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## Legislation

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EN

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

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<sup>(1)</sup> Text with EEA relevance

## I

(Acts whose publication is obligatory)

**COMMISSION REGULATION (EC) No 2703/98**  
**of 14 December 1998**  
**concerning the stopping of fishing for Norway pout by vessels flying the flag of Denmark**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,  
Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 2847/93 of 12 October 1993 establishing a control system applicable to the common fisheries policy<sup>(1)</sup>, as last amended by Regulation (EC) No 2635/97<sup>(2)</sup>, and in particular Article 21(3) thereof,

Whereas Council Regulation (EC) No 47/98 of 19 December 1997 allocating, for 1998, certain catch quotas between Member States for vessels fishing in the Norwegian exclusive economic zone and the fishing zone around Jan Mayen<sup>(3)</sup>, provides for Norway pout quotas for 1998;

Whereas, in order to ensure compliance with the provisions relating to the quantitative limitations on catches of stocks subject to quotas, it is necessary for the Commission to fix the date by which catches made by vessels flying the flag of a Member State are deemed to have exhausted the quota allocated;

Whereas, according to the information communicated to the Commission, catches of Norway pout in the waters of ICES division IV (Norwegian waters south of 62° N) by vessels flying the flag of Denmark or registered in Denmark have reached the quota allocated for 1998;

whereas Denmark has prohibited fishing for this stock as from 16 October 1998; whereas it is therefore necessary to abide by that date,

HAS ADOPTED THIS REGULATION:

*Article 1*

Catches of Norway pout in the waters of ICES division IV (Norwegian waters south of 62° N) by vessels flying the flag of Denmark or registered in Denmark are deemed to have exhausted the quota allocated to Denmark for 1998.

Fishing for Norway pout in the waters of ICES division IV (Norwegian waters south of 62° N) by vessels flying the flag of Denmark or registered in Denmark is prohibited, as well as the retention on board, the transshipment and the landing of such stock captured by the abovementioned vessels after the date of application of this Regulation.

*Article 2*

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

It shall apply with effect from 16 October 1998.

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

Done at Brussels, 14 December 1998.

*For the Commission*  
Emma BONINO  
*Member of the Commission*

<sup>(1)</sup> OJ L 261, 20. 10. 1993, p. 1.

<sup>(2)</sup> OJ L 356, 31. 12. 1997, p. 14.

<sup>(3)</sup> OJ L 12, 19. 1. 1998, p. 58.

**COMMISSION REGULATION (EC) No 2704/98**  
**of 14 December 1998**  
**concerning the stopping of fishing for saithe by vessels flying the flag of Belgium**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,  
Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 2847/93 of 12 October 1993 establishing a control system applicable to the common fisheries policy <sup>(1)</sup>, as last amended by Regulation (EC) No 2635/97 <sup>(2)</sup>, and in particular Article 21(3) thereof,

Whereas Council Regulation (EC) No 45/98 of 19 December 1997 fixing, for certain fish stocks and groups of fish stocks, the total allowable catches for 1998 and certain conditions under which they may be fished <sup>(3)</sup>, as last amended by Regulation (EC) No 2386/98 <sup>(4)</sup>, provides for saithe quotas for 1998;

Whereas, in order to ensure compliance with the provisions relating to the quantitative limitations on catches of stocks subject to quotas, it is necessary for the Commission to fix the date by which catches made by vessels flying the flag of a Member State are deemed to have exhausted the quota allocated;

Whereas, according to the information communicated to the Commission, catches of saithe in the waters of ICES divisions II a (EC zone), III a; III b, c and d (EC zone) and IV by vessels flying the flag of Belgium or registered in Belgium have reached the quota allocated for 1998; whereas Belgium has prohibited fishing for this stock as

from 1 November 1998; whereas it is therefore necessary to abide by that date,

HAS ADOPTED THIS REGULATION:

*Article 1*

Catches of saithe in the waters of ICES divisions II a (EC zone), III a; III b, c and d (EC zone) and IV by vessels flying the flag of Belgium or registered in Belgium are deemed to have exhausted the quota allocated to Belgium for 1998.

Fishing for saithe in the waters of ICES divisions II a (EC zone), III a; III b, c and d (EC zone) and IV by vessels flying the flag of Belgium or registered in Belgium is prohibited, as well as the retention on board, the transshipment and the landing of such stock captured by the abovementioned vessels after the date of application of this Regulation.

*Article 2*

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

It shall apply with effect from 1 November 1998.

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

Done at Brussels, 14 December 1998.

*For the Commission*  
Emma BONINO  
*Member of the Commission*

<sup>(1)</sup> OJ L 261, 20. 10. 1993, p. 1.

<sup>(2)</sup> OJ L 356, 31. 12. 1997, p. 14.

<sup>(3)</sup> OJ L 12, 19. 1. 1998, p. 1.

<sup>(4)</sup> OJ L 297, 6. 11. 1998, p. 2.

**COMMISSION REGULATION (EC) No 2705/98**  
**of 14 December 1998**

**on the determination of prices of adult bovine animals on representative  
Community markets and the survey of prices of certain other cattle in the  
Community**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 805/68 of 27 June 1968 on the common organisation of the market in beef and veal <sup>(1)</sup>, as last amended by Regulation (EC) No 1633/98 <sup>(2)</sup>, and in particular Article 25 thereof,

Whereas, to help in determining the movement of prices on the market, the price on the representative markets of the Community must be derived from the prices recorded on the representative market or markets of each Member State for the various categories of bovine animals, taking into account the relative quantity of each of these categories and the relative size of the cattle population of each Member State;

Whereas the price recorded on the representative markets of the Community may be taken as the average of the prices of the bovine animals in question on the representative market or markets of each Member State; whereas this average should be weighted in accordance with the coefficients expressing the relative size of the cattle population of each Member State for each category marketed in a reference period;

Whereas the representative market or markets for each Member State should be selected on the basis of experience in recent years; whereas, moreover, where there is more than one representative market in a Member State the arithmetic average of the quotations recorded on these markets should be taken; whereas, in view of the experience gained, the markets of Luxembourg, Austria, Sweden and Finland should be excluded from the determination of prices in the Community because of the low representativity of the prices for live bovine animals in those Member States;

Whereas the price recorded on the market is based on the quotations, excluding tax, for live cattle; whereas, in certain Member States, the quotations are based on the quotations for meat; whereas a coefficient must therefore be fixed to convert these quotations;

Whereas, when the prices are recorded on the representative markets of the United Kingdom, allowance must be made for the relative importance of cattle farming as between Great Britain and Northern Ireland; whereas, to this end, the average price of adult bovine animals recorded on the markets of Great Britain and the average price of adult bovine animals recorded on the markets of Northern Ireland should be corrected by a coefficient reflecting the scale of production in these two regions of the United Kingdom;

Whereas to have a complete picture of the market situation at all times, it is necessary to know the prices of certain categories of cattle with a live weight of 300 kilograms or less;

Whereas Member States may, because of veterinary or health protection regulations, find it necessary to take measures which affect quotations; whereas, in such circumstances, it is not always suitable when recording market prices to take into account quotations which do not reflect the normal trend of the market; whereas, consequently, certain criteria should be laid down allowing the Commission to take account of that situation;

Whereas, to monitor better the Community market for categories of bovine animals other than adult bovines, provision should be made for a survey of prices for these categories; whereas for the Member States representative of these different types of bovine animals, Annexes III to V detailing the information to be provided for the price survey for each of these bovine animal categories should be established;

Whereas Commission Regulation (EEC) No 610/77 of 18 March 1977 on the determination of prices of adult bovine animals on representative Community markets and the survey of prices of certain other cattle in the Community <sup>(3)</sup>, as last amended by Regulation (EC) No 3270/94 <sup>(4)</sup>, should be repealed;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Beef and Veal,

<sup>(1)</sup> OJ L 148, 28. 6. 1968, p. 24.

<sup>(2)</sup> OJ L 210, 28. 7. 1998, p. 17.

<sup>(3)</sup> OJ L 77, 25. 3. 1977, p. 1.

<sup>(4)</sup> OJ L 339, 29. 12. 1994, p. 48.

HAS ADOPTED THIS REGULATION:

#### *Article 1*

1. The price of adult bovine animals on the representative Community markets shall be the average of the prices of adult bovine animals, weighted by the coefficients laid down in Annex I, recorded on the representative wholesale market or markets of each producer Member State.

2. The list of representative markets for bovine animals by Member State is laid down in Annexes II to V to this Regulation, based on the categories of bovine animals mentioned in these Annexes.

3. Member States shall inform the Commission of the representative markets for each category of bovine animal. This information may be revised in the light of how the marketing of bovine animals develops in each Member State.

The weighting coefficients referred to in paragraph 1 may be revised if changes are noted in the size of the cattle population in each Member State relative to cattle numbers in the Community.

#### *Article 2*

1. The price of adult bovine animals on the representative market or markets of each Member State shall be the average, weighted by coefficients reflecting the relative size of each category and quality, of the prices recorded for the categories and qualities of adult bovine animals and the meat thereof during a seven-day period preceding the day of notification in that Member State at the same wholesale stage.

2. In Member States with several representative markets, the price of each category shall be the arithmetic average of the quotations recorded on each of these markets. Where markets are held more than once during the seven-day period referred to in paragraph 1, the price of each category shall be the arithmetic average of the quotations recorded each market day on the same market. If, in the course of any given week, the price is not recorded on a particular market for a particular category, the market price for that category in the Member State shall be the arithmetical average of the other markets.

3. In the United Kingdom, the weighted average price of bovine animals on the representative markets of Great Britain and of Northern Ireland shall be corrected by the respective special coefficients fixed in Section K(3) of Annex II.

4. Where quotations are not based on 'live weight excluding tax' prices, the quotations for the different categories and qualities shall be corrected by the live weight conversion coefficients laid down in Sections D, E, F, I and J of Annex II.

#### *Article 3*

1. Member States shall inform the Commission not later than midday (Brussels time) on Thursday each week of the quotations for the categories of adult bovine animals recorded on their representative markets.

2. Where information is not available, the quotations recorded on the representative Community markets shall be determined with particular reference to the latest quotations known.

#### *Article 4*

Where one or more Member States take measures for veterinary or health protection reasons which affect the normal movement in quotations recorded on their markets, the Commission may authorise the Member State:

- either to disregard the quotations recorded on the market or markets in question,
- or to use the last quotations recorded on the market or markets in question before those measures were put into effect.

#### *Article 5*

1. The average Community price, per head, of male calves between eight days and three weeks old shall be the average of the prices of the bovine animals referred to above, weighted by the coefficients laid down in Annex III A, recorded on the main markets of the Member States representative of this type of production.

2. The prices of the bovine animals referred to in paragraph 1 recorded on the representative market or markets of each Member State concerned shall be the average, weighted by coefficients reflecting the relative proportion of each breed or quality, of the prices recorded exclusive of VAT for these animals during a seven-day period in that Member State at the same wholesale stage.

3. Annex III lays down:

- (a) the weighting coefficients referred to in paragraph 1 and used to calculate the average Community price of the bovine animals referred to in that paragraph; these coefficients are established using the number of dairy cows recorded in the Community;
- (b) the breeds and qualities of the animals;
- (c) the weighting coefficients referred to in paragraph 2.

4. The Member States concerned shall inform the Commission not later than midday on Thursday each week of the quotations for the bovine animals referred to in paragraph 1 recorded on their representative markets during the seven-day period preceding the day on which the information is given.

*Article 6*

1. The average Community price, by kilograms of live weight, of male store cattle aged on average between 6 and 12 months and weighing 300 kilograms or less, shall be the average of the prices of the bovine animals referred to above, weighted by the coefficients laid down in Annex IV A, recorded on the main markets of the Member States representative of this type of production.

2. The price of the bovine animals referred to in paragraph 1 recorded on the representative market or markets of each Member State concerned shall be the average, weighted by coefficients reflecting the relative proportion of each breed or quality, of the prices recorded exclusive of VAT for these animals during a seven-day period in that Member State at the same wholesale stage.

3. Annex IV lays down:

- (a) the weighting coefficients referred to in paragraph 1 and used to calculate the average Community price of the bovine animals referred to in that paragraph; these coefficients are established using the number of suckler cows recorded in the Community;
- (b) the breeds and qualities of the animals;
- (c) the weighting coefficients referred to in paragraph 2.

4. The Member States concerned shall inform the Commission not later than midday on Thursday each week of the quotations for the bovine animals referred to in paragraph 1 recorded on their respective markets during the seven-day period preceding the day on which the information is given.

*Article 7*

1. The average Community price, per 100 kilograms of carcase weight, of slaughter calves obtained principally using milk or milk preparations and slaughtered at around six months of age, shall be the average of the prices of the bovine animals referred to above, weighted

by the coefficients laid down in Annex V A, recorded on the main markets of the Member States representative of this type of production.

2. The price of the bovine animals referred to in paragraph 1 recorded in the quotation centre or centres of the Member States concerned shall be the average, possibly weighted by coefficients reflecting the relative proportion of each quality, of the prices recorded exclusive of VAT for these animals during a seven-day period at the slaughterhouse entry stage.

3. Annex V lays down:

- (a) the weighting coefficients referred to in paragraph 1 and used to calculate the average Community price of the bovine animals referred to in that paragraph; these coefficients are established using the net production (slaughterings) of calves in the Community;
- (b) the qualities of such cattle;
- (c) the weighting coefficients referred to in paragraph 2.

4. The Member States concerned shall inform the Commission not later than midday on Thursday each week of the quotations for the carcasses of the bovine animals referred to in paragraph 1, recorded in their respective quotation centres during the seven-day period preceding the day on which the information is given.

*Article 8*

Regulation (EEC) No 610/77 shall be repealed on 31 December 1998.

*Article 9*

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

It shall apply from 1 January 1999.

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

Done at Brussels, 14 December 1998.

*For the Commission*

Franz FISCHLER

*Member of the Commission*

## ANNEX I

## Coefficients to be used in calculating the price on the representative Community markets for adult bovine animals

	Adult bovine animals	Cows	Heifers	Young bulls	Steers	Bulls
Belgium	3,8	4,2	6,0	6,3	—	—
Denmark	2,6	3,0	2,1	5,1	3,7	1,6
Germany	19,5	21,2	19,8	—	—	—
Greece	0,7	1,0	0,4	1,4	—	—
Spain	7,5	10,9	4,5	5,4	—	—
France	25,8	31,6	42,6	48,3	36,4	98,4
Ireland	9,0	8,9	10,1		27,8	—
Italy	9,4	10,3		25,0	—	—
Luxembourg	—				—	—
Netherlands	5,5	6,5		4,7	—	—
Austria	—			—	—	—
Portugal	1,7	2,4	1,0	3,8	2,9	—
Finland	—			—	—	—
Sweden	—			—	—	—
United Kingdom	14,5		13,5	—	29,2	—



## ANNEX II

## Factors entering into the determination of prices of adult bovine animals recorded on the representative Community markets

## A. BELGIUM

## 1. Representative market

Anderlecht, Brugge, Ciney

## 2. Categories, qualities and coefficients

<i>Categories and qualities</i>	<i>Weighting coefficient</i>
Taureaux/Stieren:	
— Cul-de-poulain/dikbil	24
— Assimilés/gelijkgestelde	6
— Bonne conformation/goedgevormde	6
— 60 %	6
— 55 %	3
Génisses/Vaarzen:	
— Cul-de-poulain/dikbil	2
— Assimilés/gelijkgestelde	2
— Bonne conformation/goedgevormde	2
— Ordinaire/gewone	3
Vaches/Koeien:	
— Cul-de-poulain/dikbil	8
— Assimilés/gelijkgestelde	8
— Bonne conformation/goedgevormde	7
— 55 %	8
— 50 %	11
— Fabrication/verwerking	4

## B. DENMARK

## 1. Representative market (quotation centre)

Copenhagen

## 2. Representative markets (physical)

Aalborg, Århus, Skærbæk, Odense, Kolding, Kliplev, Horsens, Hobro

## 3. Categories, qualities and coefficients

<i>Categories and qualities</i>	<i>Weighting coefficient</i>
Ungtyre, < 500 kg, super	5,4
Ungtyre, < 500 kg, extra	14,2
Ungtyre, < 500 kg, 1. Klasse	8,6
Ungtyre, < 500 kg, 2. Klasse	2,4
Tyre, prima	0,3
Tyre, 1. Klasse	0,2
Stude, prima	0,5
Stude, 1. Klasse	1,1
Stude, 2. Klasse	0,1
Kvier, prima	11,1
Kvier, 1. Klasse	3,4
Kvier, 2. Klasse	0,7
Unge Køer, prima	11,8
Unge Køer, 1. Klasse	3,4
Ældre Køer, prima	11,0
Ældre Køer, 1. Klasse	11,6
Ældre Køer, 2. Klasse	8,5
Køer, 3. Klasse	5,7

## C. GERMANY

## 1. Representative markets

<i>Markets</i>	<i>Qualities</i>
München	All qualities
Augsburg	All qualities
Memmingen	All qualities

## 2. Categories, qualities and coefficients

<i>Categories and qualities</i>	<i>Weighting coefficients</i>
Färsen A	9,8
Färsen B	11,7
Färsen C	1,1
Kühe A	12,1
Kühe B	34,4
Kühe C	23,4
Kühe D	7,5

## D. GREECE

## 1. Representative markets (quotation centres)

Αλεξανδρούπολη (Alexandroupoli)  
 Σέρρες (Serres)  
 Τρίκαλα (Trikala)  
 Βέροια (Veroia)

## 2. Categories, qualities and coefficients

<i>Categories and qualities</i>	<i>Live-weight conversion coefficients</i>	<i>Weighting coefficients</i>
Μόσχος ΑΑ (Young bovines ΑΑ)	60	25,0
Μόσχος Α (Young bovines Α)	58	22,7
Μόσχος Β (Young bovines Β)	56	45,3
Μόσχος Γ (Young bovines Γ)	53	0,6
Δάμαλις Β (Heifers Β)	53	1,4
Δάμαλις Γ (Heifers Γ)	50	1,3
Βόειον Β (Cows Β)	52	2,3
Βόειον Γ (Cows Γ)	48	1,4

## E. SPAIN

## 1. Representative markets

## (a) Quotation centres

	<i>Qualities</i>
Ebro	All qualities
Mercolleida	All qualities
Segovia	All qualities
Binefar	All qualities
Barcelona	All qualities

## (b) Markets

	<i>Qualities</i>
Talavera de la Reina (Toledo)	All qualities
Santiago de Compostela	All qualities
Salamanca	All qualities
Pola de Siero	All qualities

## 2. Categories, qualities and coefficients

<i>Categories and qualities</i>	<i>Live-weight conversion coefficients</i>	<i>Weighting coefficients</i>
Añojos (categoría AR)	58	47
Añojos (categoría AO)	56	9
Vacuno mayor (categoría DROP)	47	18
Vacuno menor (categoría BR)	54	2
Novillas (categoría ER)	59	24

## F. FRANCE

## 1. Representative markets (quotation centres)

## (a) Young bovines

<i>Quotation centre</i>	<i>Qualities</i>
Paris	Jeunes bovins E, U, R, O

## (b) Other than young bovines

<i>Markets</i>	<i>Qualities</i>
Agen	génisses U, R, O; vaches U, R, O, P; taureaux U, R
Arras	bœufs R, O; génisses U, R, O; vaches R, O, P
Châteaubriant	bœufs R, O; génisses R, O; vaches R, O, P
Cholet	bœufs E, U, R, O; génisses E, U, R, O; vaches U, R, O, P; taureaux U, R
Clisson	bœufs E, U, R, O; génisses E, U, R, O; vaches U, R, O, P; taureaux U, R
Fougères	bœufs U, R, O; génisses U, R, O; vaches R, O, P; taureaux U, R
Laissac	génisses U, R, O; vaches R, O, P; taureaux U, R
Laval	bœufs U, R, O; génisses U, R, O; vaches R, O, P; taureaux U, R
Lyon — Corbas	bœufs U, R, O; génisses U, R, O; vaches R, O, P
Nancy	bœufs R, O; génisses R, O; vaches O, P
Parthenay	bœufs U, R, O; génisses E, U, R, O; vaches U, R, O, P; taureaux U, R
Rouen — Tourville	bœufs R, O; génisses O, vaches O, P; taureaux R
Sancoins	bœufs E, U, R, O; génisses E, U, R, O; vaches U, R, O, P; taureaux U, R
Saint-Christophe-en-Brionnais	bœufs E, U, R; génisses E, U, R, O; vaches U, R, O, P; taureaux U, R
Valenciennes	bœufs E, U, R, O; génisses E, U, R, O; vaches U, R, O, P; taureaux U, R

## 2. Categories, qualities and coefficients

<i>Categories and qualities</i>	<i>Live-weight conversion coefficients</i>	<i>Weighting coefficients</i>
Jeunes bovins E	62	1,55
Jeunes bovins U	60	11,40
Jeunes bovins R	58	9,11
Jeunes bovins O	56	8,12
Taureaux U	60	1,08
Taureaux R	58	1,39
Bœufs E	60	0,15
Bœufs U	58	1,05

Bœufs R	56	2,97
Bœufs O	53	3,82
Génisses E	60	0,53
Génisses U	58	3,19
Génisses R	56	5,48
Génisses O	53	3,73
Vaches U	57	3,96
Vaches R	54	9,91
Vaches O	52	18,24
Vaches P	48	14,33

## G. IRELAND

## 1. Representative markets

<i>Markets</i>	<i>Qualities</i>
Bandon	All qualities
Kilkenny	All qualities
Maynooth	All qualities
Roscommon	All qualities

## 2. Categories, qualities and coefficients

<i>Categories and qualities</i>	<i>Weighting coefficients</i>
Steers I	18
Steers II	13
Steers III	12
Steers IV	3
Steers V	3
Heifers I	9
Heifers II	14
Heifers III	4
Cows I	9
Cows II	12
Cows III	3

## H. ITALY

## 1. Representative markets

<i>Markets</i>	<i>Categories and qualities</i>
Montichiari	Vitelloni 1 <sup>a</sup> et 2 <sup>a</sup> qualità
Modena	
Vicenza	
Cremona	Vacche 1 <sup>a</sup> et 2 <sup>a</sup> qualità
Oderzo	
Modena	
Vicenza	
Parma	
Cremona	Vacche 3 <sup>a</sup> qualità
Parma	
Modena	
Montichiari	

2. **Categories, qualities and coefficients**

<i>Categories and qualities</i>	<i>Weighting coefficients</i>
Vitelloni 1ª qualità	7
Vitelloni 2ª qualità	13
Vacche 1ª qualità	5
Vacche 2ª qualità	52
Vacche 3ª qualità	23

## I. NETHERLANDS

1. **Representative markets**

's Hertogenbosch, Leiden, Zwolle

2. **Categories, qualities and coefficients**

<i>Categories and qualities</i>	<i>Live-weight conversion coefficients</i>	<i>Weighting coefficients</i>
Stieren S	66	0
Stieren E	61	1
Stieren 1	57	3
Stieren 2	54	5
Stieren 3	50	1
Vrouwelijk vee S	65	2
Vrouwelijk vee E	60	6
Vrouwelijk vee 1	53	14
Vrouwelijk vee 2	49	44
Vrouwelijk vee 3	45	13
Vrouwelijk vee worst	45	11

## J. PORTUGAL

1. **Representative markets (quotation centres)**

<i>Markets</i>	<i>Weighting coefficients</i>	<i>Qualities</i>
Entre Douro e Minho	20	Novilhos, Novilhas e Vacas
Beira Litoral	20	Novilhos, Novilhas e Vacas
Ribatejo Oeste	30	Novilhos, Novilhas e Vacas
Alentejo	30	Novilhos, Novilhas e Vacas

2. **Categories, qualities and coefficients**

<i>Categories and qualities</i>	<i>Live-weight conversion coefficients</i>	<i>Weighting coefficients</i>
Entre Douro e Minho		
Novilho R	55-58	55
Novilha O	50-53	10
Vaca O	45-48	35
Beira Litoral		
Novilho R	55-58	60
Novilha O	50-53	10
Vaca O	45-48	20
Boi R		10
Ribatejo Oeste		
Novilho R	58-60	65
Novilha O	53-55	25
Vaca O	48-50	10
Alentejo		
Novilho R	58-60	70
Novilha O	53-55	15
Vaca O	48-50	15

## K. UNITED KINGDOM

## 1. Representative markets

<i>Markets</i>	<i>Qualities</i>
(a) Great Britain	
Ashford	Heifers light, medium/heavy
Avon	Steers heavy; heifers medium/heavy
Ayr I	Steers light, medium, heavy; heifers medium/heavy
Bridgnorth	Steers medium; heifers light, medium/heavy
Carlisle	Steers light, medium, heavy; heifers light, medium/heavy
Chippenham	Steers medium, heavy; heifers medium/heavy
Darlington	Heifers light, medium/heavy
Derby II	Steers light, medium, heavy; heifers light, medium/heavy
Edinburg II	Steers light; heifers light
Exeter	Steers medium, heavy; heifers light, medium/heavy
Frome	Steers, medium, heavy; heifers light, medium/heavy
Gaerwen	Steers, medium, heavy; heifers medium/heavy
Gloucester	Steers light, medium, heavy; heifers light, medium/heavy
Haverfordwest	Steers, medium, heavy; heifers medium/heavy
Hull	Steers heavy
Inverurie II	Steers light, medium, heavy; heifers light, medium/heavy
Lanark	Steers light, medium; heifers light
Malton	Steers light, medium, heavy; heifers light
Maud	Steers medium, heavy; heifers light, medium/heavy
Melton Mowbray	Steers light, medium, heavy; heifers light, medium/heavy
Newark	Steers light, medium; heifers light
Newark II	Steers light, medium, heavy; heifers light, medium/heavy
Northhampton II	Steers light, medium, heavy; heifers light, medium/heavy
Norwich	Steers light, medium, heavy
Oswestry	Steers light, medium; heifers light
Perth	Steers medium, heavy
Preston	Steers light, medium; heifers light
Reston	Steers medium, heavy; heifers light, medium/heavy
Ripon	Steers light, medium, heavy; heifers light, medium/heavy
Rugby	Steers light, medium, heavy; heifers light, medium/heavy
Rugby II	Steers medium, heavy; heifers light, medium

Selby	Steers light, medium, heavy; heifers light, medium/ heavy
Shrewsbury	Steers medium, heavy; heifers medium, heavy
St Asaph	Steers light, medium, heavy; heifers light, medium/ heavy
Stirling	Steers light; heifers light, medium/heavy
Welshpool	Steers light; heifers light, medium/heavy
Wetherby	Steers medium, heavy
York	Steers light; heifers light
(b) Northern Ireland	
Clogher	Steers light, medium, heavy; heifers light, medium/ heavy
Markethill	Steers light, medium, heavy; heifers light, medium/ heavy
Omagh	Steers light, medium, heavy; heifers light, medium/ heavy
Cullybackey	Steers light, medium, heavy; heifers light, medium/ heavy

## 2. Categories, qualities and coefficients

### *Categories and qualities*

### *Weighting coefficients*

#### (a) Great Britain

Steers light (370 to 464 kg)	23,3
Steers medium (465 to 555 kg)	27,6
Steers heavy (556 kg and over)	13,2
Heifers light (330 to 399 kg)	17,1
Heifers medium/heavy (400 kg and over)	15,8

#### (b) Northern Ireland

Steers: — Light	1
— Medium	16
— Heavy	43
Heifers: — Light	1
— Medium/heavy	39

## 3. Special weighting coefficients

Great Britain:	88,5
Northern Ireland:	11,5

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## ANNEX III

## Survey of prices of bull calves eight days to three weeks old

## A. WEIGHTING COEFFICIENTS

Germany:	27,5
Spain:	7,0
France:	24,4
Ireland:	6,9
Italy:	11,4
Netherlands:	9,2
United Kingdom:	13,6

## B. GERMANY

## 1. Representative markets

In the absence of public markets, prices are recorded by the official departments of the chambers of agriculture, and farmers' cooperatives and unions.

## 2. Qualities and coefficients

<i>Qualities</i>	<i>Weighting coefficients</i>
— Schwarzbunte Bullenkälber	35,4
— Rotbunte Bullenkälber	5,4
— Kreuzungskälber zur Mast (Bullenkälber)	3,4
— Fleckvieh	44,8
— Braunvieh	11,0

## C. SPAIN

## 1. Representative markets:

Torrelavega (Cantabria), Santiago de Compostela (Galicia), Aviles (Asturias), León (Castilla y León)

## 2. Qualities and coefficients

<i>Qualities</i>	<i>Weighting coefficients</i>
Descalostrados:	
— Tipo frisón, calidad buena	50
— Tipo cruzado, calidad buena	50

## D. FRANCE

## 1. Representative markets

Rethel, Dijon, Rabastens, Lezay, Lyon, Agen, Le Cateau, Sancoins, Château-Gonthier, Saint Étienne

## 2. Qualities and coefficients

<i>Qualities</i>	<i>Weighting coefficients</i>
— Veaux mâles croisés de bonne conformation, destinés à l'élevage, type léger	30
— Veaux mâles de races laitières d'assez bonne conformation destinés à l'engraissement	70



## E. IRELAND

1. **Representative markets**

Bandon, Maynooth

2. **Qualities and coefficients**

<i>Qualities</i>	<i>Weighting coefficients</i>
— Dairy male rearing calves	50
— Beef male rearing calves	50

## F. ITALY

1. **Representative markets**

(a) Modena, Parma, Vicenza

(b) Prices recorded on import markets

2. **Qualities and coefficients**

<i>Qualities</i>	<i>Weighting coefficients</i>
(a) Dairy male calves (vitelli):	
— of Community origin	40
— imported from third countries	15
(b) Beef male calves, all origins	45

## G. NETHERLANDS

1. **Representative markets**

Leeuwarden, Zwolle, Den Bosch, Leiden, Doetinchem

2. **Qualities and coefficients**

<i>Qualities</i>	<i>Weighting coefficients</i>
Nuchtere stierkalveren voor de mesterij, 1e kwaliteit:	
— zwartbont	50
— roodbont	25
— vleesras	25

## H. UNITED KINGDOM

1. **Representative markets**

Approximately 35 markets (England and Wales)

2. **Qualities and coefficients**

<i>Qualities</i>	<i>Weighting coefficients</i>
Rearing calves, first and second quality:	
— from dairy bulls	58
— from beef bulls	42

## ANNEX IV

## Survey of prices of light store cattle 6 to 12 months old with a live weight of 300 kg or less

## A. WEIGHTING COEFFICIENTS

Spain:	17,6
France:	43,3
Ireland:	12,0
Italy:	7,3
United Kingdom:	19,8

## B. SPAIN

## 1. Representative markets

Salamanca (Castilla y León)

Talavera (Castilla-La Mancha)

## 2. Qualities and coefficients

<i>Qualities</i>	<i>Weighting coefficients</i>
Pasteros:	
— Tipo cruzado	65
— Tipo país	35

## C. FRANCE

## 1. Representative markets (quotation centres)

Limoges, Clermont-Ferrand, Dijon

## 2. Qualities and coefficients

<i>Qualities</i>	<i>Weighting coefficients</i>
Race charolaise de conformation U	35
Race charolaise de conformation R	35
Race limousine de conformation O	30

## D. IRELAND

## 1. Representative markets

Bandon, Maynooth, Kilkenny, Roscommon

## 2. Qualities and coefficients

<i>Qualities</i>	<i>Weighting coefficients</i>
Weanling steers and yearling steers:	
— from the dairy type	50
— from the beef type	50

## E. ITALY

1. **Representative markets**

- (a) Modena, Parma, Montichiari
- (b) Prices recorded on import markets

2. **Qualities and coefficients**

<i>Qualities</i>	<i>Weighting coefficients</i>
Young dairy calves (vitelli)	50
Young beef calves (vitelli)	50

## F. UNITED KINGDOM

1. **Representative markets**

Approximately 35 markets (England and Wales)

2. **Qualities and coefficients**

<i>Qualities</i>	<i>Weighting coefficients</i>
Steers: 200 to 299 kg	
— from dairy steers	50
— from beef steers	50

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## ANNEX V

## Survey of prices of veal calves slaughtered when about six months old

## A. WEIGHTING COEFFICIENTS

Belgium:	7,4
France:	38,4
Italy:	24,2
Netherlands:	30,0

## B. BELGIUM

## 1. Quotation centres (slaughterhouses)

Provinces of Antwerp and Limburg

## 2. Qualities

Veaux blancs, conformation classes E, U and R

## C. FRANCE

## 1. Quotation centres

Commissions paritaires des régions Sud-Ouest, Centre, Centre-Est/Est, Nord/Nord-Ouest, Ouest

## 2. Qualities

Veaux blancs, all conformation classes E, U, R, O

## D. ITALY

## 1. Quotation centres (slaughterhouses)

Bergamo, Modena, Venice, Vercelli

## 2. Qualities

Carne bianca, conformation classes U, R, O

## E. NETHERLANDS

## 1. Quotation centres (slaughterhouses)

Apeldoorn, Nieuwekerk a/d IJssel, Den Bosch, Aalten, Leeuwarden

## 2. Qualities and coefficients

<i>Qualities</i>	<i>Weighting coefficients</i>
Vleeskalveren:	
— zwartbont type:	65
— roodbont type:	35

All conformation classes

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**COMMISSION REGULATION (EC) No 2706/98**  
**of 15 December 1998**  
**establishing the standard import values for determining the entry price of certain**  
**fruit and vegetables**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,  
Having regard to the Treaty establishing the European Community,

Having regard to Commission Regulation (EC) No 3223/94 of 21 December 1994 on detailed rules for the application of the import arrangements for fruit and vegetables<sup>(1)</sup>, as last amended by Regulation (EC) No 1498/98<sup>(2)</sup>, and in particular Article 4 (1) thereof,

Having regard to Council Regulation (EEC) No 3813/92 of 28 December 1992 on the unit of account and the conversion rates to be applied for the purposes of the common agricultural policy<sup>(3)</sup>, as last amended by Regulation (EC) No 150/95<sup>(4)</sup>, and in particular Article 3 (3) thereof,

Whereas Regulation (EC) No 3223/94 lays down, pursuant to the outcome of the Uruguay Round multilateral trade negotiations, the criteria whereby the Commission fixes the standard values for imports from third

countries, in respect of the products and periods stipulated in the Annex thereto;

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

HAS ADOPTED THIS REGULATION:

*Article 1*

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

*Article 2*

This Regulation shall enter into force on 16 December 1998.

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

Done at Brussels, 15 December 1998.

*For the Commission*

Franz FISCHLER

*Member of the Commission*

<sup>(1)</sup> OJ L 337, 24. 12. 1994, p. 66.

<sup>(2)</sup> OJ L 198, 15. 7. 1998, p. 4.

<sup>(3)</sup> OJ L 387, 31. 12. 1992, p. 1.

<sup>(4)</sup> OJ L 22, 31. 1. 1995, p. 1.

## ANNEX

## to the Commission Regulation of 15 December 1998 establishing the standard import values for determining the entry price of certain fruit and vegetables

(ECU/100 kg)

CN code	Third country code <sup>(1)</sup>	Standard import value
0702 00 00	052	104,2
	204	85,2
	624	289,0
	999	159,5
0707 00 05	052	80,8
	204	85,3
	999	83,1
0709 90 70	052	93,5
	204	105,7
	628	156,1
	999	118,4
0805 10 10, 0805 10 30, 0805 10 50	052	31,8
	204	45,0
	999	38,4
0805 20 10	204	63,9
	999	63,9
0805 20 30, 0805 20 50, 0805 20 70, 0805 20 90	052	59,0
	464	294,2
	999	176,6
0805 30 10	052	59,6
	600	71,1
	999	65,3
0808 10 20, 0808 10 50, 0808 10 90	060	16,5
	064	45,1
	400	85,4
	404	51,4
	999	49,6
0808 20 50	064	62,4
	400	93,1
	720	50,7
	999	68,7

<sup>(1)</sup> Country nomenclature as fixed by Commission Regulation (EC) No 2317/97 (OJ L 321, 22. 11. 1997, p. 19). Code '999' stands for 'of other origin'.

**COMMISSION REGULATION (EC) No 2707/98  
of 15 December 1998**

**determining the world market price for unginned cotton and the rate for the aid**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to the Act of Accession of Greece, and in particular paragraphs 3 and 10 of Protocol 4 on cotton, as last amended by Council Regulation (EC) No 1553/95<sup>(1)</sup>,

Having regard to Council Regulation (EC) No 1554/95 of 29 June 1995<sup>(2)</sup> laying down general rules for the system of aid for cotton and repealing Regulation (EEC) No 2169/81, as last amended by Regulation (EC) No 1419/98<sup>(3)</sup>, and in particular Articles 3, 4 and 5 thereof,

Whereas Article 3 of Regulation (EC) No 1554/95 requires a world market price for unginned cotton to be periodically determined from the world market price determined for ginned cotton, using the historical relationship between the two prices as specified in Article 1 (2) of Commission Regulation (EEC) No 1201/89 of 3 May 1989 laying down rules for implementing the system of aid for cotton<sup>(4)</sup>, as last amended by Regulation (EC) No 1664/98<sup>(5)</sup>; whereas if it cannot be determined in this way it is to be based on the last price determined;

Whereas Article 4 of Regulation (EC) No 1554/95 requires the world market price for ginned cotton to be determined for a product of specific characteristics using the most favourable offers and quotations on the world market of those considered representative of the real market trend; whereas to this end an average is to be calculated of offers and quotations on one or more European exchanges for a cif product to a North European port from the supplier countries considered most representative as regards international trade; whereas these rules for determination of the world market price for ginned cotton provide for adjustments to reflect differences in product quality and the nature of offers and

quotations; whereas these adjustments are specified in Article 2 of Regulation (EEC) No 1201/89;

Whereas application of the above rules gives the world market price for unginned cotton indicated hereunder;

Whereas the second subparagraph of Article 5(3a) of Regulation (EC) No 1554/95 stipulates that the advance payment rate for the aid is to be the guide price less the world market price and less a further amount calculated by the formula applicable when the guaranteed maximum quantity is overrun but with a minimum 7,5 % increase in the revised estimate for unginned cotton production; whereas Commission Regulation (EC) No 2591/98<sup>(6)</sup> fixes the revised estimate of production of unginned cotton for the 1998/99 marketing year and the relevant percentage increase; whereas application of these rules gives the advance payment rates for each Member State indicated hereunder,

HAS ADOPTED THIS REGULATION:

*Article 1*

1. The world market price for unginned cotton as indicated in Article 3 of Regulation (EC) No 1554/95 is set at ECU 21,820 per 100 kilograms.

2. Advance payment of the aid as indicated in Article 5 (3a), second sentence, of Regulation (EC) No 1554/95 shall be at the rate of:

- ECU 62,370 per 100 kilograms in Spain,
- ECU 52,165 per 100 kilograms in Greece,
- ECU 84,480 per 100 kilograms in other Member States.

*Article 2*

This Regulation shall enter into force on 16 December 1998.

<sup>(1)</sup> OJ L 148, 30. 6. 1995, p. 45.

<sup>(2)</sup> OJ L 148, 30. 6. 1995, p. 48.

<sup>(3)</sup> OJ L 190, 4. 7. 1998, p. 4.

<sup>(4)</sup> OJ L 123, 4. 5. 1989, p. 23.

<sup>(5)</sup> OJ L 211, 29. 7. 1998, p. 9.

<sup>(6)</sup> OJ L 324, 2. 12. 1998, p. 25.

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

Done at Brussels, 15 December 1998.

*For the Commission*  
Franz FISCHLER  
*Member of the Commission*

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**COMMISSION REGULATION (EC) No 2708/98**  
**of 15 December 1998**

**amending Regulation (EEC) No 1725/92 laying down detailed implementing rules  
for the specific measures for supplying the Azores and Madeira with products  
from the pigmeat sector**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 1600/92 of 15 June 1992 concerning specific measures for the Azores and Madeira relating to certain agricultural products<sup>(1)</sup>, as last amended by Regulation (EC) No 2348/96<sup>(2)</sup>, and in particular Article 10 thereof,

Whereas the amounts of aid for supplying the Azores and Madeira with products from the pigmeat sector have been fixed by Commission Regulation (EEC) No 1725/92 of 30 June 1992 laying down detailed implementing rules for the specific measures for supplying the Azores and Madeira with products from the pigmeat sector<sup>(3)</sup>, as last amended by Regulation (EC) No 2012/98<sup>(4)</sup>; whereas, in calculating the aid for the pigmeat products intended for the Azores and Madeira, it is necessary to take account of the relationship that exists between the aids for cereals and those for pigmeat; whereas as a result of the changes in quotations and prices for cereal products on the European territory of the Community and on the world market, the amounts of aid for supplying the Azores and

Madeira should be fixed again as set out in the Annex hereto;

Whereas Article 2 of Council Regulation (EEC) No 1103/97 of 17 June 1997 on certain provisions relating to the introduction of the euro<sup>(5)</sup> provides that as from 1 January 1999, all references to the ecu in legal instruments are to be replaced by references to the euro at the rate of EUR 1 to ECU 1; whereas, for the sake of clarity, the denomination 'euro' should be used in this Regulation since it is to apply from 1 January 1999;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Pigmeat,

HAS ADOPTED THIS REGULATION:

*Article 1*

Annex II to Regulation (EEC) No 1725/92 is replaced by the Annex to this Regulation.

*Article 2*

This Regulation shall enter into force on 1 January 1999.

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

Done at Brussels, 15 December 1998.

*For the Commission*

Franz FISCHLER

*Member of the Commission*

<sup>(1)</sup> OJ L 173, 27. 6. 1992, p. 1.

<sup>(2)</sup> OJ L 320, 11. 12. 1996, p. 1.

<sup>(3)</sup> OJ L 179, 1. 7. 1992, p. 95.

<sup>(4)</sup> OJ L 260, 23. 9. 1998, p. 3.

<sup>(5)</sup> OJ L 162, 19. 6. 1997, p. 1.

## ANNEX

## ANNEX II

## Amounts of aid granted for products referred to in Annex I and coming from the Community market

(EUR/100 kg net)

Product code	Amount of aid
0203 11 10 9000	18,1
0203 12 11 9100	27,1
0203 12 19 9100	18,1
0203 19 11 9100	18,1
0203 19 13 9100	27,1
0203 19 15 9100	18,1
0203 19 55 9110	30,7
0203 19 55 9310	30,7
0203 21 10 9000	18,1
0203 22 11 9100	27,1
0203 22 19 9100	18,1
0203 29 11 9100	18,1
0203 29 13 9100	27,1
0203 29 15 9100	18,1
0203 29 55 9110	30,7

NB: The product codes as well as the footnotes are defined in Commission Regulation (EEC) No 3846/87 (OJ L 366, 24. 12. 1987, p. 1).<sup>2</sup>

**COMMISSION REGULATION (EC) No 2709/98**  
**of 15 December 1998**

**amending Regulation (EC) No 1487/95 establishing the supply balance for the  
Canary Islands for products from the pigmeat sector and fixing the aid for  
products coming from the Community**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 1601/92 of 15 June 1992 introducing specific measures for the Canary Islands concerning certain agricultural products<sup>(1)</sup>, as last amended by Regulation (EC) No 2348/96<sup>(2)</sup>, and in particular Article 4 (4) thereof,

Whereas the amounts of aid for the supply of the pigmeat sector to the Canary Islands have been settled by Commission Regulation (EC) No 1487/95 of 28 June 1995 establishing the supply balance for the Canary Islands for products from the pigmeat sector and fixing the aid for products coming from the Community<sup>(3)</sup>, as last amended by Regulation (EC) No 2013/98<sup>(4)</sup>; whereas, as a consequence of the changes in the rates and prices for cereal products in the European part of the Community and on the world market, the aid for supply to the Canary Islands should be set at the amounts given in the Annex;

Whereas Article 2 of Council Regulation (EEC) No 1103/97 of 17 June 1997 on certain provisions relating to the introduction of the euro<sup>(5)</sup> provides that as from 1 January 1999, all references to the ecu in legal instruments are to be replaced by references to the euro at the rate of EUR 1 to ECU 1; whereas, for the sake of clarity, the denomination 'euro' should be used in this Regulation since it is to apply from 1 January 1999;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Pigmeat,

HAS ADOPTED THIS REGULATION:

*Article 1*

Annex II to Regulation (EEC) No 1487/95 is hereby replaced by the Annex to this Regulation.

*Article 2*

This Regulation shall enter into force on 1 January 1999.

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

Done at Brussels, 15 December 1998.

*For the Commission*

Franz FISCHLER

*Member of the Commission*

<sup>(1)</sup> OJ L 173, 27. 6. 1992, p. 13.

<sup>(2)</sup> OJ L 320, 11. 12. 1996, p. 1.

<sup>(3)</sup> OJ L 145, 29. 6. 1995, p. 63.

<sup>(4)</sup> OJ L 260, 23. 9. 1998, p. 5.

<sup>(5)</sup> OJ L 162, 19. 6. 1997, p. 1.

## ANNEX

## ANNEX II

## Amounts of aid granted for products coming from the Community market

*(EUR/100 kg net weight)*

Product code	Amount of aid
0203 21 10 9000	18,1
0203 22 11 9100	27,1
0203 22 19 9100	18,1
0203 29 11 9100	18,1
0203 29 13 9100	27,1
0203 29 15 9100	18,1
0203 29 55 9110	30,7

*NB:* The product codes as well as the footnotes are defined in Regulation (EEC) No 3846/87.

**COMMISSION REGULATION (EC) No 2710/98**  
**of 15 December 1998**  
**fixing the import duties in the cereals sector**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 1766/92 of 30 June 1992 on the common organization of the market in cereals<sup>(1)</sup>, as last amended by Commission Regulation (EC) No 923/96<sup>(2)</sup>,

Having regard to Commission Regulation (EC) No 1249/96 of 28 June 1996 laying down detailed rules for the application of Council Regulation (EEC) No 1766/92 as regards import duties in the cereals sector<sup>(3)</sup>, as last amended by Regulation (EC) No 2519/98<sup>(4)</sup>, and in particular Article 2 (1) thereof,

Whereas Article 10 of Regulation (EEC) No 1766/92 provides that the rates of duty in the Common Customs Tariff are to be charged on import of the products referred to in Article 1 of that Regulation; whereas, however, in the case of the products referred to in paragraph 2 of that Article, the import duty is to be equal to the intervention price valid for such products on importation and increased by 55 %, minus the cif import price applicable to the consignment in question; however, that duty may not exceed the rate of duty in the Common Customs Tariff;

Whereas, pursuant to Article 10 (3) of Regulation (EEC) No 1766/92, the cif import prices are calculated on the basis of the representative prices for the product in question on the world market;

Whereas Regulation (EC) No 1249/96 lays down detailed rules for the application of Council Regulation (EEC) No 1766/92 as regards import duties in the cereals sector;

Whereas the import duties are applicable until new duties are fixed and enter into force; whereas they also remain in force in cases where no quotation is available for the reference exchange referred to in Annex II to Regulation (EC) No 1249/96 during the two weeks preceding the next periodical fixing;

Whereas, in order to allow the import duty system to function normally, the representative market rates recorded during a reference period should be used for calculating the duties;

Whereas application of Regulation (EC) No 1249/96 results in import duties being fixed as set out in the Annex to this Regulation,

HAS ADOPTED THIS REGULATION:

*Article 1*

The import duties in the cereals sector referred to in Article 10 (2) of Regulation (EEC) No 1766/92 shall be those fixed in Annex I to this Regulation on the basis of the information given in Annex II.

*Article 2*

This Regulation shall enter into force on 16 December 1998.

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

Done at Brussels, 15 December 1998.

*For the Commission*

Franz FISCHLER

*Member of the Commission*

<sup>(1)</sup> OJ L 181, 1. 7. 1992, p. 21.

<sup>(2)</sup> OJ L 126, 24. 5. 1996, p. 37.

<sup>(3)</sup> OJ L 161, 29. 6. 1996, p. 125.

<sup>(4)</sup> OJ L 315, 25. 11. 1998, p. 7.

## ANNEX I

## Import duties for the products covered by Article 10(2) of Regulation (EEC) No 1766/92

CN code	Description	Import duty by land inland waterway or sea from Mediterranean, the Black Sea or Baltic Sea ports (ECU/tonne)	Import duty by air or by sea from other ports <sup>(2)</sup> (ECU/tonne)
1001 10 00	Durum wheat high quality	40,07	30,07
	medium quality <sup>(1)</sup>	50,07	40,07
1001 90 91	Common wheat seed	39,37	29,37
1001 90 99	Common high quality wheat other than for sowing <sup>(3)</sup>	39,37	29,37
	medium quality	76,87	66,87
	low quality	97,04	87,04
1002 00 00	Rye	101,20	91,20
1003 00 10	Barley, seed	101,20	91,20
1003 00 90	Barley, other <sup>(3)</sup>	101,20	91,20
1005 10 90	Maize seed other than hybrid	103,88	93,88
1005 90 00	Maize other than seed <sup>(3)</sup>	103,88	93,88
1007 00 90	Grain sorghum other than hybrids for sowing	101,20	91,20

<sup>(1)</sup> In the case of durum wheat not meeting the minimum quality requirements for durum wheat of medium quality, referred to in Annex I to Regulation (EC) No 1249/96, the duty applicable is that fixed for low-quality common wheat.

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

— ECU 3 per tonne, where the port of unloading is on the Mediterranean Sea, or

— ECU 2 per tonne, where the port of unloading is in Ireland, the United Kingdom, Denmark, Sweden, Finland or the Atlantic Coasts of the Iberian Peninsula.

<sup>(3)</sup> The importer may benefit from a flat-rate reduction of ECU 14 or 8 per tonne, where the conditions laid down in Article 2(5) of Regulation (EC) No 1249/96 are met.

## ANNEX II

## Factors for calculating duties

(period from 1 December 1998 to 14 December 1998)

## 1. Averages over the two-week period preceding the day of fixing:

Exchange quotations	Minneapolis	Kansas-City	Chicago	Chicago	Minneapolis	Minneapolis	Minneapolis
Product (% proteins at 12 % humidity)	HRS2. 14 %	HRW2. 11,5 %	SRW2	YC3	HAD2	Medium quality (**)	US barley 2
Quotation (ECU/tonne)	113,54	99,68	88,40	74,67	136,65 (*)	126,65 (*)	75,52 (*)
Gulf premium (ECU/tonne)	—	10,41	1,52	8,40	—	—	—
Great Lakes premium (ECU/tonne)	23,80	—	—	—	—	—	—

(\*) Fob Duluth.

(\*\*) A discount of ECU 10 per tonne (Article 4(1) of Regulation (EC) No 1249/96).

2. Freight/cost: Gulf of Mexico — Rotterdam: ECU 10,88 per tonne; Great Lakes — Rotterdam: ECU 21,13 per tonne.

3. Subsidy within the meaning of the third paragraph of Article 4(2) of Regulation (EC) No 1249/96: ECU 0,00 per tonne (HRW2)  
ECU 0,00 per tonne (SRW2).

## II

*(Acts whose publication is not obligatory)*

## COUNCIL

## DECISION No 2/98 OF THE ASSOCIATION COUNCIL

between the European Communities and their Member States, of the one part,  
and the Republic of Bulgaria, of the other part

of 29 October 1998

adopting the terms and conditions for the participation of Bulgaria in the  
Community programme in the field of youth

(98/714/EC)

THE ASSOCIATION COUNCIL,

Having regard to the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Bulgaria, of the other part<sup>(1)</sup>,

Having regard to the Additional Protocol to the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Bulgaria, of the other part<sup>(2)</sup> concerning Bulgaria's participation in Community programmes, and in particular Articles 1 and 2 thereof,

Whereas according to Article 1 of the said Additional Protocol, Bulgaria may participate in Community framework programmes, specific programmes, projects or other actions notably in the field of youth;

Whereas pursuant to Article 2 of the said Additional Protocol the terms and conditions for the participation of Bulgaria in the activities referred to in Article 1 are to be decided by the Association Council,

HAS DECIDED AS FOLLOWS:

*Article 1*

Bulgaria shall participate in the European Community programme 'Youth for Europe' according to the terms and conditions set out in Annexes I and II which shall form an integral part of this Decision.

*Article 2*

This Decision shall apply for the duration of the Youth for Europe programme.

*Article 3*

This Decision shall enter into force on the first day of the month following that of its adoption.

Done at Brussels, 29 October 1998.

*For the Association Council*

*The President*

N. MIHAILOVA

<sup>(1)</sup> OJ L 358, 31. 12. 1994, p. 2.

<sup>(2)</sup> OJ L 317, 30. 12. 1995, p. 25.



## ANNEX I

**TERMS AND CONDITIONS FOR THE PARTICIPATION OF BULGARIA IN THE YOUTH FOR EUROPE PROGRAMME**

1. Bulgaria will participate in all actions of the Youth for Europe programme (hereinafter called 'the programme') in conformity, unless otherwise provided in this Decision, with the objectives, criteria, procedures and time limits laid down in Decision No 818/95/EC of the European Parliament and of the Council of 14 March 1995 adopting the third phase of the Youth for Europe programme<sup>(1)</sup>.
2. The terms and conditions for the submission, assessment and selection of applications by eligible institutions, organisations and individuals of Bulgaria shall be the same as those applicable to eligible institutions, organisations and individuals of the Community.

Language preparation and training activities concern the official languages of the Community. In exceptional circumstances, other languages could be accepted if the implementation of the programme so requires.

3. To ensure the Community dimension of the programme, transnational projects and activities proposed by Bulgaria will be required to include a minimum number of partners from the Member States of the Community. This minimum number will be decided in the framework of the implementation of the programme, taking into account the nature of the various activities, the number of partners in a given project, and the number of countries participating in the programme. Projects and activities carried out solely between Bulgaria and EFTA States which are parties to the EEA Agreement or any other third countries, including those with an association agreement with the Community, to which participation in the programme is open, are not eligible for Community financial support.
4. In conformity with the terms of the relevant provisions of the Decision on the Youth for Europe programme, Bulgaria will lay down the appropriate structures and mechanisms at national level and will take all other necessary steps to ensure national coordination and organisation of the implementation of the programme.
5. Bulgaria will pay each year a contribution to the general budget of the European Communities to cover the costs resulting from its participation in the programme (see Annex II).  
The Association Committee is entitled to adapt this contribution whenever necessary.
6. The Member States of the Community and Bulgaria will make every effort within the framework of the existing provisions, to facilitate the free movement and residence of young people and other eligible persons moving between Bulgaria and the Community for the purpose of participating in activities covered by this Decision.
7. Without prejudice to the responsibilities of the Commission and the Court of Auditors of the European Communities in relation to the monitoring and evaluation of the programme pursuant to the Decision concerning the Youth for Europe programme (Article 9), the participation of Bulgaria in the programme will be continuously monitored on a partnership basis involving Bulgaria and the Commission of the European Communities. Bulgaria will submit the necessary reports to the Commission and take part in other specific activities undertaken by the Community in that context.
8. Without prejudice to the procedures referred to in Article 6 of the Decision on Youth for Europe, Bulgaria will be invited to coordination meetings on any question concerning the implementation of this Decision prior to the regular meetings of the Committee. The Commission will inform Bulgaria about the results of such regular meetings.
9. The language to be used as regards the application process, contracts, reports to be submitted and other administrative arrangements for the programme, will be one of the official languages of the Community.

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<sup>(1)</sup> OJ L 87, 20. 4. 1995, p. 1.



# COMMISSION

## COMMISSION DECISION

of 30 November 1998

**clarifying Annex A to Council Regulation (EC) No 2223/96 on the European system of national and regional accounts in the Community as concerns the principles for measuring prices and volumes**

*(notified under document number C(1998) 3685)*

(Text with EEA relevance)

(98/715/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 2223/96 of 25 June 1996 on the European system of national and regional accounts in the Community<sup>(1)</sup>, as amended by Regulation (EC) No 448/98<sup>(2)</sup>, and in particular Article 2(2) thereof,

- (1) Whereas it is necessary to improve the comparability between the Member States in the data for changes in real gross domestic product (GDP), both with a view to the application of Article 2 of Council Regulation (EC) No 1467/97 of 7 July 1997 on speeding up and clarifying the implementation of the excessive deficit procedure<sup>(3)</sup> and the resolution of the European Council on the Stability and Growth Pact (Amsterdam, 17 June 1997)<sup>(4)</sup> and for the purpose of multilateral surveillance more generally;
- (2) Whereas the implementation and supervision of Economic and Monetary Union require comparable, up-to-date and reliable information on the structure and developments in the economic situation of each Member State;
- (3) Whereas the Commission must play a part in the administration of Economic and Monetary Union and, in particular, report to the Council on the budgetary situation and the amount of national debt in the Member States;

- (4) Whereas the economic accounts in real terms, i.e. adjusted for price changes, are a fundamental tool for analysing a country's economic and budgetary situation, provided they are compiled on the basis of unique principles that are not open to different interpretations; whereas for this purpose the recommendations for the calculation of data at constant prices within the framework of Regulation (EC) No 2223/96 shall be deepened and strengthened;
- (5) Whereas the Commission must use national accounts aggregates in real terms for Community policy purposes and, in particular, for the supervision of the stability and growth pact;
- (6) Whereas in order to assess the seriousness of the economic recession the Member States must generally take as a reference any annual reduction of real GDP of at least 0,75 %; whereas exceeding the reference value following a serious economic recession is exceptional only if GDP in real terms records an annual reduction of at least 2 %;
- (7) Whereas the results of the accounts in real terms of all Member States compiled according to the provisions introduced by this Decision must be made available to users by the Commission at specific dates, in particular with regard to the supervision of economic and monetary convergence;
- (8) Whereas the provisions introduced by this Decision are the first steps towards common accounting rules for Member States' accounts in real terms for Community requirements, thereby making it possible to obtain results that are comparable among Member States and of sufficient quality;

<sup>(1)</sup> OJ L 310, 30. 11. 1996, p. 1.

<sup>(2)</sup> OJ L 58, 27. 2. 1998, p. 1.

<sup>(3)</sup> OJ L 209, 2. 8. 1997, p. 6.

<sup>(4)</sup> OJ L 236, 2. 8. 1997, p. 1.

- (9) Whereas the results of the accounts in real terms for Community requirements must be the subject of statistical treatment and communications to the Commission on dates laid down by Regulation (EC) No 2223/96 and by Council Regulation (EC) No 3605/93 of 22 November 1993 on the application of the Protocol on the excessive deficit procedure <sup>(1)</sup>;
- (10) Whereas, however, in view of the importance of the accounts in question and the degree of detail, as well as the situation with regard to statistics in the Member States, additional deadlines for the introduction of these provisions must be granted exceptionally and temporarily to Member States which, objectively, will not be in a position to comply with the rules laid down in this Decision when Regulation (EC) No 2223/96 is implemented;
- (11) Whereas the measures provided for in this Decision are in accordance with the opinion of the Statistical Programme Committee of the European Community (SPC), established by Council Decision 89/382/EEC, Euratom <sup>(2)</sup>, and the Committee on Monetary, Financial and Balance of Payments Statistics (CMFB), established by Decision 91/115/EEC <sup>(3)</sup>,

HAS ADOPTED THIS DECISION:

#### *Article 1*

##### **Objective**

The purpose of this Decision is to clarify the principles for the measurements of prices and volumes contained in Chapter 10 of Annex A to Regulation (EC) No 2223/96, in view of the need to further harmonise price and volume measures.

The clarifications given in the present Decision, shall be used for the data transmitted to Eurostat from the first transmission of data pursuant to Regulation (EC) No 2223/96 onwards, at least for the data referring to the years 1995 and later.

#### *Article 2*

##### **Clarifications to the general principles for the measurement of prices and volumes**

Clarifications to the general principles that shall be followed in the measurement of prices and volumes contained in Chapter 10 of Annex A to Regulation (EC) No 2223/96, particularly as concerns the elementary level

of aggregation, the choice of index formula and the choice of base year, are laid down in Part I of Annex I to the present Decision.

#### *Article 3*

##### **Classification of methods by product**

A classification of methods for certain types of products into most appropriate methods, alternatives which may be used if the most appropriate methods cannot be applied, and methods which shall not be used as from the first transmission of data to Eurostat pursuant to Regulation (EC) No 2223/96 onwards, is laid down in Parts II and III of Annex I to the present Decision.

#### *Article 4*

##### **Research programme**

For those products for which the classification of methods defined in Article 3 is not stated in Annex I to the present Decision, this classification will be defined taking into account the results of a research programme, which shall be completed by the end of the year 2000, and after decision of the SPC.

#### *Article 5*

##### **Transitional periods**

Transitional periods for the application of the principles as clarified in Article 2, are laid down, for each Member State, in Annex II to the present Decision.

Member States may ask, in addition, for transitional periods to be granted for the application of the methods referred to in Article 3, which shall be decided at the latest by the end of the year 1998.

In the case of a Member State for which a transitional period is granted, and which presents for a given year a reduction of GDP in real terms calculated according to the national methods in place, the Member State shall assist Eurostat to the fullest possible extent in evaluating the scale of the effect of any deviation from the principles contained in the present Decision.

#### *Article 6*

##### **Inventory**

Member States shall provide Eurostat, at the latest by the end of the year 2002, with a full inventory of procedures and basic statistics used to measure GDP in real terms and its components. The inventory shall at least cover the methods used in the final accounts.

<sup>(1)</sup> OJ L 332, 31. 12. 1993, p. 7.

<sup>(2)</sup> OJ L 181, 28. 6. 1989, p. 47.

<sup>(3)</sup> OJ L 59, 6. 3. 1991, p. 19.

*Article 7***Addressees**

This Decision is addressed to the Member States.

Done at Brussels, 30 November 1998.

*For the Commission*  
Yves-Thibault DE SILGUY  
*Member of the Commission*

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*ANNEX I*

## PART I

**GENERAL PRINCIPLES FOR THE MEASUREMENT OF PRICES AND VOLUMES.****I.1. Introduction**

The nature of estimates at constant prices is different from that of estimates at current prices, in some fundamental respects. Simplifying, current price accounts can be seen as the aggregation within an accounting framework of transactions which took place and can be evidenced. Constant price accounts however describe the economic situation of a particular year in the prices of another year. In reality the transactions of the current year would not have taken place in an identical manner at the prices of that other year.

Transaction values have to be decomposed into price and volume components. In principle, the price components should include changes arising solely from price changes, while all other changes are to be included in the volume component (ESA 95, point 10.01). For many products however, it is far from clear how to make this decomposition in practice (ESA 95, point 10.06). Therefore, a set of rules for the measurement of prices and volumes has to be adopted, of which the results should approximate the theoretical ideal price/volume decomposition, and which should be applicable in a comparable way in all Member States.

In this Part I the general principles of this framework are set out, while in Parts II and III in more detail the estimation procedures in respectively the production and expenditure approaches are discussed.

The principles laid down in this Decision apply to annual data. Of course, a guiding principle should be that the quarterly accounts shall be consistent with the annual accounts, in order that the quarterly accounts forecast the definitive results as closely as possible. Specific issues related to quarterly accounts in constant prices will be discussed in the forthcoming handbook on quarterly accounts.

Chapter 10 of ESA 95 expresses a clear preference for an integrated accounting approach to constant price calculations (ESA 95, points 10.04 and 10.08). In the accounting approach, the production and expenditure sides of GDP in constant prices can be balanced on a detailed product level using supply and use tables. In using detailed supply and use tables the consistency of the indices can be guarded. Also, deflators from different sources, for example separately compiled CPIs and PPIs can be compared and checked against each other. In a system based on supply and use tables the best of both sides (i.e. production and expenditure approaches) can be combined, for both the current and constant prices.

ESA 95, points 10.12 to 10.23, defines what is to be included in the price and what in the volume component. The volume component should include the effect of changes in quality of products. That implies that price and volume indicators used to calculate national accounts data should be corrected for such changes in quality.

The consistency of the quality adjustments made in the various indicators should be closely monitored. If large differences in various price indices for the same product exist, this might be due to different procedures for quality adjustment.

Volume indicators should at least be calculated at a sufficiently detailed breakdown, in order to take account of structural changes. For example the number of passenger-kilometres in rail transport should at least be subdivided into first and second class passengers. This allows the inclusion of effects of variations in shares of first and second class tickets in the volume components rather than the price component.

Deflation of current year values using an appropriate price index is in general to be preferred above extrapolation of base year values using a volume or quantity index (ESA 95, point 10.32), as the effects of quality change can be taken into account in a better way. Furthermore, price relatives usually have a smaller variance than quantity relatives, yielding a smaller sampling error for price indices.

If values are calculated using a price quantity approach, this underlying price and quantity information can be used to calculate the constant price data (ESA 95, point 10.33). In such a case, explicit adjustments for quality changes will have to be made.

The remainder of Part I of this Annex discusses those principles for which ESA 95 needs clarification.

### 1.2. The elementary level of aggregation

The measurement of prices and volumes should start from a detailed breakdown of products for the different transaction categories. For each product distinguished for each transaction category, a price index should be found with which the current price value can be deflated, or a volume indicator should be found to extrapolate a base year value. In the ideal case, each product could be distinguished separately, and the pure price and volume changes of that product could be estimated.

In statistical practice, however, it is necessary to aggregate products, which means that price and volume changes of different products have to be weighted together. The statistical sources from which the price indices and volume indicators are derived can use differing weighting methodologies (i.e. differing formulas or differing base years). In the national accounts, however, one consistent weighting methodology for all variables has to be used (to be discussed in the next sections). If indices with a different weighting than the national accounts weighting are used in the national accounts, then implicitly the assumption is made that the indices used are elementary indices, so that the underlying weighting scheme is assumed to be irrelevant. Then, a fixed-weighted Laspeyres index can for example be assumed to be equal to a Paasche index, or a previous-year weighted Laspeyres index. Clearly, the implicit assumption that the indices used are elementary indices is most valid when it is applied on a very detailed level.

Therefore, the more detailed the product breakdown is, the more accurate the results can be expected to be. At a detailed level the products can be assumed to be more homogeneous, yielding indices that are closer to elementary indices, as well as more detailed weighting schemes.

The precise level of aggregation at which the assumption that the indices used are elementary indices is applied in the national accounts is called, for the purpose of this text, the *elementary level of aggregation*. It is often equal to the number of products distinguished in the supply and use tables which are used for balancing purposes.

Member States should make an effort in constructing detailed breakdowns of products for deflation purposes. The elementary level of aggregation, for output as well as all categories of (intermediate and final) use, should be at least as detailed as the P60-level of ESA 95, which is to be used for the submission of supply and use tables to Eurostat. In Part II of this Annex (on the production approach) we will specify for some categories of products additional minimum breakdowns which should be used in estimating deflators or volume indicators.

#### *Principle 1:*

*In the measurement of prices and volumes a detailed level of aggregation of products shall be used. This level of aggregation, which is referred to as the elementary level of aggregation, shall be at least as detailed as the P60-level of ESA 95, for output as well as all categories of (intermediate and final) use.*

In the case of derogations granted in the ESA 95 Regulation on the supply of P60-level data, the most detailed available national data shall be used.

### 1.3. The choice of index formula

Having defined the elementary level of aggregation, the price and volume indices available at that level have to be weighted together to obtain the price and volume measures of all national accounts aggregates.

For this purpose, first an index formula has to be chosen. ESA 95, points 10.62 to 10.64, expresses a preference for the Fisher price and volume indices, while the Laspeyres volume and Paasche price indices provide acceptable alternatives. In practice, a Fisher index has several disadvantages, among which the larger data requirements, the non-additivity of volume data, and the more difficult explanation to users.

Therefore, it is in practice preferred to use Laspeyres volume and Paasche price indices to aggregate the price and volume measures derived at the elementary level of aggregation.

*Principle 2:*

*Volume measures available at the elementary level of aggregation shall be aggregated using the Laspeyres formula to obtain the volume measures of all national accounts aggregates. Price measures available at the elementary level of aggregation shall be aggregated using the Paasche formula to obtain the price measures of all national accounts aggregates.*

It should be noted however that ESA 95 also allows the use of Fisher indices. Furthermore, it should be stressed that this principle does not apply to the sources of data on prices and volumes used in the national accounts: data at below the elementary level of aggregation need not be calculated according to this principle.

**I.4. The choice of base year**

The Laspeyres volume index uses values from a specified year to weight the volume changes of the components of an aggregate. It now needs to be defined from which year these weights are to be drawn.

For this purpose, first the terms *base year* and *reference year* should be defined.

Definitions:

- the *base year* is the year of which the current price values are used to weigh the price and volume measures derived at the elementary level of aggregation,
- the *reference year* is the year which is used for the submission and presentation of the constant price data. In a series of index numbers it is the year that takes the value 100.

For example take the following series of index numbers:

1990	1991	1992	1993	1994
100	105	108	112	120

Suppose these numbers were calculated using weights from the year 1990. Hence 1990 is the base year. It is also the reference year, since  $1990 = 100$ . The reference year can easily be changed to e.g. 1993 (divide all by  $112/100$  to get  $1993 = 100$ ):

1990	1991	1992	1993	1994
100/1,12	105/1,12	108/1,12	112/1,12	120/1,12

Such a procedure does not change the base year, since the year-to-year variations are still calculated using weights from 1990.

Instead of having a fixed base year as in the example above, one could take each year the weights of the previous year. This could for example lead to the following series of year-to-year changes:

1990	1991	1992	1993	1994
100	105	102	103	106

For each of these indices holds:  $t-1 = 100$ , hence the reference year is equal to the base year, but changes each year. It is easily possible to express the series on one reference year, by 're-referencing'. This would yield:

1990	1991	1992	1993	1994
100	105	107,1	110,3	116,9

( $107,1 = 105 \times 102/100$ ;  $110,3 = 107,1 \times 103/100$ , etc.).

It is important that a change of the reference year does not affect the year-to-year indices. This is obvious for a single series as in this example, but when a variable consists of several sub-variables this is no longer obvious. To keep all year-to-year growth rates of each variable unchanged when the reference year is changed, one should re-reference each variable separately, be it an elementary index, a sub-total or an overall aggregate such as GDP. The consequence is that, in the constant price data of a fixed reference year, discrepancies will arise between individual elements and their totals. This is the well-known 'non-additivity' problem. These discrepancies should not be removed in any way (ESA 95, point 10.67), as that would again distort the growth rates. See the example at the end of this section for further clarification.



The choice of base year and the choice of reference year are in principle unrelated issues. For the purpose of this Commission Decision, i.e. clarification of the principles of calculating price and volume measures, only the problem of the choice of base year is relevant.

Clearly, for a greater comparability of price and volume measures between countries, countries should use the same base year. Furthermore, to derive the most accurate growth rates, the most recent base year possible should be used, since in that case the weights used are most up-to-date, and the problems of disappearance of products and new products are minimised. Together, these considerations lead to the method of deriving the weights always from the previous year.

*Principle 3:*

*Volume measures derived at the elementary level of aggregation shall be aggregated using weights derived from the previous year.*

If a Member State has a transitional period regarding principle 3, then it shall change the base year every five years as from 1995 during the transitional period.

Example: Re-referencing aggregates and their components

Consider two products A and B, and their total. Assume that these are homogeneous products, that means that we can determine price and volume indices for these products which do not depend on an underlying weighting scheme, i.e. these are elementary indices.

The volume and price indices for the total of A and B however depends on how A and B are weighted. In the following scheme the volume changes for the total between T-1 and T are weighted by the current price values of year T-1.

As these are the most up-to-date weights these growth rates can be seen as the most accurate.

	1990 current prices	Volume change 90-91	1991 price of 1990	Price change 90-91	1991 current prices	Volume change 91-92	1992 prices of 1991	Price change 91-92	1992 current prices	Volume change 92-93	1993 prices of 1992	Price change 92-93	1993 current prices
A	100	105,0	105	110,0	115,5	102,0	117,8	108,0	127,2	103,0	131,1	105,0	137,6
B	300	110,0	330	95,0	313,5	90,0	282,2	105,0	296,3	95,0	281,4	102,0	287,1
Total	400	108,8	435	98,6	429,0	93,2	400,0	105,9	423,5	97,4	412,5	103,0	424,7

Now suppose these data have to be expressed in a fixed reference year, say 1990. The only way of doing so without distorting the growth rates of the total is to re-reference each series separately. In index form (1990 = 100) this will become:

	1990	1991	1992	1993
A	100	105,0	107,1	110,3
B	100	110,0	99,0	94,1
Total	100	108,8	101,4	98,8

where  $101,4 = 108,8 \times 93,2/100$  and  $98,8 = 101,4 \times 97,4/100$ .

In terms of volumes with reference year 1990:

	1990	1991	1992	1993
A	100	105,0	107,1	110,3
B	300	330,0	297,0	282,2
Total	400	435,0	405,6	395,0
A+B	400	435,0	404,1	392,5

Clearly, the sum of A and B is no longer equal to the total. This is the famous 'non-additivity problem'. Despite this problem, the 'correct' volume for 1993 is 395 and not 392,5, because that is the only figure consistent with the previously calculated growth rates of the total.

Moreover, in this way the year-to-year growth rates will not change with a change of the reference year. The discrepancies between A, B and their total should not be removed, but explained to the users. These discrepancies cannot be interpreted as indication of the reliability of the results.

## PART II

**MEASUREMENT OF PRICES AND VOLUMES ACCORDING TO THE PRODUCTION APPROACH****II.1. Classification of methods**

The following classification of methods will be used throughout the remainder of this Annex:

- A methods: most appropriate methods  
B methods: those methods which can be used in case an A method cannot be applied  
C methods: those methods which shall not be used.

**II.2. Market output and output for own final use**

In this section the calculations for market output and output for own final use are considered. First, some principles are stated regarding the various methods of calculating value added in constant prices. These principles provide the general criteria of classifying calculation methods into A, B and C methods. These principles must however first be applied on a product by product basis, for all types of market production, to give specific guidance on the methods to be applied in each case.

Regarding the choice between double indicator and single indicator methods, the following classification can be given:

*A method:* The ESA 95 clearly states (point 10.28) that double deflation is theoretically the correct method, since current price value added is also estimated as the difference between output and intermediate consumption. This argument holds in fact for all double indicator methods (e.g. extrapolation of output by a volume indicator and deflation of intermediate consumption). There are some more reasons that can be mentioned why double indicator methods are preferred:

- the indicators that are used are output or input indicators. In single indicator methods such indicators are directly applied to value added which is less appropriate,
- double indicator methods give an independent assessment of productivity changes.

*B method:* In practice it might be necessary to use methods based on single indicators, because of, for example, insufficient data on intermediate consumption, or because the reliability of the data is insufficient.

Regarding the appropriateness of indicators to be used in either deflation of current year values or extrapolation of base year values, the following criteria can be used:

- the completeness of the coverage of the product heading by the indicator. For example, whether the indicator covers all of the products under the heading or just a selection of them, such as only those products sold to households,
- the valuation basis of the indicator. For market output, this should be basic prices, rather than, for example, purchasers' prices or input costs,
- the indicator should take quality changes into account, recording them within the volume estimates,
- the conceptual consistency between the indicator and the national accounts concepts.

These criteria lead to the following general conclusions about the appropriateness of indicators, but, as said above, these general conclusions must then be applied on a product by product basis, for all types of market production, to give specific guidance on the methods to be applied in each case. The following criteria for distinguishing A, B and C methods are absolute criteria, i.e. they do not depend on the availability of data. In practice it might be that the A methods are not attainable, and conventions need to be sought on B methods.

*A method:* In the output approach, in principle, using appropriate price indices of production, usually referred to as Producer Price Indices (PPIs), will be the A method. Each product should be deflated separately by an appropriate PPI. An appropriate PPI satisfies the following criteria:

- it is an index of the (domestic and export) price(s) of exactly that (group of) product(s),
- it takes account of changes in quality of the product(s),

- it is valued at basic prices,
- its underlying concepts are consistent with the national accounts concepts.

Any method that can be shown to be fully equivalent to the use of PPIs can also be seen as an A method.

*B method:* If an appropriate PPI is not available, several alternative types of indicators exist. For example, the following will usually be B methods:

- a less appropriate PPI, e.g. an index without quality adjustments, or having a smaller or larger coverage than the product heading,
- a Consumer Price Index (CPI). The same three criteria as for PPIs apply (CPIs will normally have to be corrected for taxes, subsidies and margins in order to obtain valuation in basic prices), and in addition, the weighting should be appropriate and the concepts should correspond to national accounting concepts,
- output volume indicators. Volume indicators should also take quality changes into account. This can be done in part by applying volume indicators in sufficient detail so as to take structural changes into account.

Such indicators do not in general respect all four of the criteria set out above.

*C method:* The use of some other possible indicators, as follows, will usually be C methods.

- input methods (for market output),
- secondary indicators, i.e. indicators not directly related to the output,
- PPIs, CPIs or volume indicators that do not correspond at all with the product(s) in question, e.g. the overall CPI.

Such indicators will, in general, fall a long way short of respecting the four criteria, much more so than the B methods do.

These criteria will now be applied to the products of each heading of CPA below. Market output and output for own final use will be dealt with together. ESA 95, point 3.49 states that 'output for own final use is to be valued at the basic prices of similar products sold on the market'. Therefore, the principles for deflation of output for own final use are the same as for market output.

For each type of product, the aim is to define A, B and C methods. If, for a certain type of product, the use of appropriate PPIs does not pose specific problems (i.e. the A method is feasible), the manner in which other particular indicators respect the criteria is not discussed. For a significant number of types of products it is not yet possible to define A, B and C methods. This will be done within the research programme. The research programme might also investigate further improvement of the classifications for those products for which an initial classification is given below.

This text discusses mainly the estimation of *output* in constant prices. For double indicator methods, it is also necessary to deflate *intermediate consumption*. The preferred method of deflating intermediate consumption is product by product, using genuine price data on intermediate uses, collected from the purchasers. This will however in practice often not be available. Therefore, intermediate consumption of domestically produced products can be deflated using the same method as described below for the output of that product, taking into account the difference in valuation (intermediate consumption is valued in purchasers' prices). Special attention should be paid to the deflation of intermediate consumption of imported products. Furthermore, differences in prices for different users should be taken into account. An example is electricity, for which large price discrimination can exist between different user branches.

When considering the estimation of intermediate consumption at constant prices, an important factor to take into account is how the impact of unreliable estimates of output at constant prices (e.g. for a type of business service) can be mitigated at the level of total GDP at constant prices. Within the production approach the impact of unreliable deflators or implicit deflators for some products on the estimates of total GDP at constant prices is minimised if:

- the accounts at constant prices are compiled within a supply and use framework
- double indicator methods are used throughout the accounts
- any unreliable deflators for production are also used for the deflation of intermediate consumption.

The use of supply and use tables for integrating the estimates, combined with double deflation, therefore plays a clear role in minimising inaccuracies at the level of total GDP at constant prices.

CPA A: *Products of agriculture, hunting and forestry*

CPA B: *Fish*

Most current price calculations for these products are based on price and quantity information. This information can and should therefore also be used to calculate output in constant prices. Quantity information should be corrected for quality changes wherever appropriate. In some cases, genuine PPIs are compiled as well. All these methods are A methods.

CPA C: *Products from mining and quarrying*

CPA D: *Manufactured products*

CPA E: *Electrical energy, gas, steam and hot water*

For these three groups of products, Member States submit already many PPIs to Eurostat. The use of these PPIs, if the abovementioned criteria are fulfilled, is the A method for these products. These data should then be used in the constant price calculations.

There are some important problems in the price and volume measurement of specific products. This relates in particular to:

- computers and other information processing equipment
- large equipment, such as aircraft and ships.

For these products, the price measurement is usually very difficult, while they are economically quite significant. Improvement of the procedures for these products needs to be studied in the research programme.

CPA F: *Construction work*

For construction, price and volume measurement is often complicated by, for example, the one-off character of many of the products. The methodological problems of estimating construction output in constant prices have to be studied in the research programme.

CPA G: *Wholesale and retail trade services, repair services of motor vehicles, motorcycles and personal and household goods*

***50: Sale, maintenance and repair services of motor vehicles and motorcycles; retail trade services of automotive fuel***

This group consists of two types of products:

- service output for maintenance and repair of motor vehicles and motorcycles
- trade margin output for sale of motor vehicles, motorcycles and automotive fuel.

For the first type of output, PPIs could be available, in which case they constitute the A method. If they are not available, the products can be deflated using CPIs (corrected for any taxes or subsidies), which are a B method, because it might not sufficiently cover business expenditure.

For the deflation of trade margins the same procedures should be adopted as described below for wholesale trade.

***51: Wholesale trade and commission trade services, except of motor vehicles and motorcycles***

The main output of this group consists of wholesale trade margins. For margin output the following rules can be specified:

*A method:* The A method for margin output is a method taking the changes in quality of the trade services into account. This can be achieved by deflating separately sales and purchases of traders (taking appropriate account of changes in inventories). For this purpose, price indices of a very high quality are required.

*B method:* The B method can be used as the assumption that the volume of margins follows the volume of turnover. This assumes that margin ratios are constant in constant prices.

The most simple way to apply this is to extrapolate total margin output by a volume index of turnover. A volume index of turnover can be obtained by deflating turnover by a turnover price index.

An improvement to this simple method would be to add product detail, preferably by calculating trade margins in constant prices within the detailed framework of supply and use tables. Then, the margin ratio on a specific transaction calculated in a certain base year can be applied to the volume of that transaction in the current year. In that way the volume of the margin is growing with the volume of the commodity flow.

Another improvement to the procedure is taking into account changes in trade channels (e.g. the move from small neighbourhood shops to big hypermarkets). That would include some of the quality change of trade services in the volume component.

Such methods should be regarded as B methods, as the change in quality of the trade service cannot be taken into account.

*C method:* Any other method, e.g. the deflation of margin output directly by a turnover price index.

***52: Retail trade services, except of motor vehicles and motorcycles; repair of personal and household goods***

For retail trade margin output, the same assumption should be used as outlined above for wholesale trade. An advantage here is that a good measure of the retail turnover price index exists: the CPI. To obtain a volume index of retail turnover of a particular good, the corresponding item of the CPI can be used to deflate.

For the output of repair of personal and household goods, the CPI can be used. As there will be little business expenditure on these services, the CPI will be quite appropriate, and might be regarded as an A method. However, various CPI headings will have to be used as various different products are included here. Therefore, deflation is necessary on a detailed level in order to be able to apply the various detailed CPI headings involved.

***CPA H: Hotel and restaurant services***

The A method for hotels and restaurants is deflation by an appropriate PPI. In case a PPI does not exist, the CPI can be used as an approximation. This is in this case a B method, as business expenditure is not taken into account.

***CPA I: Transport, storage and communication services***

***60, 61 and 62: Transport by land, water and air***

Passenger and freight transport should be deflated separately.

For *passenger* transport, the A method is the use of appropriate PPIs. In case they are not available, the following methods are B methods:

- deflation by a CPI provided it takes sufficient account of quality changes,
- extrapolation by an indicator of the number of passenger-kilometres, provided this indicator is available for a sufficient number of categories of transport. At least a distinction should be made between different class types (e.g. first and second class for rail transport, business and tourist class for air transport, etc.).

These methods need to be applied individually to at least the following types of (passenger) transport, as long as they are significant in the Member States:

- transport via railways
- other land transport

- water transport
- air transport.

If such breakdowns are not attained, then these methods are C methods. Any other methods (e.g. using the number of passengers as volume indicator) are also C methods.

For *freight* transport, the A method is also the use of appropriate PPIs. If they are not available, then the following method is a B method:

- it can be assumed that the volume of the transport service follows the volume of the goods transported. For this purpose, an indicator like tonne-kilometres transported is appropriate, although obviously no quality changes in the transport service can be taken into account. The more detail available on tonne-kilometres of different transport types, the better the result will be.

This method needs to be applied individually to at least the following types of (freight) transport, as long as they are significant in the Member States:

- transport via railways
- other land transport
- transport via pipelines
- sea and coastal water transport
- inland water transport
- air transport.

If such breakdowns are not attained, then these methods are C methods. Any other methods (e.g. using an indicator such as tonnes transported) are also C methods.

For both passenger and freight transport, in principle, a correct deflation requires current price data in the above breakdowns as weight. If this detail is not available in current prices, other weights could be used to weigh indicators for each of the types of transport distinguished. These other weights should approximate the current values as close as possible.

### ***63: Supporting and auxiliary transport services; travel agencies services***

This group covers a wide variety of services, hence it is not possible to specify a particular method or indicator. Therefore, it is referred to the general classification of methods and indicators.

For travel agencies, the ESA 95 makes specific recommendations (see point 10.39).

### ***64: Post and telecommunication services***

Estimating post and telecommunication services at constant prices is complicated by the ever expanding range of different types of services provided and of tariffs charged. For this reason specific guidance on the practices to be used for these products will be developed as part of the research programme.

### ***CPA J: Financial intermediation services***

For products such as financial intermediation services indirectly measured (FISIM), securities and foreign exchange trading margins and insurance, output at current prices is defined as the balance between different transactions. A harmonised definition and measure of output at constant prices must be specified.

Accounting for quality change in finance and insurance is another issue needing further consideration, as is the comparability of estimates for financial services for which explicit prices are charged.

Specific guidance on the practices to be used for these products will be developed as part of the research programme.

### ***CPA K: Real estate, renting and business services***

#### ***Dwelling services***

For the estimation of the output of dwelling services at current prices, all of the Member States will introduce the so-called stratification method to measure output for GNP purposes by 1998 or 1999 (!).

(<sup>1</sup>) Commission Decision 95/309/EC, Euratom (OJ L 186, 5. 8. 1995, p. 59) and Commission Decision 97/619/EC, Euratom (OJ L 252, 16. 9. 1997, p. 33).

This method is essentially one by which output at current prices is estimated in an objective manner using data on quantities and qualities of dwellings and the prices paid for their use. There will be therefore, by definition, the output price information needed for deflation. This same price, quality and quantity information should be used to produce the estimates at constant prices. The application of the approach outlined above can be described as the A method. It gives the opportunity to take quality changes in the dwelling service provided into account.

#### *Other renting, real estate and business services*

For these services, producer price data can be difficult to collect, for example, because of the one-off nature of some of the products. As a consequence, many different alternative measures of price or volume changes, often indirect or secondary measures, may be used instead.

The suitability of these indirect measures must be assessed for each service under this heading. Specific guidance will be developed as part of the research programme. Special attention in the research programme should be given to the deflation of output of software, which is also included in this product group.

#### *CPA M: Education services*

#### *CPA N: Health and social services*

In some Member States the main parts of health and education provision are recorded as market production, while in others they are recorded as non-market production. The methods needed to measure output at constant prices should take account of the need to arrive at comparable statistics for the two groups of countries.

Price statistics for deflating market output should reflect the total price of the product, not only the consumer's contribution towards the total price or a conventional tariff price. Price statistics should also allow for quality changes in the health and education products.

Specific guidance on the practices to be used for these products, using price statistics or other methods, will be developed as part of the research programme. The programme will cover both the market output of these services and, as described below, the non-market output of them.

#### *CPA O: Other community, social and personal services*

For these services producer price data is often not available and alternative indicators are commonly used in their place. As with health and education, there can be both market and non-market output of some of the activities under this heading and statistical methods need to take account of this. Specific guidance on the practices to be used for these products will be developed as part of the research programme.

#### *CPA P: Private households with employed persons*

This output, which is output for own final use, is valued by convention as the compensation of the employees, including any income in kind.

The usual methods for producing the estimates at constant prices are to use CPI data or wages data for deflation, or to use volume extrapolation (with the numbers of employees used as the extrapolator). In principle, the deflators used (CPI or wage data) should be verified to ensure that they correctly allow for income in kind.

These methods do not take productivity changes into account, but this omission will have only minor consequences for GDP. Such methods are B methods, unless they take account of productivity changes (in which case they are A methods).

#### *Taxes and subsidies on products and imports and VAT*

ESA 95, points 10.47 to 10.52, sets out in sufficient detail the principles to be used to estimate taxes and subsidies on products and imports and VAT at constant prices. These principles represent the A method.

### II.3. Non-market output

As noted earlier, statistical methods for the measurement of output at constant prices need to give comparable statistics for both market and non-market output, particularly for services like education and health.

For non-market services, output at constant prices can be estimated by using either output volume indicators or input methods (for example, deflation of the labour and other inputs, or extrapolation of the base year volume of labour inputs). Some price data may also exist which can be used.

The distinction between A, B and C methods for non-market services will be defined within the research programme.

#### II.3.1. CPA M: Education

Non-market educational output at constant prices can be estimated by using either output volume indicators or input methods.

Specific guidance on the methods to be used for estimating educational output (whether by means of output volume indicators, input methods, or, for market output, price data) will be developed as part of the research programme. This programme will also assess accounting for quality change.

#### II.3.2. CPA N (part): Health

Non-market health service output at constant prices can also be estimated by using either output volume indicators or input methods.

Specific guidance on the methods to be used for estimating health output (whether by means of output volume indicators, input methods, or, for market output, prices data) will be developed as part of the research programme. This programme will also assess accounting for quality change, which is of particular importance for health service output.

#### II.3.3. Other non-market output

The other non-market outputs can take many different forms. Some are provided on an individual basis (e.g. social security services), while others are provided on a collective basis (e.g. defence services). Still others may have an individual element and a collective element (e.g. police services — classified within collective services by convention in ESA 95).

Output volume indicators can be used to estimate the output of services provided on an individual basis, and, perhaps, some of the services provided on a collective basis. Input methods can be used for all of these services. Comparable results will require some harmonisation of the manner in which the two methods are applied.

Specific guidance on the methods to be used for these products (whether output volume indicators or input methods) will be developed as part of the research programme.

## PART III

### MEASUREMENT OF PRICES AND VOLUMES ACCORDING TO THE EXPENDITURE APPROACH

On the expenditure side, GDP in constant prices is the sum of final consumption, gross capital formation and net exports.

Regarding the *appropriateness of indicators* to be used in either deflation of current year values or extrapolation of base year values on the expenditure side, the following criteria can be used:

- the completeness of the coverage of the product heading by the indicator. For example, whether the indicator covers all of the products under the heading or just a selection of them



- the valuation basis of the indicator. For final consumption and gross capital formation this should be purchasers' prices rather than, for example, producers' prices
- the indicator should take quality changes into account, recording them within the volume estimates rather than the price estimates
- the conceptual consistency between the indicator and the national accounts concepts.

These criteria lead to the following general conclusions about the procedures of estimating price and volume measures in the different categories of the expenditure approach.

#### **Household final consumption**

Household final consumption (HFC) should, where appropriate, be deflated as much as possible using information from the CPI.

The CPI can be said to be appropriate if it satisfies the following criteria:

- it is an index with a coverage of exactly that (group of) product(s),
- it takes proper account of changes in quality of the product(s),
- it is valued in purchasers' prices including VAT,
- the concepts underlying the CPI correspond to those of the national accounts.

If a CPI is not available for a certain product, then other, more approximate, indicators have to be used. These might be PPIs, export or import price indices or, perhaps, in certain circumstances, volume indicators. Such methods are B methods.

C methods involve the use of indices that do not correspond at all with the product(s) in question.

#### **Government final consumption (GFC) and final consumption of NPISHs**

For these final consumption headings the same observations can be made as for the estimation of non-market output in the production approach (Section II.3), since the values of the goods and services produced by general government and NPISHs are main components of these categories (ESA 95, points 3.78 and 3.79).

Purchases by general government of goods and services produced by market producers that are supplied to households — without any transformation — as social transfers in kind, which also form part of government final consumption (ESA 95, point 3.79), are to be deflated by appropriate price indices corresponding to these (market) goods and services.

ESA 95, point 3.85 describes the distinction between individual and collective goods and services provided by government units. When this distinction is made then the concept of *actual final consumption* can readily be derived. This representation of the accounts does not introduce any specific problems regarding the estimates in constant prices.

#### **Gross fixed capital formation**

For gross fixed capital formation (GFCF) the A method is the use of genuine investment price indices. Such an index should satisfy the following criteria:

- it is an index with a coverage of exactly that (group of) product(s),
- it takes proper account of changes in quality of the product(s),
- it is valued in purchasers' prices including non-deductible VAT,
- the concepts underlying the index correspond to those of the national accounts.

In practice often PPIs will be used, which are B methods if they are not revalued in purchasers' prices. For PPIs of specific products, the same remarks apply as made in Section II.2, including the references to the research programme.

#### **Changes in inventories**

It is important that stocks are deflated specifically and independently, and not calculated as the residual item of the constant price calculations.

ESA 95, point 10.56 states that changes in inventories in constant prices can be calculated by deflating entries into and withdrawals from inventories separately with appropriate price indices. When volume and price changes of inventories are not too large, the direct deflation of the change in inventories with an average price index of the year provides an alternative.

There are four types of inventories (ESA 95, point 3.119):

- materials and supplies: the same principles can be stated here as were stated for the deflation of intermediate consumption in Section II.2
- work-in-progress: this category should be investigated in the research programme,
- finished goods: these can be deflated using PPIs at basic prices,
- goods for resale: these are valued in the prices at which they were purchased, for which a PPI will often be a good indicator.

The problem of holding gains should also be investigated in the research programme.

**Acquisitions less disposals of valuables**

This category should be investigated in the research programme.

**Exports and imports in goods and services**

This category should be investigated in the research programme.

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*ANNEX II*

## TRANSITIONAL PERIODS

**Transitional periods to Principle No 3**

Country	Until
Ireland	2004
Portugal	—
Denmark	2000 (in 1999 the base year will be 1990)
Finland	2005
Netherlands	—
Italy	2003
Germany	2005
Belgium	—
United Kingdom	2003
France	—
Spain	2003
Greece	—
Sweden	—
Luxembourg	—
Austria	2005

## COMMISSION DECISION

of 3 December 1998

**amending Decision 97/432/EC on a Community financial contribution for a surveillance programme relating to the eradication of foot-and-mouth disease in Albania, Federal Republic of Yugoslavia and Former Yugoslav Republic of Macedonia**

*(notified under document number C(1998) 3747)*

(Text with EEA relevance)

(98/716/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,  
Having regard to the Treaty establishing the European Community,

Having regard to Council Decision 90/424/EEC of 26 June 1990 on expenditure in the veterinary field <sup>(1)</sup>, as last amended by Decision 94/370/EC <sup>(2)</sup>, and, in particular Articles 12 and 13 thereof,

Whereas outbreaks of foot-and-mouth disease were reported during the late spring and/or summer of 1996 by Albania, Former Yugoslav Republic of Macedonia and the Federal Republic of Yugoslavia;

Whereas the appearance of foot-and-mouth disease in eastern European countries is a serious danger to the Community's livestock population;

Whereas a sero-surveillance programme designed to detect antibodies to the foot-and-mouth disease virus has been drawn up for certain areas of Albania, Federal Republic of Yugoslavia and Former Yugoslav Republic of Macedonia; whereas the said programme as carried out in accordance with a monitoring plan prepared by the Commission and the Member States provided valuable information on the disease situation in the areas subjected to surveillance;

Whereas in accordance with Commission Decision 97/432/EC <sup>(3)</sup> the designated laboratories must submit the financial report within six months of the date of their notification to the Commission that laboratory testing had started; whereas, however, the financial report of one

of the designated national foot-and-mouth disease laboratories, was delayed for technical reasons;

Whereas it appears appropriate to extend the delay for submission of the financial report in order to allow the reimbursement of the expenses incurred by the laboratory at Pirbright in respect of the seriological survey in the Federal Republic of Yugoslavia within the limits of the above Decision;

Whereas the measures provided for in this Decision are in accordance with the opinion of the Standing Veterinary Committee,

HAS ADOPTED THIS DECISION:

*Article 1*

In the second indent of Article 2 of Decision 97/432/EC the word 'six' is replaced by the word 'twelve'.

*Article 2*

This Decision is addressed to the Member States.

Done at Brussels, 3 December 1998.

*For the Commission*

Franz FISCHLER

*Member of the Commission*

<sup>(1)</sup> OJ L 224, 18. 8. 1990, p. 19.

<sup>(2)</sup> OJ L 168, 2. 7. 1994, p. 31.

<sup>(3)</sup> OJ L 185, 15. 7. 1997, p. 15.

## COMMISSION DECISION

of 3 December 1998

**on the Community's financial contribution to a programme for the control of organisms harmful to plants and plant products in the French overseas departments for 1998**

*(notified under document number C(1998) 3788)*

**(Only the French text is authentic)**

(98/717/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 3763/91 of 16 December 1991 introducing specific measures in respect of certain agricultural products for the benefit of the French overseas departments <sup>(1)</sup>, as last amended by Regulation (EC) No 2598/95 <sup>(2)</sup>, and in particular the first subparagraph of Article 11(3) thereof,

Whereas Commission Decision 93/522/EEC <sup>(3)</sup>, as last amended by Decision 96/633/EC <sup>(4)</sup>, defines the measures eligible for Community financing under programmes for the control of organisms harmful to plants and plant products in the French overseas departments, the Azores and Madeira;

Whereas specific growing conditions in the French overseas departments call for particular attention; whereas measures concerning crop production, in particular plant health measures, must be adopted or strengthened in those regions;

Whereas the plant health measures to be adopted or strengthened are particularly costly;

Whereas a programme of measures has been presented to the Commission by the competent French authorities; whereas this programme specifies the objectives to be achieved, the operations to be carried out, their duration and their cost with a view to a possible Community financial contribution;

Whereas the Community's financial contribution may cover up to 60 % of eligible expenditure, protective measures for bananas being excluded;

Whereas the plant protection operations in the French overseas departments provided for in the single programme documents for the period 1994/99 and financed from the Structural Funds cannot be the same as those contained in this programme;

Whereas the operations provided for in the European Community framework programme for research and technological development cannot be the same as those contained in this programme;

Whereas the technical information provided by France has enabled the Standing Committee on Plant Health to analyse the situation accurately and comprehensively;

Whereas the measures provided for in this Decision are in accordance with the opinion of the Standing Committee on Plant Health,

HAS ADOPTED THIS DECISION:

*Article 1*

A Community financial contribution to the official programme for the control of organisms harmful to plants and plant products in the French overseas departments presented by France for 1998 is hereby approved.

*Article 2*

The official programme shall consist of four sub-programmes:

1. a sub-programme drawn up for the department of Guadeloupe in three parts:
  - evaluation structures, analysis and diagnostics of phytosanitary risks,
  - control of main harmful organisms,
  - control of scales;
2. a sub-programme drawn up for the department of Guyana in three parts:
  - evaluation structures, analysis and diagnostics of phytosanitary risks,
  - development of control methods for main harmful organisms,
  - agricultural pest warning system for rice producers;

<sup>(1)</sup> OJ L 356, 24. 12. 1991, p. 1.

<sup>(2)</sup> OJ L 267, 30. 10. 1995, p. 1.

<sup>(3)</sup> OJ L 251, 8. 10. 1993, p. 35.

<sup>(4)</sup> OJ L 283, 5. 11. 1996, p. 58.

3. a sub-programme drawn up for the department of Réunion in three parts:
  - evaluation structures, analysis and diagnostics of phytosanitary risks,
  - development of control methods for main harmful organisms,
  - applied research on harmful organisms;
4. a sub-programme drawn up for the department of Martinique in three parts:
  - evaluation structures, analysis and diagnostics of phytosanitary risks,
  - control of main harmful organisms,
  - biological and integrated crop control.

*Article 3*

The Community's financial contribution to the programme in 1998 presented by France shall be 60 % of expenditure related to eligible measures as defined by Decision 93/522/EEC, with a maximum of ECU 750 000 (VAT excluded).

The Community shall reimburse expenditure up to the amount given in the first paragraph, at the accounting rate for the ecu on 1 September 1998, namely ECU 1 = FRF 6,611350.

*Article 4*

An advance of ECU 300 000 shall be paid to France.

*Article 5*

The Community assistance shall relate to expenditure on eligible measures associated with the operations covered by the programme for which provisions are adopted by

France and for which the necessary financial resources are committed between 1 October and 31 December 1998. The final date for payments in connection with the operations shall be 30 September 1999; unjustified delay shall entail loss of entitlement to Community financing.

Should any extension of the deadline for payment become necessary, the competent official authorities shall submit a request along with the necessary justification, before the final date laid down.

*Article 6*

Provisions on the financing of the programme, compliance with Community policies and the information to be supplied to the Commission by France shall be as set out in Annex II.

*Article 7*

Any public contracts connected with investments covered by this Decision shall be subject to Community law.

*Article 8*

This Decision is addressed to the French Republic.

Done at Brussels, 3 December 1998.

*For the Commission*

Franz FISCHLER

*Member of the Commission*

## ANNEX I

## FINANCIAL TABLE FOR 1998

*(in ecus)(<sup>1</sup>)*

	Eligible expenses 1998		
	EC	National	Total
Guadeloupe	168 000	112 000	280 000
Guyana	124 800	83 200	208 000
Martinique	222 000	148 000	370 000
Réunion	235 200	156 800	392 000
Total	750 000	500 000	1 250 000

<sup>(1)</sup> ECU 1 = FRF 6,611350 (1 September 1998).

## ANNEX II

## I. PROVISIONS ON THE IMPLEMENTATION OF THE PROGRAMME

## A. Provisions on financial implementation

1. The Commission's intention is to establish real cooperation with the authorities responsible for the implementation of the programme. In line with the programme these authorities are those indicated below.

*Commitments and payments*

2. France shall guarantee that all public and private bodies involved in the management and implementation of all operations part-financed by the Community shall keep suitable accounting records of all transactions in order to facilitate the verification of expenditure by the Community and the national inspection authorities.
3. The initial budgetary commitment shall be based on an indicative financial plan; this commitment shall be made for one year.
4. The commitment will be made when the decision approving assistance is adopted by the Commission under the procedure provided for in Article 16a of Council Directive 77/93/EEC<sup>(1)</sup>, as last amended by Commission Directive 98/2/EC<sup>(2)</sup>.
5. Following commitment, an initial advance of ECU 300 000 shall be paid.
6. The balance of the amount committed shall be paid as two equal payments, each of ECU 225 000. The first instalment of the balance shall be paid upon presentation to and approval by the Commission of an interim activity report. The second and final instalment of the balance shall be paid upon presentation to and approval by the Commission of a final activity report and a detailed breakdown of the total expenditure incurred.

*Authorities responsible for the implementation of the programme*

## — Central administration:

Ministère de l'agriculture et de la pêche  
Direction générale de l'alimentation  
Sous-direction de la protection des végétaux  
175, rue du Chevaleret  
75646 PARIS CEDEX 13

## — Local administration:

## — Guadeloupe:

Ministère de l'agriculture et de la pêche  
Direction de l'agriculture et de la forêt  
Jardin Botanique  
97109 BASSE TERRE CEDEX

## — Martinique:

Ministère de l'agriculture et de la pêche  
Direction de l'agriculture et de la forêt  
Jardin Desclieux  
BP 642  
97262 FORT DE FRANCE CEDEX

## — Guyana:

Ministère de l'agriculture et de la pêche  
Direction de l'agriculture et de la forêt  
Cité Rebard  
Route de Baduel  
BP 746  
97305 CAYENNE CEDEX

## — Réunion:

Ministère de l'agriculture et de la pêche  
Direction de l'agriculture et de la forêt  
Parc de la Providence  
97489 SAINT DENIS DE LA RÉUNION

<sup>(1)</sup> OJ L 26, 31. 1. 1977, p. 20.

<sup>(2)</sup> OJ L 15, 21. 1. 1998, p. 34.



7. The actual expenditure incurred shall be notified to the Commission broken down by type of action or sub-programme in a way demonstrating the link between the indicative financial plan and expenditure actually incurred. If France keeps suitable computerised accounts this will be acceptable.
8. All payments of aid granted by the Community under this Decision shall be made to the authority designated by France, which will also be responsible for repayment to the Community of any excess amount.
9. All commitments and payments shall be made in ecus.

Financial schedules for Community support frameworks and amounts of Community aid shall be expressed in ecus at the rate fixed by this Decision. Payment shall be made to the following account:

Ministère du budget  
Direction de la comptabilité publique  
Agence comptable centrale du Trésor  
139, rue de Bercy  
75572 PARIS CEDEX 12  
N° E 478 98 Divers

#### *Financial control*

10. Inspections may be carried out by the Commission or the Court of Auditors should it so request. France and the Commission shall immediately exchange all relevant information in regard to the outcome of an inspection.
11. For three years following the last payment relating to the assistance the authority responsible for implementation shall keep available to the Commission all documentary evidence of expenditure incurred.
12. When it submits applications for payment France shall make available to the Commission all official reports relating to supervision of the measures in question.

#### *Reduction, suspension and withdrawal of aid*

13. France shall declare that Community funds are used for the intended purposes. If implementation of a measure appears to require only part of the financial assistance allotted the Commission shall immediately recover the amount due. In cases of dispute the Commission shall examine the case, asking France or the other authorities designated by France for implementation of the measure to submit their comments within two months.
14. The Commission may reduce or suspend aid for a measure if the examination confirms the existence of an irregularity, in particular of a substantial modification affecting the nature or conditions of implementation of the measure for which approval by the Commission has not been sought.

#### *Recovery of undue payments*

15. All sums unduly paid must be reimbursed to the Community by the designated authority indicated in point 8. Interest may be levied on sums not reimbursed. If for any reason the designated authority indicated in point 8 does not reimburse the Community, France shall pay the amount to the Commission.

#### *Prevention and detection of irregularities*

16. The partners shall observe a code of conduct drawn up by France in order to ensure that any irregularity in the provision of assistance programme is detected. France shall ensure that:
  - suitable action is taken in this area,
  - any amount unduly paid as a result of an irregularity is recovered,
  - action is taken to prevent irregularities.

## **B. Monitoring and assessment**

### *I. Monitoring Committee*

#### 1. Establishment

Independent of the financing of this action, a Monitoring Committee for the programme shall be set up, composed of representatives of France and the Commission. It shall review implementation of the programme regularly and, in appropriate cases, propose any adjustments required.

2. The committee shall establish its own internal procedures within one month of the notification of the present decision to France.

### 3. Competence of Monitoring Committee

The committee:

- shall have as its general responsibility the satisfactory progress of the programme towards attainment of the objectives set. Its competence shall embrace the programme measures within the limits of the Community aid granted. It shall keep watch with respect to the regulatory provisions, including those on eligibility of operations and projects,
- shall, on the basis of information on the selection of projects already approved and implemented, reach an opinion on application of the selection criteria set out in the programme,
- shall propose any action required to accelerate implementation of the programme should the information furnished periodically by the interim monitoring and assessment indicators reveal a delay,
- may, in agreement with the Commission representative(s), adjust the financing plans within a limit of 15 % of the Community contribution to a sub-programme or measure for the entire period, and 20 % for any financial year, provided that the total amount scheduled in the programme is not exceeded. Care must be taken to see that the main objectives of the programme are not thereby compromised,
- shall give its opinion on the adjustments proposed to the Commission,
- shall issue an opinion on technical assistance projects scheduled in the programme,
- shall give its opinion on the final draft report,
- shall report regularly, and at least twice during the relevant period, to the Standing Committee on Plant Health on the progress of the programme and expenditure incurred.

## II. *Monitoring and assessment of the programme during the implementation period (continuous monitoring and assessment)*

1. The national agency responsible for implementation shall also be responsible for continuous monitoring and assessment of the programme.
2. By continuous monitoring is meant an information system on the state of progress of the programme. Continuous monitoring will cover the measures contained in the programme. It involves reference to the financial and physical indicators structured so as to permit assessment of the correspondence between expenditure on each measure and predefined physical indicators showing the degree of realisation.
3. Continuous assessment of a programme will involve analysis of the quantitative results of implementation on the basis of operational, legal and procedural considerations. The purpose is to guarantee correspondence between measures and programme objectives.

### *Implementation report and scrutiny of programme*

4. France shall notify to the Commission, within one month of adoption of the programme, the name of the authority responsible for compilation and presentation of the final implementation report.

The final report shall contain a concise evaluation of the entire programme (degree of achievement of physical and qualitative objectives and of progress accomplished) and an assessment of the immediate phytosanitary and economic impact.

The final report on the present programme will be presented by the competent authority to the Commission on 31 December 1998 at the latest and shall thereafter be presented to the Standing Committee on Plant Health as soon as possible after that date.

5. The Commission may jointly with France call in an independent assessor who shall, on the basis of the continuous monitoring, carry out the continuous assessment referred to in point 3. He/she may submit proposals for adjustment of the sub-programmes and/or measures, and amending the selection criteria for projects, etc., in the light of difficulties encountered in the course of implementation. On the basis of monitoring of management he/she shall give an opinion on the administrative measures to be taken.

## C. Information and publicity

In the framework of this action, the agency appointed as responsible for the programme shall ensure that it is adequately publicised.

It shall in particular take action to:

- make potential recipients and professional organisations aware of the possibilities offered under the programme measures,
- make the general public aware of the Community's role in the programme.

France and the agency responsible for implementation shall consult the Commission on initiatives envisaged in this area, possibly through the Monitoring Committee. They shall regularly notify the Commission of information and publicity measures adopted, either by a final report or through the Monitoring Committee.

The national legal provisions on confidentiality of information shall be complied with.

## II. COMPLIANCE WITH COMMUNITY POLICIES

Community policies applying in this field must be complied with.

The programme shall be implemented in accordance with the provisions on coordination of and compliance with Community policies. The following information must be supplied by France.

### 1. Award of public contracts

The 'public contracts' <sup>(1)</sup> questionnaire must be completed for:

- public contracts above the ceilings set by the 'supplies' and 'works' Directives that are awarded by contract-awarding authorities as defined in these Directives and are not covered by the exemptions specified therein,
- public contracts below these ceilings where they constitute components of a single piece of work or of uniform supplies of a value above the ceiling. By 'a single piece of work' is meant a product of building or civil engineering works intended in itself to fulfil an economic or technical function.

The ceilings will be those in force on the date of notification of this Decision.

### 2. Protection of the environment

#### (a) *General information*

- description of the main environmental features and problems of the region concerned, giving, *inter alia*, a description of the important conservation areas (sensitive zones),
- a comprehensive description of the major beneficial and harmful effects that the programme, given the investments planned, is likely to have on the environment,
- a description of the action planned to prevent, reduce or offset any serious harmful effects on the environment,
- a report on consultations with the responsible environmental authorities (opinion of the Ministry for the Environment or its equivalent) and, if there were any such consultations, with the public concerned.

#### (b) *Description of planned activities*

For programme measures liable to have a significantly harmful effect on the environment:

- the procedures which will be applied for assessing individual projects during implementation of the programme,
- the mechanisms planned for monitoring environmental impact during implementation, assessing results and eliminating, reducing or offsetting harmful effects.

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<sup>(1)</sup> Notice C(88) 2510 to the Member States on monitoring compliance with public procurement rules in the case of projects and programmes financed by the Structural Funds and financial instruments (OJ C 22, 28. 1. 1989, p. 3).