EUROPEAN COMMISSION

SECRETARIAT-GENERAL

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MINUTES

of the 1849th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 29 October 2008

(morning)

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<u>Single sitting</u>: Wednesday 29 October 2008 (morning)

The sitting opened at 09.15 with Mr BARROSO, President, in the chair.

<u>Present</u>:

Mr BARROSO	President	
Mr VERHEUGEN	Vice-President	Items 1 to 7 (in part)
Mr KALLAS	Vice-President	Items 1 to 7
Mr TAJANI	Vice-President	
Ms REDING		Items 1 to 7
Mr DIMAS		
Mr ALMUNIA		
Mr BORG		
Ms GRYBAUSKAITĖ		
Mr POTOČNIK		
Mr FIGEL’		
Mr KOVÁCS		
Ms FISCHER BOEL		
Mr McCREEVY		
Mr ŠPIDLA		
Mr PIEBALGS		Items 1 to 7
Ms KUNEVA		Items 7 and 8
Mr ORBAN		
Ms VASSILIOU		Items 1 to 8 (in part)
Baroness ASHTON		

Absent:

Ms WALLSTRÖM	Vice-President
Mr BARROT	Vice-President
Ms HÜBNER	
Mr REHN	
Mr MICHEL	
Ms KROES	
Ms FERRERO-WALDNER	

The following sat in to represent absent Members of the Commission:

Mr RAMSTEDT	A member of Ms WALLSTRÖM's staff	
Ms JORNA	Chef de cabinet to Mr BARROT	
Mr LEMAITRE	Chef de cabinet to Ms HÜBNER	
Mr ARTJOKI	A member of Mr REHN's staff	
Mr DOENS	Chef de cabinet to Mr MICHEL	
Mr WHELAN	Chef de cabinet to Ms KROES	Items 1 to 7 (in part)
Ms BOIX ALONSO	Deputy Chef de cabinet to Ms KROES	Items 7 (in part) and 8
Mr CHILD	Chef de cabinet to Ms FERRERO-WALDNER	

The following also sat in:

Mr VALE DE ALMEIDA	Chef de cabinet to the PRESIDENT	
Ms DURAND	Acting Director-General, Legal Service	
Mr CARVOUNIS	Deputy Director-General, DG Communication	
Ms AHRENKILDE	DG Communication – Commission Spokesman's Service	
Mr GASPAR	Acting Director-General, Bureau of European Policy Advisers	Item 8
Ms CARVALHO	Bureau of European Policy Advisers	Items 1 to 7
Mr THEBAULT	Deputy Chef de cabinet to the President	Item 7
Mr CABRAL	Adviser hors classe in the PRESIDENT's office	Item 7
Ms MARTINHO	Chief Adviser in the PRESIDENT's office	
Ms ERLER	Chef de cabinet to Mr VERHEUGEN	Items 7 (in part) and 8
Mr PRONK	A member of Ms REDING's staff	Item 8
Mr THOMAS	Chef de cabinet to MR ALMUNIA	Items 7 and 8
Mr SERVOZ	Secretariat-General	Item 7

Secretary: Ms DAY, Secretary-General, assisted by Mr GENISSON, Head of Unit in the Secretariat-General.

1. AGENDAS
(OJ(2008)1849/3; SEC(2008)2685)

The Commission took note of that day's agenda and of the tentative agendas for forthcoming meetings.

2. WEEKLY MEETING OF CHEFS DE CABINET
(SEC(2008)1849 AND /2)

The Commission considered the Secretary-General's report on the weekly meetings of Chefs de cabinet held on Friday 24 and Tuesday 28 October.

3. MINUTES OF 1848th MEETING (21 OCTOBER)
(PV(2008)1848)

The Commission approved the minutes of its 1848th meeting.

4. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

4.1. WRITTEN PROCEDURES APPROVED
(SEC(2008)2687 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 20 and 24 October.

4.2. *EMPOWERMENT*
(SEC(2008)2688 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 20 and 24 October.

4.3. *DELEGATION AND SUBDELEGATION OF POWERS*
(SEC(2008)2689 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 20 and 24 October, as archived in e-Greffe.

4.4. *SENSITIVE WRITTEN PROCEDURES*
(SEC(2008)2690)

The Commission took note of the sensitive written procedures for which the time limit expired between 27 and 31 October.

4.5. *PROPOSAL FOR A COUNCIL REGULATION IMPLEMENTING REGULATION (EC) 853/2004 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS THE USE OF ANTIMICROBIAL SUBSTANCES TO REMOVE SURFACE CONTAMINATION FROM POULTRY CARCASES – FORMER WRITTEN PROCEDURE PE/2008/3381*
(COM(2008)430 TO /3)

Mr VERHEUGEN briefly explained the implications of this matter in the context of the Transatlantic Economic Council, a body of great significance for relations between the European Union and the United States. He felt that the adoption of the proposal for a Council Regulation implementing Regulation (EC) 853/2004 of the European Parliament and of the Council as regards the use of antimicrobial substances to remove surface contamination from poultry carcases, covered by written procedure PE/2008/3381, should be postponed until after the next meeting of the Transatlantic Economic Council.

The PRESIDENT took note of Mr VERHEUGEN's comments but pointed out that the proposal in question, which took account of the latest scientific opinions available, was unchanged from the initial version which had been agreed by the Commission and then submitted to the Standing Committee on the food chain and animal health. He therefore concluded that the proposal should now be adopted and transmitted to the Council.

On this basis, the Commission adopted the proposal for a Council Regulation in COM(2008)430/3, for transmission to the Council and, for information, to Parliament.

4.6. DELEGATION OF POWERS IN THE FIELD OF JUSTICE, FREEDOM AND SECURITY – ADOPTION OF INDIVIDUAL GRANT AND CONTRACT AWARD DECISIONS – **CIVIL JUSTICE** *PROGRAMME (SEC(2008)2738)*

The Commission decided:

– to delegate to the Director-General for Justice, Freedom and Security the power to adopt, on its behalf and under its responsibility, measures for the implementation of the Civil Justice programme, as set out in SEC(2008)2738;

– to delegate to the Director-General for Competition (in respect of actions concerning the implementation of the European competition rules) the power to adopt, on its behalf and under its responsibility, measures for the implementation of the Civil Justice programme, as set out in SEC(2008)2738.

5. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2008)2686)

ADMINISTRATIVE MATTERS

COMMISSION DECISION SETTING UP THE HIGH-LEVEL EXPERT GROUP ON EU FINANCIAL SUPERVISION (C(2008)6492)

The Commission:

– adopted the decision set out in C(2008)6492, setting up the High-Level Expert Group on EU financial supervision;

– empowered the PRESIDENT to finalise the financial statement relating to the work of group;

– authorised the Directorate-General for the Internal Market and Services to apply all the necessary procedures, including budgetary procedures, so as to ensure the smooth operation of the group.

6. RELATIONS WITH NON-MEMBER COUNTRIES

6.1. VISIT TO CUBA (HAVANA, 22 TO 24 OCTOBER) (SEC(2008)2744)

The Commission took note of the information note from Mr MICHEL, distributed as SEC(2008)2744.

6.2. SEVENTH ASEM SUMMIT (BEIJING, 24 AND 25 OCTOBER) (SEC(2008)2748)

The Commission took note of the information note from Ms FERRERO-WALDNER, distributed as SEC(2008)2748.

7. INTERINSTITUTIONAL RELATIONS

7.1. LEGISLATIVE MATTERS

i) Action to be taken on Parliament's legislative opinions
(SP(2008)6207)

The Commission decided to empower the Commission Members responsible for the sectors concerned, in agreement with the PRESIDENT and Ms WALLSTRÖM and, if necessary, with any other Members concerned, to adopt the amended proposals for transmission to Parliament and the Council, as set out in SP(2008)6207, drawn up following the October II part-session of Parliament, the contents of which were noted.

7.2. RELATIONS WITH THE COUNCIL

ii) Preparations for Council meeting (Economic and Financial Affairs) in the context of the continuing response to the financial crisis (Brussels, 4 November)
Commission communication "From financial crisis to recovery – A European framework for action"
(COM(2008)706)

The PRESIDENT opened the discussion on the draft communication he was tabling for approval, in agreement with Mr ALMUNIA and with Mr VERHEUGEN, Ms KROES, Mr McCREEVY and Mr ŠPIDLA, reiterating the need for the Commission to present quickly ways of contending with the potential repercussions of the financial crisis on the real economy. He stressed the importance of ensuring a Community-level contribution towards working out solutions and responding to the serious concern of the public and businesses. He thanked Mr ALMUNIA and the other Members of the Commission who had contributed to the preparation, at short notice, of this communication, pointing out that the proposed framework for action remained open and would continue to develop.

The PRESIDENT reminded the meeting of the active role the Commission had played since the outbreak of the financial crisis, adding that this commitment had helped to preserve European cohesion and demonstrated the institution's ability to come up with proposals rapidly. He emphasised the need to show the same level of political and technical acumen when the crisis hit the real economy.

He highlighted the importance of letting European citizens know that the Commission regarded as its foremost objective that of softening as far as possible the impact of the crisis on employment and prosperity in Europe, that it could help Member States weather this crisis and considered concerted action to be the only possible solution. At the same time, he was aware that the main levers of action were in the hands of the Member States, but underscored the need for coordination.

The PRESIDENT referred to the contributions of the Lisbon Strategy, the efforts for better regulation and the stability and growth pact, and noted the need to point out what all these had done for the European economy. He also agreed on the value, in the present circumstances, of making use of the flexibility the Community instruments offered, whether under the stability and growth pact, competition policy and in particular state aid, or the internal market.

As regards the communication on the table, he emphasised that it acknowledged that while priority had been given to stabilising the financial markets and restoring confidence in the banking sector, the crisis was by no means over and the negative effects on the real economy were now going to be felt. While highlighting the Lisbon Strategy as a valuable tool, he also noted that shorter-term responses were required to counter the drop in investment and demand, and the risk of a rise in unemployment.

In this connection, he drew attention to the importance of making optimum use of the public funds available, referring to the relevant suggestions made in the communication regarding the Structural Funds and the role of the European Investment Bank (EIB) and of the European Bank for Reconstruction and Development (EBRD).

The PRESIDENT insisted particularly on the vital need, in coping with the difficulties in the real economy, to maintain the coordination between the 27 Member States which had already borne fruit in responding to the crisis in the financial sector, this coordination being both the only way of preventing national measures from having negative repercussions on other Member States and also the means of taking a united and appropriate European stance on the international stage, particularly with a view to the debate on global economic governance.

He felt that the framework of action proposed would constitute a useful basis for the Commission's action in the weeks ahead – in the Council (Economic and Financial Affairs) on 4 November, at the informal meeting of Heads of State or Government on 7 November and at the G20 international summit in Washington on 15 November.

He concluded by adding that the presentation of the communication on economic recovery and the Lisbon Strategy on 26 November would be an opportunity to combine short-term measures and a longer-term perspective. He realised that time was short but was counting on the efforts of all to contribute towards drawing up a series of convincing proposals. He felt that the Commission, in striving for coherence in the response to the crisis, would also contribute to restoring confidence, an essential factor for the development of the economic situation.

Mr ALMUNIA likewise thanked all those involved in the intensive work of recent weeks.

Taking stock, he noted that the financial crisis was not over and that in some respects matters were still getting worse while in others things were improving. He confirmed that the economic forecasts to be published the coming Monday would show that the real economy was gradually being affected by the crisis. He also mentioned the situation of certain countries particularly hard hit, both in the Union and outside.

Mr ALMUNIA then explained various points of the communication before the Commission. As regards the response to be given to the consequences of the crisis for public finances, and in particular how these consequences were going to be handled in the context of the stability and growth pact, he said that the pact was sufficiently flexible for its rules not to be called into question. He explained that the current exceptional circumstances could be taken into account in the excessive public deficit procedures. In the recommendations to be issued to the Member States concerned would be adapted where deficits were clearly linked to the economic slowdown.

He also mentioned the measures envisaged in the communication, referring on the one hand to the Community budget instruments – highlighting the importance of promoting optimal use of the resources available from the funds – and, on the other, to the EIB, which must be in a position to substantially increase its funding, and the EBRD, which could also provide useful assistance.

He too concluded by insisting on the importance of maintaining coordination between Member States and on the Commission's role in showing in what specific areas this coordination was particularly necessary.

Mr McCREEVY for his part stressed the complexity of coordinating Member States' responses to the economic difficulties, given the internal political pressures and the different situations. He felt that from this point of view the paper before them was both realistic and useful.

He referred to the urgent need for measures to combat stagnation, with scope existing in many Member States for tax incentives to encourage consumption. He emphasised that a common approach would optimise the effects of such measures.

He mentioned the negative effects of any protectionist measures that might be taken, and pointed out that devising solutions in the Community economic and regulatory framework was the only option possible.

Mr McCREEVY welcomed the distinction made in the communication between the situations as regards public finances resulting from the crisis and those caused by inappropriate government decisions, and stressed the flexibility allowed in the application of the rules of the stability and growth pact.

He mentioned the growing pressures on the rules of competition and on state aid, and stressed the need to maintain a clear and firm position on this.

In conclusion he emphasised the role played by the Commission in handling the crisis and how it had demonstrated its ability to produce the necessary proposals quickly, and referred to the changes that would have to come in the field of financial instruments, risk assessment and supervision of the financial markets.

Mr ŠPIDLA highlighted the important step this communication represented in the response to the crisis. He was very pleased with the quality of the work carried out despite the time constraints and the balance that had been struck, and in particular the attention given to social aspects.

He too emphasised the importance of a coordinated European approach, and expressed his support for strengthening regulation of financial markets at European level. He also mentioned the constitution of the group of experts under the chairmanship of Mr Jacques de Larosière, stressing the usefulness there would be for the group to consider the crucial question of the stability and sustainability of pension funds.

As regards the risks of excessive public deficits and application of the rules of the stability and growth pact, he highlighted the interest of showing the necessary flexibility and welcomed the tone of the document on this point, while emphasising the need to keep a close eye on the development of the situation.

He also mentioned the pressures being placed on the rules of competition, and the question of whether the timing of certain particularly sensitive decisions should not be adjusted in the context of the crisis.

As regards employment and the social dimension, he emphasised the stress laid in the communication on the policies for countering the effects of the crisis, highlighting in particular the importance of strengthening the implementation of *flexicurity*, enabling workers to acquire new skills and seeing that better use was made of the European Social Fund for supporting training and redeployment activities. Lastly, he noted the call for a review of the operation of the Globalisation Adjustment Fund, with an eye to future restructuring.

The Commission then held an in-depth exchange of views, during which the following points were raised:

General

– the need to come up with a visible response to the present crisis and the importance of stressing, in the presentation to the media, the Commission's proactive attitude and driving role;

– the importance of close cooperation within the Commission and of working to put in place a comprehensive approach;

– the proven positive results of concerted action by the Member States and the need to continue this coordination in the real economy;

– the interest in working for a joint approach of Parliament, the Council and the Commission on the role and powers of the Union on the one hand and of the Member States on the other, and on the need for diligent and determined action by the institutions to deal with the crisis;

- the importance of continuing work on the main points developed in the communication in order to be able to propose specific measures, particularly in the communication on economic recovery and the Lisbon Strategy to be presented on 26 November;

- the value of stressing at the beginning of the communication the possibility offered by the present crisis of transforming the challenges into an opportunity for the Union to act in a concerted manner;

- a reminder of the importance, in the present context, of having the right institutional architecture, and consequently of striving to secure ratification of the Treaty of Lisbon;

On the response to the financial crisis

- the care to be exercised in preparing a regulatory framework, in order not to create administrative burdens for economic operators;

- the relevance of the creation of the high-level expert group on financial supervision and the choice of its members;

- the importance of ensuring equal treatment and solidarity of the Member States in the face of the crisis, and of avoiding certain behaviour particularly as regards exchange rates in certain Member States;

On the stability and growth pact

- the opportunity offered by the current situation for demonstrating the relevance of the principles, policies and Community institutions for overcoming the crisis, particularly the Lisbon Strategy for growth and employment, the single currency and the European Central Bank, the stability and growth pact, the state aid rules, and the principles of solidarity between Member States;

- the importance of reaffirming compliance with the rules of the internal market and competition, and the rules of the stability and growth pact and for state aid, while making maximum use of the margins of flexibility available; the importance too of ensuring that any exceptional measures introduced were only temporary ;

– the importance, in this context, of reaffirming the need to continue the structural reforms in the Member States and the objectives in terms of the environment and energy security;

– the interest of defining more precisely the objectives of the new financial architecture, particularly as regards budgetary surveillance;

On the impact of the crisis on the real economy

– the relevance of the analysis of the real economy and the importance of showing full commitment in this area;

– the close attention to be paid to the social dimension of the economic crisis and to the incentive measures for the public and businesses;

– the value of stepping up the use of the European funds available, particularly the Structural Funds, in compliance with the rules of sound financial management;

– the dynamism needed in support of the development of small businesses, and the value of developing public-private partnerships to make them more effective ;

– the importance of actively continuing the transition to a knowledge-based economy, particularly by restating the need to increase investment in research, development and education, by developing measures to revive demand for innovation, by stimulating public-private partnerships, by considering an extension of the scope of the Globalisation Adjustment Fund, and finally by promoting free movement of knowledge;

– the importance of introducing a proactive strategy for investment particularly in the Trans-European energy and transport networks and in research;

- the relevance of laying stress on energy and the environment, as stimulants for investment and innovation and more generally the value of laying the foundations for a green economy;

- the importance of maintaining the conditions for open markets and of working to relaunch the international trade negotiations;

- the need to take account of emerging countries and developing countries too;

- the value of referring in the text to a broader set of possible tax measures;

On the social dimension and employment

- the importance of taking the social aspects into account, particularly as regards health systems, and of working, in concert with the Member States, to reduce the impact of the crisis and to ensure the sustainability of social protection systems, and to confirm the values of solidarity and support to the most vulnerable;

- the importance of contributing to restore consumer confidence by ensuring a transparent and sound market environment and operation, particularly in the initiatives to be presented shortly in this area by the Commission;

- the interest in considering, outside this paper, short-term measures to support the industrial sectors threatened by the crisis, while avoiding individual, large-scale action at national level for certain sectors;

On global governance

- the importance of restoring confidence in the financial markets system and the relevance in this connection of the presence of the PRESIDENT at the G20 international summit scheduled for 15 November in Washington;

- the value of producing concrete and stronger proposals following the

Commission seminar planned for 5 November and after the Washington summit on 15 November.

The PRESIDENT concluded the discussion by noting the very broad support for the Commission's communication, which he saw as a first stage that would have to lead to the preparation of concrete proposals. He emphasised the challenges that had to be met, namely the threats to open markets, to the Community *acquis*, to the stability and growth pact, to the rules of competition and state aid, to the agenda for combating climate change, and more generally to European integration.

He was convinced that the dangers brought about by the crisis could be converted into opportunities, and restated the need for concerted and coordinated action by the Member States characterised by synergy between the European and national levels and by the Commission's initiative and driving role. On the question of open markets, he noted the need to oppose any return to a certain economic nationalism but instead to endeavour to promote the European rules and principles as a source of inspiration for the entire global economy.

While recognising the need, in certain Member States, to resort to interventionist measures, he insisted that these be targeted, proportional, temporary and compliant with the principles of "smart regulation". On the stability and growth pact, rules of competition and state aid, he confirmed the interest of making use of the margins of flexibility, provided the existing rules were respected. Finally he expressed his belief that the climate change package was part of the solution to the present crisis.

He noted the crucial nature of the ongoing discussions at world level and the lasting impact on future generations, as regards both the architecture of financial systems and the global economy in general. He was therefore convinced that the EU should contribute to resolving the present crisis at world level, and referred to the key role played internally by the euro in protecting the European economies from the harmful effects of the crisis.

Stressing the real economy dimension on the one hand and the social dimension on the other, he called on the Commission Members to contribute to drawing up concrete proposals with a view to preparing the document on economic recovery and the Lisbon Strategy for 26 November.

He also noted the Commission's agreement on the following amendments to be made to COM(2008)706:

- in the chapter "*From financial crisis to recovery: A European framework for action*", the 4th paragraph of the section "*Acting in a coordinated way at EU level*" should read as follows:

  "*The EU should build on this success and decide to tackle the next stages of the crisis in a united, co-ordinated manner turning these challenges into opportunities; adding selected short term measures to the Lisbon Strategy for growth and jobs. This paper sets out a three part approach which will be developed into an overall EU recovery action plan / framework*"

- in chapter I ("*A new financial market architecture at EU level*"), the first sentence of the first paragraph of the section "*Ensuring reinforced regulation and supervision*" should read as follows:

  "*In parallel to the stabilisation of the crisis, it will be necessary to move on to the phase of restructuring the banking sector and, at some stage in the future, returning banks to the private sector.*"

- in chapter II ("*Dealing with the impact on the real economy: a framework for recovery*"), the first bullet after "*while continuing to invest in the future through:*" should read as follows :

  "*Increasing investment in R&D innovation and education;*"

- in the same chapter II, the 7th bullet of the section "*Accelerating reform and investment*" should read as follows :

"*Increasing demand for energy efficient goods and services through reduced taxation and other targeted fiscal measures;*"

- also in chapter II, section "*Accelerating reform and investment*", the following paragraph was added after the last bullet:

  "*Acting together in a spirit of partnership and co-ordinating their activities, Member states and European Institutions can mobilise important funds to accelerate much needed investment, and equip the EU to emerge stronger from this crisis.*"

- in chapter II, section "*Addressing the employment and social impact*", the first paragraph should read as follows:

  "*The economic downturn will affect families, households and the most vulnerable people in our societies. It is already being felt in terms of unemployment. The EU needs to work to minimise the impact on jobs and job losses and to use the levers at its disposal to cushion the social impact. Whereas the main responsibility lies with the Member states, a good coordination between community and national action will be helpful. The Commission will work with the social partners to find the best response to the crisis. Growth areas in terms of job creation should continue to be encouraged – such as personal, health care and social services, in a rich source of job creation which also serves as a tool for access and opportunities.*"

- in chapter III ("*A comprehensive response to the financial crisis*"), the first and second paragraphs should read as follows:

  "*Every region of the world has been affected by the crisis and no region working alone will be able to tackle its effects. There are clear signs that the crisis is spreading to emerging markets and will further add to existing pressures on developing countries. It is important that further contagion is contained and the IMF should stand ready to intervene with emergency financing as appropriate. Europe will work together with the*

IMF and will use its instrument of macro-financial support, particularly to help neighbouring countries. Europe is and will continue to be an active actor in the coordinated global response.

The current financial crisis has underlined more than ever the interaction between macroeconomic policies and financial markets on a global scale. Addressing it will hence require tackling both regulatory and supervisory failures, as well as the macro-economic and exchange rate imbalances that are among the origins of the current crisis."

– in the same chapter III, the section "*Risks and opportunities*" should read as follows:

"*The EU needs to take effective action now to counter the crisis. This action needs to be smart so that it stimulates the right changes in our economy ensuring that we emerge from this crisis ready to take full advantage of the upturn when it comes. It can best do this if we seize opportunities to continue to restructure our economies, train and equip our citizens for new challenges while taking care of the most vulnerable people in our societies in the spirit of Article 2 of the Treaty. We know from past experience that our success is based on moving away from economic nationalism and that the drivers of European growth come from removing barriers between Member States, capitalising on the scale and strength of our Internal Market.*

The EU has faced different kinds of crisis in its history and has always managed to emerge from them stronger and more united. We have already shown that when our 27 Member States and the European Institutions decide to act together, we are able to get results and deliver for our citizens. The current crisis can also be an opportunity for Europe and the actions outlined in this paper show how we can work together to put the EU on the road to recovery."

Subject to the insertion of the above amendments, the Commission approved the communication in COM(2008)706.

iii) Programming of Council business
(SI(2008)1348)

The Commission took note of the information on the programming of Council business from 23 October to 5 November contained in SI(2008)1348.

iv) EU / Australia ministerial consultations (Paris, 29 October) (SI(2008)1351)

– Non-binding commitments – EU / Australia partnership framework

The Commission authorised Ms FERRERO-WALDNER to support, on behalf of the Commission, at the EU / Australia ministerial consultations in Paris on 29 October, the joint EU / Australia political declaration, in accordance with the line set out in SI(2008)1351.

v) Preparations for Council meeting (Agriculture and Fisheries) (Luxembourg, 27 and 28 October)
(SI(2008)1353)

– Fishing opportunities available for 2009 and 2010 to Community vessels for certain stocks of deepwater fish

The Commission confirmed the agreement ad referendum given by Mr BORG to the Presidency compromise at the Council meeting (Agriculture and Fisheries) on 27 and 28 October, in accordance with the line set out in SI(2008)1353.

7.3. RELATIONS WITH PARLIAMENT

vi) Results of the October II part-session of Parliament
(SP(2008)6193; SP(2008)6200; SP(2008)6203)

The Commission took note of the information on the part-session of Parliament held in Strasbourg from 20 to 23 October 2008, as set out in SP(2008)6193, SP(2008)6200 and SP(2008)6203.

vii) Parliament resolution of 23 October 2008 on the impact of Aviation security measures and body scanners
(SEC(2008)2749)

The Commission took note of the information note from Mr TAJANI, distributed as SEC(2008)2749, and noted that the follow-up to Parliament's resolution concerning the impact of Aviation security measures and body scanners would be through the channels of the interinstitutional relations group (GRI).

8. TRENDS IN THE MEMBER STATES

8.1. SITUATION IN HUNGARY

Hungarian national summit (Budapest, 18 October)
(SEC(2008)2729)

Mr KOVÁCS briefly informed the Commission that a national summit had been organised on 18 October on the initiative of the Prime Minister in Hungary's present difficult economic context. He also referred to the financial support requested by the Hungarian Government from the European Union, the International Monetary Fund and the World Bank.

The Commission took note of the information note from Mr KOVÁCS, distributed as SEC(2008)2729.

Empowerment concerning the economic assistance measures for Hungary with a view to the Council meeting (Economic and Financial Affairs) (Brussels, 4 November)

M. ALMUNIA presented to the Commission the decision taken by the EU, the International Monetary Fund (IMF) and the World Bank to provide Hungary with financial aid totalling EUR 20 billion, pointing out that of that total, EUR 12.5 billion came from the IMF, EUR 6.5 billion from the Union, and EUR 1 billion from the World Bank. Mr ALMUNIA added that the EU aid had been granted under a balance of payments aid mechanism, in the form of repayable loans, and thought should be given to raising the ceiling for the mechanism in case other Member States should apply for aid.

After taking note of this information, the Commission decided to empower Mr ALMUNIA, Commission Member responsible for economic and monetary affairs, in agreement with the PRESIDENT, to prepare, to adopt and to transmit to the Council, on behalf of the Commission:

- a Commission recommendation for a Council Decision granting Hungary Community financial assistance;
- a proposal for a Council Decision granting Hungary medium-term Community financial assistance;
- a proposal for a Council Regulation amending Council Regulation (EC) 332/2002 of 18 February 2002 establishing a facility providing medium-term financial assistance for Member States' balances of payments.

8.2. SITUATION IN CZECH REPUBLIC

Mr ŠPIDLA briefly informed the Commission of the political situation in the Czech Republic, following the recent regional and senatorial elections and of the preparations for the future Czech Presidency of the Council of the EU.

The Commission took note of this information.

8.3. SITUATION IN LITHUANIA

Ms GRYBAUSKAITĖ briefly informed the Commission of the result of the recent general election in Lithuania and of the probable appointment of a new Prime Minister, who should take up office in January 2009.

The Commission took note of this information.

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The meeting closed at 12h00