, who wants to be an outsider? Our health behaviour and diet are influenced by our social environment. There have been complaints that meat consumption is on the increase. However, it is on the increase because more people in society can afford to eat meat, not because per capita meat consumption itself is rising.

A healthy relationship with food and drink is particularly important. An obsession with being thin is as bad for health as compulsive eating. Eating habits cannot be regulated by law. People's dietary needs vary, and there is no 'one size fits all' requirement in terms of people's calorific or fat intake. People are different, and their individual energy needs differ too, depending on age, gender, occupation, and activity levels. Bans are a poor substitute for common sense. We do not need new legislation: what we need are information campaigns to impart knowledge. We need freedom, not nannyism. Freedom also implies responsibility.

Our citizens are intelligent adults who can think for themselves. Traffic-light labelling is not representative as it only shows certain aspects in isolation, so it confuses consumers. What should I choose if a product label shows that a specific food has red, yellow and green nutritional elements? The food industry will pass the costs of the new labelling on to the consumer, driving up prices even further.

I am against a 'nannyism' approach and mandatory front-of-pack nutritional labelling using colour coding, and I would therefore ask my fellow Members to vote against paragraph 37 of the report. If necessary, we can deal with this later in a different context, when we look at the issue of labelling. Let us take the White Paper on nutrition, overweight and obesity-related health issues as an opinion-forming tool which provides food for thought for society, not as an opportunity to impose even more conditions and create new legislation!

Justas Vincas Paleckis (PSE). - Mr President, I would like to congratulate the rapporteur for successfully tackling such an oversized topic.

Firstly, I should stress the importance of providing free lunches for schoolchildren, which is the practice in my home country of Lithuania but is far from that of all Member States. Of course there are objections relating to insufficient funding and generally about the quality of food which is actually on the plate, but it helps children – especially from the poorest families – to have proper and decent-quality meals.

I also welcome an initiative to distribute fruit and vegetables free in schools. It should be considered as an example of best practice. I believe EU funding could be helpful in assisting Member States with the financial burden. The importance of this is that such projects take the EU directly to citizens.

Last but certainly not least, the report fails to mention consumption in the sense of over-consumption. These days, changing consumption patterns equal a change in our lifestyles. It is perhaps hard to imagine a parallel between obesity and climate change but, indeed, such dependency exists. If we started to think about both topics at the same time, perhaps we would fly fewer of our apples and strawberries from abroad and grow more of them at home, selling them at local food markets instead of supermarkets – which is exactly one of the points that the current report proposes.

Siiri Oviir (ALDE). - (ET) Commissioner, ladies and gentlemen, the number of people who are overweight and obese has been discussed here several times already but, according to the experts, a further 1.3 million people will join their ranks next year. This is the equivalent of the entire population of my homeland, Estonia, a terrifying thought. There are many factors behind poor diet and obesity, although doubtless we must take the cost, availability and awareness of food into account in our assessment.

Sixteen European Union countries have kept VAT on food below the standard rate, a laudable decision. The proposal included in the report to reduce VAT on fruit and vegetables to below five per cent is welcome. The WHO health report refers to a low intake of fruit and vegetables as one of seven health risks. In that context it would be commendable to start providing fruit in schools, and European Union support would be necessary if we are to introduce the measure in all 27 Member States.

One cannot say much in one minute but I would like to add a couple of words on advertising and the media. Their help and ideas are needed to advertise carrots, not Pepsi-Cola, and on the kinds of stereotypes and body images to advertise, as these play a very important role in raising people's awareness. Allow me, as I finish, to thank the Committee and the rapporteur for their efforts.

Andrzej Tomasz Zapalowski (UEN). - (PL) Mr President, we are today debating the growing number of obese people. At the same time, the Committee on Agriculture is debating the future agricultural policy. In a sense, both these debates concern the same issue, namely the health of our society and of young people in particular.

It sometimes seems to me that in certain documents we lament health problems whilst in others we promote GMOs, cloning and importing food from regions where it is produced using methods far removed from natural ones. In the framework of the WTO, our negotiators want further opening to markets outside Europe. We should ask ourselves whether we really care about our society or whether we are simply paying lip service. Most of the direct payments to agriculture go to large agri-business concerns that produce food with a high chemical content rather than to family farms producing healthy food.

Clearly, this report is sorely needed, but the main findings it contains must be implemented. In the light of the Commission's current priorities, I seriously doubt that this will be the case.

Françoise Grossetête (PPE-DE). – (FR) Mr President, 27% of men, 38% of women and one child in four are now considered to be either overweight or obese in Europe, and there are some 400 000 new cases a year. This is a blight that is taking hold on European society. Information campaigns and preventive measures are certainly an effective response because, unfortunately, we are now confronted with a public health issue that is also developing into a social problem. Regrettably, obesity is also frequently associated with poverty and exclusion.

Much has been talked about information campaigns and prevention. I do not wish to go back over what has been said about food labelling, the role of the public authorities, school canteens, sports facilities, proper information, a healthy diet and the need for daily physical exercise.

However, I would draw attention to the important role played by health professionals, who are there to identify chronic health risks linked to obesity, including diabetes and cardiovascular disease and of course the consequences that such ailments have for overweight people. Prevention is achieved by exchanging best practices while at the same time respecting the principle of subsidiarity.

Studies have shown, for example, that a waist measurement greater than 88 cm for women, apart from during pregnancy, and above 102 cm for men is the definition of abdominal obesity and constitutes a health risk, and this applies irrespective of the person's height. This very simple benchmark is still not being sufficiently recognised by GPs. Waistline measurement should therefore be made a simple point of reference for all patients and should trigger an immediate investigation of the associated risk factors, including glucose intolerance, which is a sign of pre-diabetes, excess cholesterol, triglycerides and arterial hypertension, and we also know, unfortunately, that all these symptoms point to the development of Alzheimer's disease.

This is why we really need to accentuate the role that health professionals have to play in this area.

Marian Harkin (ALDE). - Mr President, I would like to congratulate the rapporteur: this report is very timely and deserves the full attention of policymakers. The facts on obesity are startling and have already been quoted. Yesterday at a major conference in Dublin a nutrition expert claimed that Ireland was on the cusp of an obesity crisis, and, indeed, a similar situation pertains across Europe.

I want to briefly mention just one issue: self-regulation versus legislation. We have a voluntary code for the advertising of food of poor nutritional value to children, but there is a large question mark over whether this is working or not. According to the Irish Heart Alliance, this voluntary code is not effective. I believe we need to monitor it very carefully and take immediate action if necessary.

Mr Bushill-Matthews mentioned personal responsibility. That is fine at one level, but we need clear, understandable food labelling – colour coding is a positive step. We live in a world where we consume greater and greater amounts of processed foods. Indeed, certain EU policies promote this – the Lisbon Agenda: more people at work, less time for food preparation. I fully support the Lisbon Agenda, but, alongside that, we as EU policymakers have a duty to ensure that food manufacturers make it very clear what is contained in the processed foods they manufacture.

Bogusław Sonik (PPE-DE). - (PL) Mr President, the subject of the health issues related to nutrition, overweight and obesity is a matter of current concern and it is right that we should be dealing with it now. The whole world, not just Europe, is currently facing a tremendous challenge involving obesity and the diseases directly and indirectly related to it. Expenditure on their treatment is increasing at an alarming rate. Sixty per cent of the population of the United States is overweight, and one third now suffers from obesity. The most recent data from that country indicates that expenditure on the aforementioned conditions is in excess of USD 100 billion. This is more than 10% of the healthcare budget. Europe is slowly catching up with its neighbours as regards these infamous statistics. More and more children and young people are suffering from hypertension and diabetes. These conditions are often due to poor nutrition and lack of exercise. In the interests of the future of Europe and of its inhabitants, we must pay more attention to the problems raised in the report by Mr Foglietta. The health disaster threatening Europe and the entire globalised world can only be avoided by swift, determined and joint action.

The European Parliament is currently dealing with many issues relating to economic and social matters. If we are to carry them through successfully, though, we must not forget that only healthy societies are able to derive full benefit from the advantages made available to them. Action to promote a healthy lifestyle must be taken. At the same time, however, it is necessary to introduce legal measures which make every Member State responsible for making more determined efforts to improve the physical condition of its citizens through healthy eating and sport. It should of course be borne in mind that the specific actions and policies to combat this phenomenon fall within the competence of the Member States.

Danutė Budreikaitė (ALDE). - (LT) The White Paper suggests considering three factors when determining a strategy for Europe on nutrition-, overweight- and obesity-related health issues. First of all, every individual is responsible for their way of life. Secondly, only a well-informed individual is able to make right decisions. Thirdly, the Paper suggests coordination between a number of fields – food, consumers, sports activities, education, transport, etc.

However, all these factors are influenced by advertising. What are we eating? Where are we seeing these products? How do we get to know about them? Unhealthy products account for 89% of the food products advertised on television. More than 70% of children ask their parents to buy them the foods they have seen advertised on television.

In discussions on health issues I think one more participant is missing – representatives of the food production industry. We would like them to realise the harm caused by unhealthy food products and the resulting costs

that society has to bear. We would like them not only to stop advertising unhealthy foods, but also to produce more healthy food products.

Miroslav Mikolášik (PPE-DE). - (SK) More than half of the population of Europe is overweight. According to the statistics, almost 27% of men and 38% of women are considered overweight and more than 5 million children are obese. A total of 5-7% of expenditure on healthcare is directly associated with obesity and this represents billions. It is this worrying fact that makes it essential to adopt resolute initiatives at all levels to curtail this phenomenon.

I welcome the Commission's steps to adopt the White Paper, clearly shifting the field of diet, excessive weight and obesity to the level of a political priority for the European Union, and I am of the opinion that we can achieve progress in the fight against obesity by coordinating the different sectoral policies at European level.

I should like to draw attention to the problem of overweight children and young people: this age group should be one of the priorities. Correct diet and physical exercise are prerequisites for normal growth and healthy development in children. Education in healthy eating is mainly the responsibility of parents, but schools can also play a part in this regard. They should constitute another centre of activities in the fight against obesity.

I agree with the rapporteur's view that schools should have a doctor, a nutrition specialist, on the premises. I also favour a ban on the sale of excessively fatty, salty and sugary products in schools, where they are available in particular in vending machines. According to the statistics, young people today spend more than five hours a day in sedentary activities, mainly watching television and playing on computers. Exercise, on the other hand, increases the deposition of calcium in the bones, develops children's social skills and is an important factor in the fight against stress. It is important to create school conditions whereby sufficient time can be set aside every day for physical education and to encourage children to take part in sport, for example through the construction of playing fields and sports halls. These steps are essential if we wish to prepare a healthy future for our young generations.

I shall conclude by saying that the prevention of obesity requires at least one peaceful healthy meal in the family circle cultivating, above all, healthy habits.

Antonio De Blasio (PPE-DE). - (HU) Thank you, Mr President. Commissioner, ladies and gentlemen, obesity and being overweight are not only fed by health reasons, but by social reasons in the broadest sense. I was delighted to see that the White Paper and report point out that the question of obesity and being overweight must not be examined at the stage when it has already grown into a real health problem, but we must reach back to the root causes.

I consider it important to emphasise that the White Paper and the Parliament's opinion must not address the health sector but citizens and communities; society, in other words. This extremely important question must be handled in harmony with the European Union's other documents, since the causes of the problem are multi-faceted so the solution must come from many different directions, and yet be coordinated, in order to succeed.

Making a healthy lifestyle more popular must be supported in every possible way, at European Union, Member State, regional and local level. We must place particularly great emphasis on the programmes and actions that aim to bring school-age children and young people up with a healthy lifestyle. Here I must stress the role of local governments, since it is mainly they that run schools. Programmes that work well must be publicised widely.

We all know that the role of the media in formulating knowledge is gaining ever more ground: the power of advertising can conjure healthy eating, sport, regular exercise, basically a healthy lifestyle, into a fashionable model to follow. In preventing obesity, the importance of exercise and sport must be closely linked to the requirements of healthy eating, but it is not at all sufficient to focus on only these two aspects: encouraging people to lead a healthy lifestyle must become top priority in all relevant policy areas.

The aim is for people to understand that healthy, balanced eating does not mean that we can never consume certain foods. Regular exercise does not mean that we have to take exercise in every free minute. The emphasis is on moderation, and in this way our diets and lives will become more balanced. I would like to thank the rapporteur for his work, and you for listening. Thank you very much.

Zbigniew Zaleski (PPE-DE). - (PL) Mr President, we are today dealing with two food-related disorders. One of these is anorexia, which generally has a psychological basis linked to the fact that thin bodies tend to be

presented as more attractive. We are all aware of extreme cases in which this disorder has resulted in death. Fortunately, however, fashion is changing and the disorder is now less widespread. The other disorder is obesity, which can also have a psychological basis. Food can be perceived as a way of coping with stress and as an escape from life's problems. Against this background, I believe that the key issue is nutrition. Food producers and distributors bear a much greater share of the blame in this respect. The report before us is very welcome and should serve as a warning. The so-called fast food provided for school pupils on outings and trips is a danger. After all, it amounts to a lesson on eating. Appropriate education and food control are needed. In my view, our efforts represent a step in the right direction and I therefore support this report.

Marian Zlotea (PPE-DE). - (RO) I believe we should focus our attention on overweight children and that we should try to create new programs for fighting obesity in early life, when we acquire our feeding habits. We should promote feeding education both in primary school and after. All the Member States should include in their school curricula the basics of a balanced diet and exercise.

According to certain statistics, in ten years' time there will be over 30 million overweight children in Europe. I am deeply worried about this major problem. Consequently, I started a series of written statements proposing the creation of special programs in schools, including free regular health check-ups and counselling. I endorse the proposals in the White Paper, such as the appropriate labelling of foods, restrictions on advertising in the case of products that are harmful to children, decreased VAT on fruit and vegetables, and foods for children only. In conclusion, I would like to congratulate the rapporteur for this accomplishment.

László Kovács, Member of the Commission. – Mr President, I am really pleased that the Members of Parliament who took the floor basically agreed with the Commission White Paper. They not only shared its views, but also expressed support for the Commission's initiatives.

I appreciate the complex approach of the speakers. This is fully in compliance with the complex nature of the problem of obesity. Many of the speakers urge raising public awareness and cooperation with the food industry, which is also fully in line with the text of the White Paper both in spirit and letter. The Commission's commitment is reflected in the proposal on food information to consumers which we will soon be discussing with the Parliament and also with the Council.

I want to stress that there are various programmes and projects in the European Union which mutually reinforce the White Paper on nutrition, overweight and obesity – such as the Green Paper on urban mobility or the White Paper on sport, both aimed at a healthier lifestyle and a healthier environment. Others include the common agricultural policy health check – which would, for example, decrease consumption aid for butter – or the schemes for school milk and fruit, the Community legislation on advertising and marketing to promote responsible advertising, or the Directive on Unfair Commercial Practices.

These are very important initiatives in full harmony with the Commission's position. The Commission will continue to work with the EU Platform for Action on Diet, Physical Activity and Health and with the high-level group of Member State experts.

I also want to stress that the Commission is encouraging initiatives that help prevent the development of cardiovascular disease in Europe, for which trans-fatty-acid consumption is a risk factor in addition to overall fat intake and the intake of saturated-fat acids. Voluntary reformulation can deliver results. Commitments have been made within the European Platform for Action on Diet, Physical Activity and Health to reformulate products and reduce the amount of trans-fats and saturated fats in them.

There is just one more issue which I want to mention because it touches my portfolio – taxation. There was a proposal to examine the possibility of applying reduced VAT rates for vegetables and fruits. I do feel sympathy with this proposal because it shows exactly how tax policy can promote the attainment of other important policy purposes.

To conclude, I want to underline that Parliament is one of the founding members of the Platform, and the European Commission is prepared to regularly update Parliament on the activities of the Platform. Parliament is expected to discuss the monitoring report in 2010.

President. – We will end this debate with a speech by the rapporteur, Mr Foglietta, who I urge to keep within his allotted two minutes.

Alessandro Foglietta, rapporteur. – (IT) Mr President, ladies and gentlemen, I should like to emphasise one aspect of the Commissioner's statement which I consider very important. Close attention should be paid to an issue that deserves serious consideration while we endeavour at the same time to create new opportunities.

This subject is, I believe, one that concerns many of us, since several well-focused speeches have explored it and sought to spur the Commission into action. Above all, however, the report itself aims to make clear that we are dealing with a highly critical condition: obesity.

As far as health problems are concerned, obesity is now becoming an extremely complex problem that has to be solved. Help must be provided and we must produce a report which helps us to achieve our objectives. Commissioner, the Commission has indeed underscored the role of the World Health Organisation, but let us not forget that the WHO itself is calling for the trend of rising child obesity to be reversed by 2015. Another important date will be 2010, which is when we will be in a position to judge the outcome of this strategy.

I should therefore like to thank all those who have spoken in the debate and the shadow rapporteurs. I am grateful for all the suggestions made and believe that we must be very alert and careful to draw up a significant report which will really enable us to think in terms of prevention and well-balanced healthy eating, for the sake not only of the body but also the mind and soul. I believe that we certainly can attain this goal thanks to everyone's cooperation. Once again, my thanks go to all those who have spoken in favour of this report. Thank you, Commissioner.

President. – Thank you for your work, Mr Foglietta, which everyone here has recognised.

The debate is closed.

The vote will take place tomorrow.

Written statements (Rule 142)

Genowefa Grabowska (PSE), in writing. – (PL) Overweight and obesity are something of a contemporary epidemic with dangerous consequences for the health and even the life of human beings. Diabetes, circulatory disorders, hypertension, heart attacks and certain types of cancer are just some of the dangerous outcomes of obesity and overweight. It is therefore entirely appropriate for the European Parliament to have become involved in combating overweight and obesity. It is also right that Parliament should be encouraging the bodies responsible for the health of EU citizens to become involved in this battle. I am referring to the bodies at every level of national and European administration.

Childhood obesity is a particular concern. There are already 22 million overweight children in Europe and their number is steadily increasing. If we do not reverse this trend, our society will soon be even more obese, less healthy and markedly less productive. That is why I fully support this report. I believe that the time has come for us to pool our efforts and launch a determined and sustained attack on overweight and obesity. We must focus on the most sensitive sectors of society, such as children and the elderly, especially women and people living on their own.

If we succeed in convincing society that it is worth controlling our body weight and combating overweight, and if we manage to set up mechanisms to promote a healthy lifestyle, we shall be able to avoid a great many problems. Preventing obesity is therefore not just a health and beauty issue; it also has social and cultural implications.

Louis Grech (PSE), in writing. – The problem of obesity and diet-related diseases has taken dramatic proportions worldwide. In my view, sophisticated and aggressive marketing techniques have prevented consumers from making informed choices in regards to their diet. In this respect children are particularly vulnerable. The AVMS Directive foresees that media service providers would adopt voluntarily a code of conduct regarding commercial communication on food and beverages. While I appreciate the self-regulation aspirations of industry and media, I would have preferred to see concrete restrictions on the volume and type of advertising aimed at children. The destructive effects of low quality food on society are comparable to that of alcohol and tobacco, whose advertising is heavily regulated. A similar approach can be applied to foods that have been established as harmful to human health. Consumers need clear and objective information, which can be provided by requiring higher standards on food labelling and placing more restrictions on advertising.

The current financial crisis has exposed one more time the results from mixing greed and lack of regulation. Whether you stand to lose your house or your health, I think the stakes are too high for an indifferent marketing approach. As regulators we need to step in and do our job.

Mieczysław Edmund Janowski (UEN), in writing. – (PL) I welcome the report on nutrition, overweight and obesity related health issues, presented by Mr Foglietta. It is quite right for Parliament to take up the

important issue of the promotion of healthy eating once again. We would do well to remember that sound nutrition is one of the 12 factors contributing to good health highlighted by the World Health Organisation. A healthy individual is a *sine qua non* for a healthy society. Food safety is crucial in this context. The latest cases involving contaminated Chinese baby formula milk prove just how important this is.

Poor nutrition is the cause of many afflictions, including overweight and obesity. Obesity is understood to mean excessive deposits of fat in the body. It increases the risk of heart disease, hypertension, atherosclerosis, diabetes, gallstones, kidney and urinary tract stones, bone and joint degeneration, and certain types of cancer. In Poland, 65% of people aged between 35 and 65 are overweight or obese. The incidence of obesity amongst our youngest citizens has reached epidemic proportions. Twenty-two million European children are affected. The negative impact of advertisements for foodstuffs with a high fat, sugar or salt content is very serious. It is important to make schools and families aware of the efforts to promote properly prepared, good quality food. Schools and families should encourage young people to adopt a healthy lifestyle, which includes sport and other recreational activities.

Bogusław Rogalski (UEN), in writing. – (PL) Overweight and obesity are problems which have reached epidemic proportions in recent times due to their negative impact on human health. World Health Organisation data reveals that 50% of Europe's population is overweight or obese. The fact that over 5 million children are obese and 22 million children are overweight is cause for particular concern. The numbers are increasing at an alarming rate. Obesity is one of the main causes of mortality and chronic disease such as Type 2 diabetes, circulatory disorders, hypertension, heart attacks and certain types of cancer.

The treatment of obesity is very costly indeed. It represents some 7% of national healthcare budgets in the Union and up to 6% of government expenditure on healthcare.

In order to combat this problem, European consumers should have better access to information on the best food sources so that they can choose an appropriate diet. Food should be clearly labelled. Certain ingredients such as artificial trans-fatty acids and trans isomers should be taken out of use. It is also important to bear in mind that television advertising affects the so-called short-term consumption habits of children between 2 and 11 years of age. It has a negative impact on the development of eating habits.

Combating overweight, particularly amongst children, should be a priority at international, European, national and local level.

Daciana Octavia Sârbu (PSE), in writing. – (RO) Obesity and weight gain due to inappropriate eating habits and to the lack of exercise are increasing everywhere in the EU, with major economic and social consequences. In order to promote a healthier society, the Commission should get involved in an active manner, by supporting Member States to reduce the harmful effects of nutritional imbalance and sedentarism. However, it does not suffice to promote a healthy lifestyle among EU citizens; we must also provide the motivation and infrastructure they need. There should be local measures for decreasing the use of cars and promoting walking; there should be parks and cycling lanes. Policies for fighting obesity should be correlated with urban development and transport policies, such as the Green Card on Urban Mobility, and these policies should all complement those policies encouraging exercise. We should pay more attention to socially and economically disadvantaged groups which are affected by the increase in the price of raw materials and foods, as well as to vulnerable groups, such as children and pregnant women. Promoting health education in schools and prohibiting the sale of foods with a high content of fats, sugar and salt in schools and kindergartens will ensure the health of the future generation.

Richard Seeber (PPE-DE), in writing. – (DE) In view of the alarming health trend among Europe's children – more than five million children are obese and 22 million are overweight – the development of a Strategy for Europe on Nutrition is a very welcome step. Conscientious labelling of foods with nutritional information is a sound tool which enables consumers to make informed choices to improve their diets. Comprehensive awareness-raising from early childhood will also undoubtedly help to reverse the trend in the coming years. In the medium term, interim campaigns such as the provision of fresh fruit in schools are essential. Europe's schools must also face up to their responsibility for sports in schools and daily exercise to a greater extent, given that children and young people spend much of their day at school.

Nonetheless, regulations at European level can only create an environment for healthy eating and should not make the mistake of denying citizens' fundamental responsibility. If a healthier Europe is to be achieved in the long term, the European Union must seek partnerships at all levels: in the political arena, the business sector and in civil society.

18. VAT on insurance and financial services (debate)

President. – The next item is the report (A6-0344/2008) by Mr J. Muscat, on behalf of the Committee on Economic and Monetary Affairs, on the proposal for a Council directive amending Directive 2006/112/EC on the common system of value added tax, as regards the treatment of insurance and financial services (COM(2007)0747 - C6-0473/2007 - 2007/0267(CNS)).

I should like to take this opportunity to welcome my friend, Mr Muscat, and to congratulate him on the recent and very important success in his political life. This will perhaps at some point cause him to leave this House but, for the time being, it is a cause for celebration, both for himself and certainly for many of us.

Joseph Muscat, rapporteur. – (MT) We are discussing new and more transparent rules in the financial services sector at a time when we are going through one of the biggest crises in this sector. The current situation shows that we cannot let things run their own course and there is a need for regulation. 'Regulation' does not mean bureaucracy – certainly not excessive bureaucracy – but assurance that things are being done in the best possible way, and not by means of formulas and papers that lead nowhere. When my fellow Members and I prepared this report we had two priorities. Firstly, to ensure that any changes that take place do not have negative repercussions for the consumer.

In other words, there should be no additional burdens on the consumer, and that is why we are saying that the possibility of introducing VAT on financial services should apply only to transactions between one business and another and should therefore be recoverable. At no stage should our text propose that VAT on a financial service that is not taxable be passed on to an individual – that is, the consumer. This is stated clearly and directly in the proposed text, despite possible reservations on the part of other institutions. Some people criticise the fact that the industry will save on expenses and that Member States' income may be reduced – an interesting argument which, however, quite frankly I think comes most of the time from those with a restricted view of the economy and fiscal policy. Firstly, in a competitive sector like that of financial services and in a system where you have safeguards against agreements between companies, any expenses not incurred by companies should either be passed on as benefits to the consumer or else be used to compensate for other existent expenses. Secondly, as Europe we should understand once and for all that we are not competing alone on the market; we have to ensure that the systems used by other Member States – and by the European Union as a whole – are attractive to serious companies wishing to enter the market and establish themselves as true European operators. Facilitating the systems is a way of offering an incentive in this sector, generating market potential and creating work, productive work.

Through this report we are helping to create a European market by removing obstacles. We are doing what has been talked about for many years; we are fulfilling one of the aims of the action plan in this sector. We are proving that we can be proactive, solve problems and act on new ideas. Perhaps we may disagree on technicalities, perhaps some may say that we can use one system and not another, but I believe that this Parliament must give an indication that this is our ultimate aim. Obviously there are certain points on which we are not all agreed, myself included: for example, broadening the definitions. I believe that it would have been better if the committee had followed my recommendations on this, which were always either to keep to the Commission's text, or else to further restrict the definitions. In spite of this, we should also note that the committee chose to proceed strategically, and so this report was approved with just one vote against. I await the reactions of my friends as well as those of the Commission.

IN THE CHAIR: MRS MORGANTINI

Vice-President

László Kovács, Member of the Commission. – Madam President, I would like to start by thanking Mr Muscat for his work and the support he has given to the Commission's proposal, and I wish him success in his future role in Malta.

The Commission proposal addresses three major issues.

First, the existing provisions are increasingly subject to legal challenge in the European Court of Justice. Something needs to be done about this.

Second, we need more consistent application of the VAT rules on financial services and a more level playing field in the internal market.

Third, we must take steps to improve competitiveness in the sector.

There are concerns that the financial services and insurance industries in the European Union are less efficient than they should be, and consequently EU industry faces higher costs for financial services and insurance than its competitors in third countries. This is not solely a result of the EU's VAT rules, but they do have a role in contributing to this situation. I have to add that VAT exemption is not applied uniformly in the different Member States, and this causes competitive distortions within the European Union. For example, the possibility of recovering tax paid to specialist third-party service providers (outsourcers) varies depending on national interpretation of the VAT rules.

For the Commission, improving the competitiveness of our European financial and insurance companies was therefore a factor in making this proposal, but the reality is that this must be balanced against the need of the Member States to ensure stable tax revenues.

The proposal has three elements.

First, to increase legal certainty for all concerned, we propose a modernised definition of the exempt services.

Second, to avoid their business customers incurring non-deductible 'hidden' VAT, the proposal aims at allowing all banking and insurance companies to opt to tax their services.

Third, the proposal contains an exemption from VAT on cost-sharing arrangements, including those which operate across borders.

These proposals could result in some limited initial VAT revenue reductions for the Member States, but these can be justified if, as we expect, the proposed changes lead to increased competitiveness.

I therefore welcome the observation in the report on the problems of non-recoverable VAT and its relevance to business efficiency and the Lisbon strategy. I also welcome the fact that the rapporteur recognises that change may result in a reduction in VAT receipts.

For consumers, I agree that the implications are not always clear-cut, but I believe they will eventually benefit from cost savings achieved within the industry.

I also welcome the positive remarks about the scope of the proposal and the creation of legal certainty. The new definitions proposed by the Commission are necessary to bring the legislation into line with economic realities.

I sympathise with the remarks on the need for prudence and the absence of reliable figures which would allow the impact of change to be fully assessed. This latter lacuna should not, however, be laid at the feet of the Commission, as neither the industries concerned nor national administrations could provide the necessary data.

Like Mr Muscat, I am conscious that cross-border consolidation in the finance industry increasingly results in VAT revenue accruing to the Member State where the service is created, rather than where the consumer of the service is established. A move from exemption to taxation, which would result from greater access to the option to tax as we have advocated in this proposal, would correct this trend. I think this is the best way to deal with the concerns which have been raised.

Finally, I would like to inform you that detailed discussions on this proposal already started in the Council under the recent Slovenian presidency. The current French Presidency is also committed to making progress on this particular dossier, and I therefore welcome the positive engagement by Parliament which can further encourage the Council to make progress.

David Casa, *on behalf of the PPE-DE Group*. – (MT) The report we have before us is particularly significant, especially when you consider that in the last few years the economy has taken a slightly different turn from previous years. Without doubt, this report aims to better reflect the current situation. That is why it is important to guarantee the legal basis so that the companies concerned can operate with less bureaucracy, as the rapporteur rightly pointed out. This could be achieved by removing the anomalies in the current law regulating VAT on financial services: a law that has been in existence for the last 30 years and is not clear enough. This is a report that will help as much as possible to provide more stability and we must ensure as far as possible that all the countries are harmonised with regard to the applicable rates to reduce discrepancies as much as possible. It has long been felt that there is a need for change in this situation and I think that the rapporteur was right when, while keeping in mind the need to simplify the work for financial companies,

he also took care – and I think that this is the most important thing – to ensure that consumers would benefit from this proposed change.

Today is the last day that my fellow Member from Malta will attend this plenary and I think that I too would like to wish him well in his work in the coming years. He has gained four years' experience in this Parliament, and this experience has, I believe, transformed his character from that of a politician who did not really believe in the European Union and the benefits it could offer Malta, to that of one who, through this report, has shown us that he truly believes that from here we can change politics not only in our own country, but also in the European Union. Today we have a transformation that I would like him to take back to my country because I believe that the experience he has gained in this Parliament can be taken back to my country and the way we do politics there can resemble the way we work in this Parliament: that is, the national interest remains important, as well as the interest of the European Union, because today we form part of it. I wish him well in his work, I wish him success in his role as leader of the opposition; I am not going to say I hope he has a long career as leader of the opposition, because I do not think that that is the way I should talk about my fellow Member, but I hope that he transfers the positive experience gained in this Parliament firstly to his party, and lastly to our country.

Antolín Sánchez Presedo, *on behalf of the PSE Group.* – (ES) Since 1977, most financial services, including insurance and investment fund management, have been exempt from VAT. During this period, two problems have essentially arisen: the definition of the scope of the exemption and the impossibility of recovering VAT incurred in order to provide exempt services, giving rise to the phenomenon of hidden VAT. Globalisation, European financial integration and market consolidation, which have affected the organisation and outsourcing of operations to provide these services, have further added to the complexities.

This report is the first attempt to update a directive which, in addition to being confusing – leading to the intervention of the European Court of Justice – is obsolete.

I want to congratulate the rapporteur, Mr Muscat, on his excellent work in producing this report on an issue which is so economically sensitive and technically complex.

His proposals to modernise the definition of insurance and financial services, which are consistent with the Financial Services Action Plan and strict in dealing with exemptions, have merited general acceptance. His commitment to preventing price rises for consumers as a result of taxable persons opting for taxation has also merited general approval.

The final result, encompassing a specific exemption from VAT for businesses involved in cost-sharing arrangements, will increase certainty for the industry and budgetary security for the Member States, prevent competition distortions and improve competitiveness for the banks and insurers without increasing the costs to consumers.

I want to express my satisfaction at the incorporation of two aspects contained in these amendments: the reference to co-insurance, and the improved definition of the concept of intermediation, which is restricted to professional activities rendered as a distinct, direct or indirect act of mediation and which specifies that intermediaries are not counterparties to the subsequent transactions.

I want to end by wishing Mr Muscat great success. I am confident that he will soon be enjoying this success through his participation in European integration from the Council.

Zbigniew Krzysztof Kuźmiuk, *on behalf of the UEN Group.* – (PL) Madam President, as I take the floor on behalf of the UEN Group in this debate, I should like to draw attention to three issues.

Firstly, the European Commission's proposals on changes to VAT on financial and insurance services improve legal certainty not only for economic entities providing these services but also for fiscal entities in the individual Member States.

Secondly, the solution whereby Member States commit to allowing taxpayers a choice regarding VAT on financial and insurance services, whilst leaving many detailed arrangements applicable in this area within the scope of activity of the Member States is a good one. It amounts to decentralisation of taxation powers, and therefore to implementation of the principle of subsidiarity.

Thirdly, ongoing analysis of the financial implications of the proposed changes is essential. In particular this should concern reduced VAT income in the individual Member States as a result of increased levels of

deductions by entrepreneurs. The impact of these changes on the cost of financial and insurance services for consumers should also be studied.

Louis Grech (PSE). – (MT) The rapporteur has upheld the framework of the Commission's proposal so that we are confronted with the problem that we have been putting off for more than 30 years. This sector is very important for an ever increasing number of countries, Malta being one of them. In the report we find regulations that facilitate the work of important companies and facilitate a true free market without borders, leading to the creation of wealth, jobs and more choice. One of the priorities is that there are provisions in place so that consumers are protected and by no means have to pay additional taxes. In fact, consumers should benefit from every reduction in expenses and from every increase in the efficiency of the system. If the need arises, further analysis should be made in the future to include other safeguards.

Mr Muscat's report leads to more clarity and legal certainty in the area of taxation in the field of financial services, especially at this time, when we are going through a major change in the financial markets.

To conclude, I would like to thank Mr Muscat, who has made a significant contribution in the last four and a half years.

László Kovács, Member of the Commission. – Madam President, I would like to thank you for your comments and the valuable views you expressed during the debate. As I said in my opening remarks, obtaining a positive opinion by Parliament on the Commission's proposal for VAT on insurance and financial services is very important. We have taken note of the concerns raised in the report, in particular the lack of neutrality in recovery rates, the difficulties with statistics and the risk of diversion of tax revenue from non-recoverable VAT on inputs.

While the Commission could in principle look favourably at some of the amendments, such as those on derivatives, we will not formally amend our proposal. We will, however, endeavour to take the amendments suggested by Parliament into consideration as much as possible during deliberations in the Council.

I would like to express my gratitude for your positive endorsement of our proposal. A positive opinion from Parliament will be a good signal serving to raise awareness on the part of the Member States of the need to act.

Joseph Muscat, rapporteur. – (MT) Firstly, I would like to thank Parliament's services and the Commission for all their help with this delicate dossier, even though the work is not yet finished. However, as far as Parliament is concerned, like the Commissioner, I too hope that our message is very clear. I think what we have to agree upon – and there is unanimous agreement in Parliament – is that, yes, let us make regulations, let us make changes where changes are needed, let us ensure that the system is simpler, but let us be careful that the consumer does not have to foot the entire bill. I believe that this is the main message for the Commission, and even for the Council, from us in Parliament. I wish everyone well with the work until this dossier is finished. I thank my friends for their good wishes, especially Mr Casa, who has given us a fine acknowledgement of a new political season for the Labour Party and for the nation.

President. – Thank you very much, Mr Muscat. I too hope that your work will be successful and will make Europe stronger and stronger.

The debate is closed.

The vote will take place on Thursday, 25 September 2008.

Written statements (Rule 142)

Gábor Harangozó (PSE). – *in writing.* – Firstly, I would like to congratulate the rapporteur, Joseph Muscat, for a very comprehensive report allowing for the issue of a common system of value added tax for insurance and financial services from the point of view of businesses, tax administrations and consumers. I believe that, although it is difficult – on the basis of this proposal – to clearly assess what will be the extent of the benefits for consumers in terms of efficiency and cost reduction, we ought to ensure the legal certainty and consistency of insurance and financial service- VAT related issues. As a matter of fact, it is essential to ensure that VAT facilitation measures for businesses would not be implemented at the cost of the consumers. However, it is worth noticing, together with the rapporteur, that much flexibility is given to the Member States, which might lead to uneven implementation results from one Member State to the other. Finally, I would like to put the emphasis on the fact that, given the uncertainty of the impact of the implementation

of these measures, we ought to remain vigilant and therefore support the obligation for the Commission to report on the issue to both the Council and Parliament.

19. Collective management of copyrights on-line (debate)

President. – The next item is the oral question by Giuseppe Gargani on the collective management of copyrights on-line (O-0081/2008 - B6-0459/2008).

Jacques Toubon, deputising for the author. – (FR) Madam President, this question is central to the future cultural economy of Europe. Despite the existence of the Directive on copyright in the information society the situation in terms of the collective management of copyright and related rights for online services is extremely complex, particularly because of the territorial nature of copyright law and the absence of a pan-European licensing system. This situation has been made even more complicated by the lack of a coherent policy on the part of the European Commission, with the Directorate-General responsible for the single market and copyright, on the one hand, and the DG for competition policy, on the other, often acting for their own account and without any overall view of the sector concerned, especially as regards the interests of the creative talents of Europe.

In fact, by refusing to legislate and also by ignoring the different resolutions adopted by Parliament and opting instead to attempt to regulate this sector by way of recommendations and administrative decisions the Internal Market and Services Directorate-General has created a climate of legal uncertainty. Against this background we now have the Directorate-General for Competition starting legal proceedings against a player in this sector that was only trying to act in compliance with the Commission recommendation of 2005.

Thus the Commission took this decision against CISAC in July. It did not impose financial penalties but rather sought to change the way that CISAC and its member associations operated. This situation reflects the fact that the European Commission chose to ignore the warnings that had been expressed by Parliament, particularly in its resolution of 13 March 2007, which also contained concrete proposals for controlled competition as well as for the protection and encouragement of minority cultures within the European Union.

Moreover, since then we have seen a whole series of initiatives, only one of which has been legislative in nature: a far-fetched appraisal of the recommendation on collecting societies, an assessment report and Green Paper on the 2001 Directive, questions about home copying, free access by way of a decision of the Directorate-General for Research to 20% of the calls for tender under the Seventh Framework Programme, a time extension to the rights of performing artists, for which a directive is to be considered, and so on.

This is why the Committee on Legal Affairs has posed the following question: does the Commission not think that it would be preferable to make sure that any changes imposed, for example on CISAC members, should be subject to a broad consultation of all the interested parties so as to put an end to the incongruity of the present legal situation that has resulted from the divergent positions adopted by the Commission? Does the European Commission intend to reconsider its policy in this sector in the light of Parliament's resolution of 13 March 2007 so that a global approach may be found that takes into account not only the interests of the users but also the interests of the licence holders and of the creative community? We are convinced that the CISAC case demonstrates that the approach the Commission has taken by adopting non-mandatory provisions, or 'soft law' as it is called, or by way of purely administrative decisions, is inconsistent and contrary to the principle of legal certainty because the parties affected by it have no means of appeal or discussion.

Tomorrow the Commission intends to continue with this 'soft law' approach by adopting another recommendation, this time on creative content online, which will also deal with the issue of multi-territory licensing. This will not be a recommendation under the codecision procedure. Does the Commission plan to involve Parliament in drawing up this recommendation in an effective manner? Or, in this sector that is so crucial for the future economy and culture of Europe, is the Commission once again going to ignore those who represent the Member States and their citizens?

For this reason I have two suggestions to make. Firstly, as it has done for home copying, the Commission should put in place a platform for all the stakeholders so that this dossier can be opened and examined by all those who have a need to know. Parliament, for its part, will give its opinion either way. The Committee on Legal Affairs has now set up an *ad hoc* working group on copyright issues with a remit to present all the

stakeholders with a clear long-term global vision of intellectual and artistic property and of its role in the knowledge and cultural economy. This group is to hold its first meeting tomorrow morning.

Charlie McCreevy, *Member of the Commission*. – Madam President, I believe that these questions should be placed in a wider context, as the debate on how to license music on the internet is gaining momentum. There is more music available to consumers on the internet than ever before, yet hardly any of it is properly licensed. Almost none of it, therefore, produces any revenue for artists or music producers. In 2006, the ratio of illegal to legal song downloads was 40 to 1, and over 20 billion recordings are illegally downloaded every single year. So something is wrong here.

Online operators say that licensing of music in Europe is too complicated, which is why there is still no legal online service available in any of the new Member States.

This is the background to the series of questions we have received from Mr Gargani. Everybody agrees that we need to simplify the licensing of music for internet downloads and mobile phones. But nobody wants to lose out in the process.

Is there a simple way to achieve licences that cover all rights all over Europe? In answering this question, we must bear in mind that most authors, composers and performers live off the revenue they generate with copyright. This is how they make ends meet every month.

How, then, do we balance efficiency and fairness? The Commission made its recommendations in 2005. As the 2008 evaluation report on these recommendations shows, some owners of copyright, such as the music publishers, have followed our advice and set up Europe-wide licences. While small collecting societies fear that these platforms leave no room for niche repertoire, we now have to make sure that they do. The signs are encouraging. There are already EU licences for small music publishers. While these efforts are ongoing, we should not legislate prematurely. The ongoing restructuring should be given a chance. But we should remain vigilant so that small repertoire does not lose out.

Let me now say a word on the antitrust decision that the Commission recently adopted in the CISAC case. The decision prohibits anti-competitive practices by European collecting societies which limit their ability to offer their services to authors and online operators. The removal of the restrictions will allow authors to choose which collecting society manages their copyright. It will also make it easier for online operators to obtain licences for exploitation in several countries from a single collecting society of their choice.

The 2005 Recommendation and the CISAC Decision are governed by the same principles: they both encourage the removal of restrictions which prevent authors and composers from freely choosing their collecting societies, and rights managers from delivering multi-territorial licences.

Concerning the preparation of the recommendation on creative content online, the Commission plans to adopt this recommendation during the first quarter of 2009. The 2008 public consultation on creative content online has shown that the topic of multi-territory licensing for audiovisual works is not ripe to be dealt with in the planned recommendation.

The Commission has published a call for tender for an independent study on multi-territory licensing of audiovisual works, with the aim of analysing both the economic and cultural aspects of such practices. The Commission is currently analysing the tenders and the results of the study should become available by the end of 2009. We are working closely with both the European Parliament and the Member States on developments concerning creative content online, in particular by participating in the various hearings organised by the European Parliament and the discussions in the audiovisual working group of the Council of Ministers.

Since the developments concerning creative content online take place at a rapid pace, there are no consolidated practices on which to base compulsory legislation at this stage. At this point in time, such legislation at a European level would possibly jeopardise the development of new business models and the cooperation processes among stakeholders. For this reason, a recommendation seems the most appropriate means to facilitate the shift of the creative content sector to the online environment.

Mr Toubon made the interesting suggestion that maybe there should be a working group on small collecting societies, and I think that this is a very excellent idea. The Commission would be prepared to be a facilitator and try to find a role for small societies in the online world so we will take up his suggestion.

Manuel Medina Ortega, *on behalf of the PSE Group*. – (ES) Mr Toubon has given a magnificent exposé on the problem in legal terms. This saves me from having to tackle this aspect.

I should therefore like to look at this issue on a much more practical level. On the matter of copyright, the Directorate-General for Competition starts from the basis that authors have the same weight as the large multinational companies that manage the world of media. This is not true.

Authors and performers are in fact workers. There may indeed be some stars – such as those who appear in magazines – who have some choice. However, the vast majority of authors, performers and creators do not have this choice. Their position is virtually the same as that of workers organised through their copyright societies.

To claim that these thousands, tens of thousands, even hundreds of thousands of authors, who work in Europe on a daily basis and who obtain their income through their societies of authors, operate as if they were multinational companies is a fiction that has nothing to do with reality.

If we fail to start from the basis that the current European societies of authors each represent the specific interests of thousands of members and that they act as such, we will never grasp the reality.

I believe that the Commission is probably just doing its job, but when it talks about studies, I start to feel rather concerned, because who is carrying out these studies, who is paying for these studies and what pressure groups are having an influence on them?

That is why, in the European Union, we have a democratic system between the Member States and within the Member States. It is the responsibility of the Members of the European Parliament to humbly assume the role of expressing, in this House, the social reality which is perhaps not found in offices or in major economic studies.

We find ourselves in a situation whereby, if we are not careful, if we try to deregulate this sector as has been done in others, we will end up killing creation, which is one of our unique assets. Despite all its problems, Europe is characterised by great creation. We will end up with an audiovisual industry that is absolutely devoid of content; you can already see this in other countries. I therefore believe that, at this moment in time, some of our efforts must be devoted to providing these creators with an institutional system that allows them to take action.

I believe that acting in the abstract, thinking that the little musician, the little composer can defend himself is absurd.

If Beethoven were alive today and creating symphonies and if he were obliged to enter the international market in order to compete with the major music multinationals, he would die of hunger. His financial situation would be much worse than it was in the 18th and 19th centuries. I believe that this is a vital point that must be conveyed.

Mr Toubon referred to our committee's decision to set up a working group on the protection of intellectual property. We hope that the Commission, and in particular Mr McCreevy, who has always been a great friend of this Committee on Legal Affairs, will be ready to cooperate with us, to convey their concerns, but also to listen. This working group will also listen to the viewpoints of the thousands of people who, at this moment in time, are humbly engaged in great intellectual work and who are allowing these audiovisual media that we are creating to be filled with content.

If not, there is a real danger, as I have said, that we will create a great audiovisual system that is absolutely empty, that can only be occupied by advertisements and that has no specific content.

As a result, Madam President, I believe that the proposal, the oral question and the motion for a resolution that we plan to table are aimed at reinforcing this independence and this unique identity of European culture, which cannot be replaced by any abstraction based on free competition.

Eva Lichtenberger, *on behalf of the Verts/ALE Group*. – (DE) Madam President, Commissioner, in 2004 the Committee on Legal Affairs held a hearing which focused, among other things, on the role of collecting societies. Some artistes presented a very impressive case to demonstrate the problems facing them under the current system which operates via collecting societies. You then opted for the 'soft law' legislative – or rather non-legislative – approach, which has simply created more legal uncertainty in the interim, with the result that we face increasing complaints and irritations due to the lack of clarity in the situation. This is a real problem, Commissioner.

The system which you have proposed will result in market concentration, benefiting the strong and ignoring, for example, the Convention on cultural diversity when it comes to Europe's art and culture. In this system, minority cultures, those that are not part of the mainstream or those that use minority languages will inevitably be damaged because the system simply does not take account of them.

When we asked you, in the Committee on Legal Affairs, why you had not presented proposals such as those as outlined in the Lévai report in Parliament, you said that the market would move in this direction anyway and you therefore saw no need for any change here. Commissioner, the conflicting judgments that we have recently witnessed demonstrates that this was not the right approach. What we need now, if we want to protect creative potential, is a future-oriented solution. I think that we will also have to give more thought to the binding of rights generally. Is this still sustainable in the long term in its old form, in this hardware-oriented form? Will we still achieve the necessary goals, or will this not work?

Commissioner, I do not believe that further studies and hearings are the way forward. Unfortunately, we have seen that it is always the same people who are invited, and that they represent the giants in the market, not the small players whose opinion is consequently ignored. We need a different approach and a clear legislative proposal as to how the collecting societies can and should protect these rights and assets.

Lidia Joanna Geringer de Oedenberg (PSE). - (PL) Madam President, last year the European Parliament responded by way of a resolution to the Commission's 2005 recommendation concerning cross-border collective management of copyright. In its resolution Parliament called for it to be made quite clear that this recommendation only applies to the sale of music recordings on the Internet. We also called for immediate appropriate consultation with the interested parties. In addition, we asked for a draft flexible framework text to be submitted to Parliament and to the Council concerning collective management of copyright and associated rights in relation to cross-border on-line music services.

The management of copyright and associated rights in relation to online music services remains a complicated and problematic issue, in spite of the binding directive on the harmonisation of certain aspects of copyright in the information society. The difficulties are mainly due to the lack of European licences. The unclear drafting of the recommendation is a particular concern. This means that the recommendation could perhaps also be applied to other online services containing recordings, such as broadcasting services. The consequent lack of clarity regarding the use of different licensing systems creates legal uncertainty and leads to undesirable consequences, notably for online broadcasting services.

I am also sorry to note that the Commission has not taken account of Parliament's recommendations. The Commission has limited itself exclusively to monitoring and implementing the 2005 recommendations. In no way does this deal with the ongoing problems in the sector. Among other aspects, the Commission's policy reflects the decision taken in respect of the International Confederation of Societies of Authors and Composers. The Commission has excluded the possibility of any type of joint action by the societies, for instance regarding the proposal to create a transparent copyright system in Europe. This equates to leaving power in the hands of the oligarchy composed of the major companies that have entered into bilateral agreements with leading performers. It is to be expected that the result of this decision will be further restriction of choice and the disappearance of small firms from the market, to the detriment of cultural diversity.

Zuzana Roithová (PPE-DE). - (CS) The current state of the digital content market is unsustainable, fragmented and rigid owing to monopolies. I am therefore pleased how in July the Commission at least shed some light on collective management. I am concerned about the unfair contractual terms and conditions not only for authors, but also for users. I should like to believe now that Czechs and other citizens of smaller countries will be able to purchase their favourite songs, digital books or television series over the Internet, for example from iTunes and other virtual trading houses, across borders, which is actually impossible today. I should like to believe that authors will be able freely to choose collective management from any Member State and compel the management to improve the quality of services and reduce operating costs. I hope that the collective management will be able in return to offer licenses unrestricted by the borders of the home state, including European licenses, but it is not so easy. I do not believe that the Commission's July foray into the wasps' nest will really produce systemic changes in the digital content market. I would now like to ask the Commission to request an independent study of collective management as a whole and to submit a legislative text to Parliament containing an overhaul of the entire system on the basis of a proper analysis of all the specific aspects of this problem.

Jean-Paul Gauzès (PPE-DE). – (FR) Madam President, Commissioner, you have shown that you are ready to listen and to pay attention to these issues. However, I would just like to put one question to you and to make a request.

The question concerns the manner in which Parliament is to be involved with the work you are proposing to undertake. The request is that if a platform is put in place it seems essential to me that the findings, its findings, should not be decided in advance but should be the product of a true debate and I also think that the members of this platform should be representative of our economic and cultural diversity.

Charlie McCreevy, Member of the Commission. – I would like to thank the honourable Members for the range of their discussions.

The regulators should not take all the decisions. The Commission actively encourages the development of the online licensing market for music, but premature legislative intervention, without full analysis of market needs and trends, would not appear the best way of developing a healthy online retail market in Europe. However, if it becomes apparent that the Commission's current interventions cannot deliver an online licensing model fit for the 21st century, then we will consider a different approach.

It is now essential that all stakeholders, authors, performers, publishers, collecting societies and the record companies, get together and find a licensing structure that will enable the emergence of more legal online services while preserving a decent outcome for authors.

Mr Medina Ortega has alluded to the fact that it is in everybody's interest that we have a healthy cultural industry throughout Europe. I think I speak for everybody in the Commission when I say that is our goal. I think it is also proper to try to introduce a system whereby everybody benefits from creativity and culture – including the artists – and everybody can enjoy it at a reasonable cost.

So that is what we are all trying to achieve. We can have differences of opinion as to how we go about it. Over the last number of years I have heard expressions of different viewpoints, both inside this House and from groups outside Parliament. We do not always agree on how we could achieve those objectives, but I think we all know what we want to try and do.

When I suggested the platform – and it was referred to by Mr Gauzès and others – it was the need to bring together the small and big players in a particular forum, and particularly the smaller collecting societies who, I understand, feel left out in this particular debate. So that is what I was proposing there. I think our goals are the same. We certainly want to take all interests into account and arrive at a proper licensing system that is a model which is fit for the world of today, not the world of maybe 40 or 50 years ago.

President. – The debate is closed.

The vote will take place on Thursday, 25 September 2008.

20. 'IASCF: Review of the constitution - Public Accountability and the Composition of the IASB Proposals for Change' (debate)

President. – The next item is the oral question by Pervenche Berès on IASCF: 'Review of the constitution - Public Accountability and the Composition of the IASB Proposals for Change' (B6-0463/2008).

Pervenche Berès, author. – (FR) Madam President, Commissioner, when it comes to financial reporting standards this Parliament now knows that you have a certain capacity for creativity, for setting up 'do nothing' committees. When at the start of this legislative term we questioned you about the statutes and role of EFRAG you invented the Roundtable and everybody now knows that it has not fulfilled its remit.

Faced with proposals from the IASCF trustees about establishing a monitoring group, and as soon as some of the members failed to agree with your plans, you put forward the idea of setting up an international accounting advisory group.

Parliament has now got used to your practices. When we informed you of this, by taking the initiative for a report on questions relating to IASCF governance, you rushed off to officiate, with your Japanese and American colleagues and with IOSCO, by preparing a press release on 7 November 2007 in which you claimed to be arbitrating in all the problems of governance, rather than awaiting the opportunity to be able

to act on the legitimacy and authority of a position taken by the democratic representation of the European Union, or to spell it out the European Parliament.

When Parliament drew up this position on the initiative of our rapporteur, Mr Radwan, you preferred in March to put the debate back to April for reasons that concern you and for which you take sole responsibility.

When, on the strength of the April proposals, you had the momentum and the opportunity to officiate on what could have been the European Union's position on the international stage, and to do so on the basis of paragraph 9 of this resolution, which I now read: 'notes that in the abovementioned combined statement of 7 November 2007 the Commission seeks – as it did when it concluded a roadmap with the US authorities in April 2006 – to preempt solutions where it would be preferable, in the interests of effectiveness and legitimacy, to have an open consultation process and debate, to which this resolution could be a contribution', you preferred, in the secrecy of your private cabinets and departmental offices, to devise a solution without consulting either the Council or this Parliament.

Commissioner, what have you been doing since 24 April, when we voted on this resolution? Back then we asked you about the role of the IMF and the World Bank. Other Members since have questioned you about the activities of the Basel Committee, the European supervisors, in the monitoring-group structures for the IASCF. Faced with such a problem you have yet again come up with a 'do nothing' committee, namely the international accounting advisory group.

You tell us that this monitoring group should not be increased in size because that would dilute its authority and we would no longer have the power to guide the trustees. The proposal from the trustees rests on a line-up of seven members. Your proposal is based on a team of five, plus one observer and two members whom you would put on this consultative body, this international committee of auditors.

Our proposal is to consolidate the group of seven being suggested by the trustees by including what is necessary. The argument as to the number is irrelevant since, at the same time, there is a further proposal to increase the number of members on the International Accounting Standards Board itself, thereby taking it from 14 to 16.

We therefore have two things to say to you today, Commissioner. Firstly, if you really want to reform the governance of the IASB then we are in agreement, for we were the ones that asked you to do it, but please consult us, involve us, and do it from the start, not at the last moment. Do not tell us that you had urgent work to do in August, when we have been asking you for this since last autumn and you have been aware of Parliament's position since April.

What is more, we are telling you that the IASB and IASCF work programmes include a second phase in which the entire instrument has to be reviewed, including the conditions under which the IASCF is to be set up, and we would suggest that you make the most of this moment to lay down clear conditions for the stability and governance of this entire mechanism so that we will finally have a system of governance that is equal to the issues that we are faced with today. Or to put it in clearer terms, what accounting standards do we need in order to establish a financial market where the interpretation of the financial reporting standards is on the same wavelength as the economic reality of the situation that is facing us here and elsewhere?

Charlie McCreavy, *Member of the Commission*. – Madam President, the need to improve the governance of the International Accounting Standards Board (IASB) is something that has long been recognised by the Commission, Parliament and the Council of Ministers. I have highlighted the importance of this on numerous occasions. I have been critical of the IASB's lack of adequate consultation and feedback procedures, as well as the lack of impact assessments for new standards.

Given the IASB's de facto role as a global standards setter, it is imperative its governance procedures are up to the highest standards. I want to get to the situation where we can adopt IFRS standards in the EU with full confidence that the process and content of these standards are exemplary. That is why, when I learnt that a revision of the constitution of the IASCF was envisaged, I set as a priority the improvement of governance.

You will recall last November, with my counterparts in the US Securities and Exchange Commission (SEC), the Financial Services Agency of Japan and the International Organisation for Securities Commissions, I proposed the creation of a monitoring board to ensure the public accountability of the IASCF.

We have made some good progress on this. The IASCF has recently proposed modifying its constitution in order to enter into a formal relationship with the proposed monitoring board. It accepts that this Board must have the power to participate in the nomination process of the IASCF Trustees and have the ultimate power

to approve their appointment. It also accepts that the monitoring board will be able to address any area of work of either the Trustees or the IASB and refer them for consideration by the IASCF Board of Trustees or by the IASB.

The IASCF intends to reach a conclusion about these matters in early October, with changes to the IASCF constitution entering into force from 1 January 2009. This will, in particular, allow the monitoring board to become operational early in 2009. That is why I consider the time is now ripe to firm up on these proposals. If we leave it too late, we will not be able to reopen the governance issues.

The ongoing financial turmoil emphasises the need to ensure that accounting standards reflect the objectives of prudential supervision and financial stability. It has not proven possible to get agreement to have bodies such as the ECB in the monitoring board. As a compromise, we could envisage, in these new arrangements, that there would be an international accounting advisory group to advise the monitoring group on prudential and financial stability matters. This group should include both the European Central Bank and the Committee of European Securities Regulators and, no doubt, other relevant international bodies. Again, I am grateful to this House for having emphasised the importance of prudential supervision and financial stability in its resolution of 24 April.

In exercising its eventual role in the monitoring board, the Commission must also represent the other European institutions, in particular this House. To do so effectively, I would propose to draw up consultation procedures with the European Parliament. These procedures could, if necessary, be formalised in an appropriate form.

I have endeavoured to ensure that key MEPs were kept informed by my services about the evolution of this debate. It was, however, brought to my attention today that there was a lapse in this communication. Apparently, in preparing our position, events that took place towards the end of July were not communicated by my services in the usual manner, because of the holiday period. I know that there is widespread dissatisfaction in this House about the fact that you were not properly consulted during the elaboration of our proposals. I am also dissatisfied by this fact and have given clear and firm instructions to my services not to repeat such a mistake again. I believe my Director-General has been in contact with Mrs Berès to try and explain this omission. I hope that this oversight will not jeopardise the common goal we have both been striving for, namely, a better governance regime for the IASB.

With some further improvements, I am confident that these enhancements to the IASCF's governance will improve the quality of accounting standards and ensure that they meet the needs of all stakeholders – including the European Union, which to this date remains the largest user of IFRS.

The reform of the IASCF governance currently being contemplated represents a step change in the accountability of this body to public authorities, something this House has repeatedly called for. I appeal to the European Parliament to support our proposals as the best way to ensure that this reform achieves real influence.

Jean-Paul Gauzès, *on behalf of the PPE-DE Group*. – (FR) Madam President, Commissioner, ladies and gentlemen, we have just heard the Chairman of the Committee on Economic and Monetary Affairs express the real views of those Members who are interested in this issue. As has been underlined, everyone is aware of the importance of financial accounting standards and of the reforms that have been announced. The time has now come, Commissioner, to clarify and put into action the comments that you have made.

I have a suggestion to make: this resolution is a rigorous one and it needs to be, but there is no need to kill the sinner. What we could in fact do is to take a few days respite in order to establish a protocol between the Commission and Parliament that would clearly define the extent to which Parliament has to be kept informed, its level of involvement in this matter and the positions that it takes up, and to this end we need to postpone the vote for a few days. This is the proposal that the Group of the European People's Party and European Democrats will put forward tomorrow, namely that the vote on the resolution be postponed in order that Parliament and the Commission might be able to cooperate properly on this important subject. Obviously if nothing is forthcoming during this interval, and in order to make up for lost time and the possible lack of information, we shall be obliged to vote on the resolution that is being tabled today, with all the tough decisions that this will entail.

In the midst of the difficult circumstances that are now being imposed on us by the current financial crisis, which is not something totally unfamiliar as far as accounting standards are concerned, I hope that everyone

of us will understand that we have to find a quick and practical solution that will help steer developments in the required direction.

John Purvis (PPE-DE). - Madam President, I have to admit to the Commissioner that I am really quite confused by what has been going on with this case. I had heard nothing about it until literally this week and suddenly I get deluged with approaches, both from the IASCF and from the Commission, trying to persuade me one way or the other as to whether the IMF should be included in the monitoring group. I think this is a rather unsatisfactory way to proceed with what is essentially almost a piece of legislation, so I would ask the Commissioner if we could not delay this a little, get it sorted out and come back to it perhaps at the October mini-plenary.

I would like to suggest that I do not see that adding the IMF and the World Bank to this monitoring group would make it that unwieldy. It seems to me they would cover the rest of the world in a rather satisfactory manner. I do not really see that there is a need then to have yet another accounting advisory group that advises the monitors that monitor things. It is like the house that Jack built. I wonder whether they could not in any case consult quite readily, unofficially, if they ever need to do so. I wonder if we could have some discussions over the next couple of weeks and end up with a vote, possibly in a more satisfactory manner, at the mini-plenary in October.

Zuzana Roithová (PPE-DE). - (CS) Commissioner, today's world financial crisis reveals how important fair value, the real value of a company, is for the healthy functioning of financial markets. This is vital information for shareholders and creditors. A monitoring committee could make a contribution to better transparency and comparability of financial reporting and thus to the personal responsibility of shareholders for correct economic decisions. International standardisation clearly leads to the development of cross-border capital markets and, therefore, in the interests of stability, the monitoring group should also implement preventive measures against cyclical trends and help to prevent systemic risk. Of course, the proposal to establish the group has not been subject to questioning. Its powers have not been explained, for example whether it will also have a supervisory function. I also consider it important that every country should have a delegate in the proposed monitoring group, which must also include representatives of important institutions so as to reflect the size of the most important world monetary areas, cultural diversity and the interests of the developed and developing economies and international institutions that are answerable to public bodies. It is a pity that Parliament was not consulted in advance as a matter of course.

Pervenche Berès, author. - (FR) Madam President, Commissioner, what have you done since 24 April about taking account of Parliament's position? What have you done since 24 April about debating with Parliament on finding effective solutions for handling the governance of the trustees? We know full well that the IASB is a drunken boat at the hands of auditors who have produced these so-called 'fair values', and no one knows how they have been elected when there is no longer a market to supervise.

As a result, today we are being asked to discuss the subject of IASCF governance. You are proposing to us in haste – and at a time when we are putting to you quite reasonable solutions whereby the governance of these structures might be incorporated into a global and accountable system of governance – that advisory committees should be set up. Is this reasonable?

I do not believe that this question will be solved simply by involving Parliament in this or that stage of the process. The proposal that you are putting to us for the governance of the IASCF is not satisfactory. We look forward to receiving another proposal from you and possibly will have to await the second phase of the consultation exercise and, if necessary, the review of this governance process.

Charlie McCreevy, Member of the Commission. - Madam President, at my stage in life, I do not get very surprised too often, so I am not the least bit surprised at what goes on here in the European Parliament and the views of some people.

Can I just say in all of this particular debate, let us just remember one small thing. The IASCF and its underlying constituent body, the IASB, is an independent organisation.

(Inaudible interruption from the floor)

I just want to put the facts on the table. They are totally independent but they have *de facto* become the accounts-standard-setting body for the globe because IFRS, which came out of the IASB, has now become the *de facto* worldwide accountancy standard. I have to point out that this is an independent body; since we in Europe have adopted IFRS – a decision made before my time by the Commission and to the satisfaction

of the European Parliament – we are the largest constituency that has IFRS today. This position may change as the world moves over more to IFRS. We might not then be the largest any more, but we certainly are the largest current user of IFRS.

For some time, with the support of the European Parliament, we have been endeavouring to improve the governance arrangements of the IASCF trustees, noting that they are an independent organisation.

We have made some progress in the past, and the IAS recently announced that they were going to have a review of their own constitution. So we are availing ourselves of that opportunity to make our submission. We have no right to impose our view on the IASCF – this is up to the independent trustees – but we are making it our submission to improve the governance arrangements. I would just point out this basic fact before everybody, as we might say in Ireland, ‘loses the run of themselves’ in this particular area. That is the *de facto* and *de jure* situation.

The IAS trustees are intending to bring in their new governance arrangements, having considered all the submissions, in early October. The closing date for making our submission has actually passed by a few days. It was to be 20 September, and the date today is 24 September. We waited to submit our final result. We have been in informal consultations with them for some time, so they know, really, what we are going to propose, but we waited for Parliament’s resolution for the courtesy of doing that. So we will have to submit our formal proposals in the next few days.

It is entirely a matter for Parliament as to what you want to do with this particular recommendation. Mr Gauzès has put forward a reasonable approach about taking a few extra days perhaps to work out a protocol about Parliament’s participation in the process which I am endeavouring to set up.

As regards the monitoring board idea, which we announced last November, it is not possible for everybody to be represented on the monitoring board. It will not be acceptable to the trustees of the IASCF, and, if they say absolutely no, then that is that. So we proposed a kind of a way around this by having relevant people, relevant bodies, in this advisory group. I am not hung up on any particular strong views as to how it should be organised or who should be on it. I do not have any views about that.

I only learned today that my services have not been in constant contact with relevant Members here in the European Parliament in the past month or so. This was news to me, because I thought my officials would have been keeping contact the whole time with the people here who take an interest in this particular subject, but I find out today that did not occur. In my former remarks, I said that I regretted this, and that I had given directions that it should not happen again; we want to cooperate. No more can I do.

Mr Purvis, it is not as though Parliament can delay until any time it likes – mid-October or beyond – but if I want the European Commission to have a say, I have to submit our formal proposals regarding our ideas about governance to the IASB board forthwith. They will not agree with some of them. As Mr John Purvis says, he has been lobbied for the last two days by various actors in this particular scene as to what they want to achieve.

From reading the resolution as it is drafted, there is one definite peculiarity about this, which I think should not go unnoticed, particularly by Mrs Berès who has long been an advocate of greater governance and accountability of this particular IASB body. The peculiarity of the resolution is that it would do exactly what the trustees actually want and reverse what we are trying to do in getting more governance. That is the peculiarity, but the matter of the resolution is entirely a matter for the European Parliament, not a matter for me. I would just make that particular comment in passing, because there are people among the IASB trustees who are not too anxious to accommodate some of the more far-reaching governance arrangements that we are proposing for them. There will be a fair degree of resistance. We are reliant on the existing trustees to take account of our concerns and to improve these governance arrangements as we think fit. We are not in the position, because we only submit these things, to make demands and say it has to be like this, but we have had contacts and they know what we are going to propose. They are not happy with some of what we are going to propose. I am aware of that, but we are trying to get this improved governance.

Not that I am ever surprised by what happens in the political arena, as I have been well over 30 years in this field, but it will be ironic if, after we have got this far over the years in getting our way on two things – namely that the IFRS has become an international standard and that, now, as people here know, the United States is proposing that IFRS be available to US companies (something I predicted would happen about two years ago to the relevant members of the relevant Parliament committee and was more or less laughed at that this would ever occur, and it has) – this body that has been demanding with us and pressing us to get increased

governance and accountability from this particular body is, at this particular stage and according to some people, actually going to do quite the opposite. I just think it is a little bit ironic, but I hope I have explained this as best I can.

President. – I have received one motion for a resolution pursuant to Rule 108(5) of the Rules of Procedure⁽⁸⁾.

The debate is closed.

The vote will take place on Thursday, 25 September 2008.

21. Agenda of the next sitting : see Minutes

22. Closure of the sitting

(The sitting was closed at 11.45 p.m.)

⁽⁸⁾ See Minutes.