

AMSTERDAM EUROPEAN COUNCIL

16 AND 17 JUNE 1997

PRESIDENCY CONCLUSIONS



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INTRODUCTION

The European Council meeting in Amsterdam on 16 and 17 June 1997 successfully concluded the IGC with full agreement on a draft Treaty. This opens the way for the launching of the enlargement process in accordance with the conclusions of the Madrid European Council.

Building on the conclusions of the December Dublin European Council and fully in line with the established timetable, agreement was also reached on the necessary European Council Resolutions as well as on other relevant texts facilitating a smooth passage to, and a successful functioning of, the third stage of Economic and Monetary Union.

The European Council put particular emphasis on the employment situation and adopted to this effect a Resolution on Growth and Employment which together with the Stability and Growth Pact will create favourable conditions for economic growth and new job opportunities.

The European Council began its proceedings by an exchange of views with Mr José María GIL-ROBLES, President of the European Parliament, on the main subjects for discussion at the meeting.



INTERGOVERNMENTAL CONFERENCE

The Intergovernmental Conference, meeting at the level of Heads of State or Government, reached agreement on the draft Amsterdam Treaty based on the texts (doc. CONF 4001/97). The necessary final legal editing and harmonization

of the texts will be completed with a view to signature of the Treaty in October 1997 at Amsterdam.

The European Council invites the Council, on the basis of the agreed texts, to take as soon as possible the appropriate measures with a view to ensuring the full functioning of the Treaty as soon as it enters into force :

- as regards the second pillar, the setting up of the policy planning and early warning Unit, as referred to in the relevant Declaration to be annexed to the Final Act of the Treaty and other questions related to the organization of the General Secretariat of the Council and the closer cooperation of EU and WEU;
- as regards the Schengen Protocol, the adoption of certain measures for the implementing of the Schengen Protocol upon the entry into force of the Treaty and the integration of the Schengen Secretariat into the General Secretariat of the Council.

In this context, the European Council notes with appreciation that the arrangements laid down in the Protocol integrating the Schengen acquis into the framework of the Union and in the Protocol on Denmark make it possible to ensure the preservation of the Nordic Passport Union within the framework of a wider European cooperation on the free movement of persons.

The European Council takes note of the statement on public credit institutions in Germany. It invites the Commission to examine whether similar cases exist in the other Member States, to apply as appropriate the same standards on similar cases and to inform the ECOFIN Council.



ENLARGEMENT

The European Council notes that, with the successful conclusion of the Intergovernmental Conference, the way is now open for launching the enlargement process in accordance with the conclusions of the Madrid European Council.

It welcomes the Commission's intention to present by mid-July its opinions on the accession applications as well as a comprehensive communication ("Agenda 2000") covering the development of Union policies including the agricultural and structural policies, the horizontal questions related to enlargement and finally the future financial framework beyond 1999.

The European Council notes that the Commission in its Agenda 2000 communication will draw the main conclusions and recommendations from the opinions and give its views on the launching of the accession process including proposals on reinforcing pre-accession strategy and further developing pre-

accession assistance building on ongoing reforms of PHARE.

The European Council invites the Council (General Affairs) to examine in depth the Commission's opinions as well as its Agenda 2000 communication and present a comprehensive report to the European Council at its December meeting in Luxembourg.

At that meeting, the European Council, with a view to enabling the actual opening of negotiations as soon as possible after December 1997, will take the necessary decisions on the overall enlargement process including practical arrangements for the initial phase of negotiations and the reinforcement of the Union's pre-accession strategy as well as other possible means to strengthen cooperation between the EU and all applicant countries.



ECONOMIC AND MONETARY UNION

The European Council welcomes the contributions by the Council, the Commission, the European Parliament and the EMI, which have made possible further concrete steps in view of the start of EMU on 1 January 1999 and to safeguard its successful functioning:

The European Council has adopted a Resolution laying down the firm commitments of the Member States, the Commission and the Council regarding the implementation of the Stability and Growth Pact. The European Council has also adopted a separate Resolution on Growth and Employment laying down the firm commitments of the Member States, the Commission and the Council to give a new impulse for keeping employment firmly at the top of the political agenda of the Union. Sound macro-economic and budget policies go hand in hand with strong and sustainable growth in output and employment. Both Resolutions (Annex I) contribute to macro-economic stability, growth and employment. The two Regulations that form part of the Stability and Growth Pact for ensuring budgetary discipline in the EMU have been agreed. These Regulations also cover the obligations of Member States not participating in the euro area. The European Council invites the Council to adopt these Regulations without delay. The Regulations set out a framework for effective multilateral surveillance and give precision to the excessive deficit procedure. The European Council endorses the mechanism included in the Regulation on the excessive deficit procedure, which requires proceeds of sanctions to be distributed to Member States participating in the euro area and not having an excessive deficit. Where necessary, the Financial Regulation will be modified before the end of 1998. It is agreed that any sanctions under Article 104c shall have no consequences for the expenditure ceilings contained in the financial perspectives. It is further noted that expenditure to distribute proceeds of sanctions does not count against the ceiling of 1,335 % of GNP for commitment appropriations referred to in Article 3 (2) of the own resources Decision.

The principles and fundamental elements of a new Exchange Rate Mechanism

(ERM 2) to be established as from 1 January 1999 have been laid down in a Resolution which the European Council has adopted (Annex II). The European Council notes that the Governors of the Central Banks endorse the text of this Resolution, including the +/- 15 % fluctuation margins. * There is now complete agreement on the two Regulations which constitute the legal framework for the euro, and which will shortly be published together. The first Regulation is based on Article 235 and has already been adopted, while the second Regulation will be adopted by the Council immediately after the decision on Member States participating in the euro area has been taken as early as possible in 1998.

The European Council welcomes and fully endorses the choice for the design of the euro coins. Together with the euro bank notes, this provides a tangible sign to citizens of the preparations for the euro. The progress achieved signifies that most of the technical preparations for the EMU have now been accomplished. The European Council notes that the remaining period before the start of the third stage of EMU on 1 January 1999 should be used to step up the practical efforts of all actors, including public administrations, in preparing for the introduction of the euro. The European Council invites the Council and the Commission, in cooperation with the European Monetary Institute, to study effective ways of implementing all provisions of Article 109 of the Treaty and in particular Article 109 (2) on the possible formulation of general orientations for exchange-rate policy in relation to one or more non-Community currencies which shall be without prejudice to the primary objective of the European System of Central Banks to maintain price stability while fully respecting the Statutes of the European Central Bank, Article 109(4) on the position of the Community at the international level as regards issues of particular relevance to economic and monetary union and on its representation in compliance with the allocation of powers laid down in Articles 103 and 105 and Article 109b (1) on the provisions on the position of the Council in meetings of the Governing Council of the ECB.

The European Council further invites the Council and the Commission to examine and indicate how to improve the processes of economic co-ordination in stage three of Economic and Monetary Union consistent with the principles and practices of the Treaty. The Council is invited to prepare a progress report for the European Council meeting in Luxembourg.

The European Council fully agrees with the Council's recommendations on the broad guidelines of the economic policies of the Member States and the Community. In the Resolution on Growth and Employment the European Council called on the Council to strengthen the employment focus of the broad guidelines. The Council is urged to implement this approach as soon as feasible.

The European Council notes that the strenuous efforts of the Member States towards achieving a high degree of sustainable convergence, notably in the budgetary area, are contributing to improved prospects for growth and employment in 1997 and beyond.

The European Council welcomes the understanding reached by the Council on

the timeframe for the implementation, as early as possible in 1998, of the procedure laid down in Article 109j(4). This timeframe should also allow the European Parliament to play its full role in this process.

The European Council stresses the importance of applying strict budget discipline not only at national level but also at Community level in the context of the EU Budget.

It welcomes the progress made in the context of the SEM (Sound and Efficient Management) 2000 programme, reaffirms the importance of this initiative for the improvement of the financial management of Community expenditure and the fight against fraud and stresses the need to pursue it.



EMPLOYMENT, COMPETITIVENESS AND GROWTH

In order to maintain momentum in fostering economic growth and fighting unemployment, an extraordinary meeting of the European Council under Luxembourg Presidency will review progress in the implementation of, among others, the initiatives concerning job creating potentials for small and medium-sized enterprises, a new Competitiveness Advisory Group, the study of good practices on employment policies of the Member States, and the initiatives of the EIB in creating employment opportunities, as referred to in the European Council Resolution on Growth and Employment. The European Council invites the Commission and the Council, in cooperation with the EIB, to prepare a progress report to this European Council.

The European Council reaffirms the importance it attaches to promoting employment and reducing the unacceptably high levels of unemployment in Europe, particularly for young people, the long-term unemployed and the low-skilled.

The Council reiterates the need for a positive and coherent approach to job creation, encompassing a stable macroeconomic framework, completion of the Single Market, active employment policies and the modernisation of labour markets to bring Member States further towards the goal of full employment.

The European Council welcomed the interim joint report on employment prepared by ECOFIN, the Labour and Social Affairs Council and the Commission and the progress report on the Confidence Pact on Action for Employment in Europe, presented by the President of the Commission.

The European Council noted with approval the agreement of the Intergovernmental Conference to incorporate both the Social Agreement and a new title on Employment in the Treaty. The Council should seek to make the relevant provisions of this title immediately effective. This underlines the vitally

important link between job creation, employability and social cohesion.

Restoring a sustained, high rate of non-inflationary growth is necessary to achieve a long-lasting solution to the Community's unemployment problem and to make further headway towards sound public finances. Structural deficiencies continue to restrain both growth and the degree to which growth can be translated into additional employment.

The European Council attaches paramount importance to creating conditions in the Member States that would promote a skilled and adaptable workforce and flexible labour markets responsive to economic change. This requires active intervention by the Member States in the labour market to help people develop their employability. Such action is important if the European Union is to remain globally competitive, and in order to tackle the scourge of unemployment.

A reduction in the overall tax burden is desirable in most Member States, in particular the tax burden on labour. Also, a restrictive restructuring of public expenditure is called for to encourage investment in human capital, research and development, innovation and the infrastructure essential to competitiveness.

Furthermore, the employment relevance of training and lifelong learning should be strengthened, tax and social welfare systems should be further reviewed in order to enhance employment opportunities, and more active labour market policy measures should be implemented. Efficiency and equity gains are to be improved by using social transfers in a more active way and by transforming benefit systems into proactive systems which improve the employability of workers.

The European Council notes with satisfaction the work done on indicators that will allow bench-marking of the measures and policies pursued by the Member States under their multiannual employment programmes. The European Council invites the Employment and Labour Market Committee and the Economic Policy Committee to discuss these issues with a view to enabling Member States to identify particularly good performance and effective practices and to take them into account in the formulation of their policies.

Efforts made by social partners on wage moderation were acknowledged and should be pursued. Furthermore wage, agreements should take more account of differences in qualifications and between regions in order to facilitate job creation. The European Council strongly welcomes the agreement concluded by the Social Partners on part-time working and calls on them to bear in mind in their discussions the need to strike a balance between labour market adaptability and social security, in order to enhance employability.

The European Council notes with satisfaction the overwhelmingly positive reaction of Member States to its invitation made in Florence to select regions or cities which could act as candidates for pilot projects on territorial and local employment pacts. As a result, around 90 such pacts have been established that will be launched at a conference in Brussels in November this year.

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The European Council reaffirms the importance it attaches to a well functioning internal market as an essential element of the overall strategy to promote competitiveness, economic growth and employment throughout the Union. It welcomes the Commission's "**Action Plan for the Single Market**" and endorses its overall objective. The four strategic targets in the Action Plan should form the basis for a renewed political effort to remove remaining obstacles so as to ensure that the full potential benefit of the Single Market is realised.

The European Council agrees on the importance of ensuring full coherence between actions in the field of the internal market and other policies of the Union, in particular the social dimension, regional cohesion, competition policies, development of small and medium-sized enterprises, protection of the environment, health and consumers' rights.

The European Council underlines the necessity of differentiating in time between various categories of action in the Action Plan. In the first instance, the Community institutions and the Member States should focus their attention on areas where actions can be undertaken immediately or where negotiations can be completed quickly on existing proposals.

As an area where actions can be undertaken immediately, the European Council emphasizes the first strategic target of the Action Plan : to make existing rules for the Single Market more effective.

The European Council underlines the crucial importance of timely and correct transposition of all agreed legislation into national law, the need fully to inform citizens and business about the Single Market, and the necessity of active enforcement of Community law in the Member States and the introduction of more rapid and effective procedures for problem-solving including deliberations at Council level in cases of recurrent problems. The European Council requests the Commission to examine ways and means of guaranteeing in an effective manner the free movement of goods. It requests the Commission to submit relevant proposals before its next meeting in December 1997.

The European Council confirms its strong commitment to simplification of existing and new legal and administrative regulations in order to improve the quality of Community legislation and reduce the administrative burden on European business, particularly small and medium-sized enterprises. The Commission is invited to set up a task force for this purpose. Furthermore, the European Council calls on the Commission to broaden its Rolling Programme of Simplification in consultation with all parties concerned, and invites the Member States to pursue comparable simplification activities at national level.

The European Council urges the Council and the European Parliament to seek early agreement on a limited number of priority measures identified in the Action Plan, on the basis of existing proposals where possible before the end of the year. It further invites the Council to take the necessary steps, where

appropriate on the basis of further proposals by the Commission, to reach the widest possible agreement by early 1999 on the other key areas of the internal market.

The European Council welcomes the commitment by the next three Presidencies to give priority to the Action Plan. It invites the European Parliament to lend its political support to the Action Plan with a view to accelerating, to the maximum extent possible, the adoption of those legislative measures concerned. It invites the Commission to report on progress in implementing the Plan to the Council as well as to the European Council in December 1997.

Since the competitiveness of European industry provides the foundation for growth, creating jobs and raising living standards, the European Council welcomes the Industry Council conclusions of 24 April 1997 on the organization of work concerning the competitiveness of European industry, according to which an annual debate on competitiveness will be organized within the framework of the Industry Council on the basis of a bench-marking programme formulated by the Commission.

The Commission will also develop analysis and initiatives on competitiveness, in particular in the Information and Communication Sector (ICT). In this context, the European Council welcomes the formation of the new Competitiveness Advisory Group.

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The Members of the European Council whose States are party to the Agreement on Social Policy annexed to Protocol 14 to the Treaty on European Union welcome wholeheartedly the decision of the United Kingdom to accede to the social provisions of the new Treaty. They note with great satisfaction the willingness of the United Kingdom to accept the Directives which have already been agreed under the Agreement and those which may be adopted before the entry into force of the new Treaty. The European Council notes that a means will have to be found, in advance of the signature of the Amsterdam Treaty, to give legal effect to these wishes.

In that light, the Members of the European Council whose States are party to the Social Agreement declare that the United Kingdom will now be invited to express its views in discussions on acts to be adopted on the basis of the said Protocol and that the Presidency and the Member States, while fully respecting the provisions of the aforesaid Protocol as well as those of the Council's Rules of Procedure, will use their best endeavours to reach a solution which takes account of those views.

They also confirm that, if the Treaty of Amsterdam were not to enter into force before 1 January 1998, the Council would be chaired by the Representative of the Government of the United Kingdom for matters falling under the said Protocol during its Presidency in the first half of 1998.



ENVIRONMENT

The European Council reaffirms the commitment of the European Union in respect of the Earth Summit on Environment and Development five years ago. The European Council is of the opinion that the Rio Process needs to be accelerated to reach a stage where worldwide development is sustainable. To make this possible it is of the essence that economic, environmental and social policies are integrated and well-coordinated. There are two objectives of particular importance : the eradication of poverty and the change of consumption and production patterns. The European Union will play a leading role at UNGASS in trying to reach consensus on concrete targets for sustainable development.

The European Council reiterates the need for a strong response to the risk of climate change.

The European Council reaffirms that the negotiating process to strengthen the Framework Convention on Climate Change should result in a protocol to be agreed in Kyoto in December, containing legally-binding commitments to significant overall reductions of greenhouse gas emissions below the 1990 level after the year 2000, as well as common and coordinated policies and measures.

The European Union has agreed to propose, as the Community's negotiating position in Kyoto, a 15% reduction, compared to their 1990 level, of the emission levels of the main greenhouse gases for 2010.

The European Council discussed various environmental initiatives and reaffirmed the Union's position in favour of a Convention on the protection of forests.

The European Council adopted a declaration on banning the cloning of human beings (Annex IV).



FREEDOM, SECURITY AND JUSTICE

ACTION AGAINST ORGANIZED CRIME AND DRUGS

The European Council expresses its satisfaction with the Action Plan drawn up by the High Level Group on **Organized Crime** in response to its mandate from Heads of State or Government at their meeting in Dublin in December 1996. It endorses the political guidelines submitted for its approval and instructs the

Council to take the necessary measures to implement the Plan, to monitor progress and to report back to the European Council in June 1998. It welcomes in particular the comprehensive approach adopted in the Action Plan with its emphasis on prevention as well as repression, on the balance struck between legislative approximation or harmonization and practical cooperation between law enforcement agencies both at the judicial level and at the police level, and on the importance of cooperation with the Union's main partners, in particular with applicant countries. The European Council stresses the key role to be played by EUROPOL in the fight against organized crime and reiterates the priority it attaches to the ratification by all Member States of the EUROPOL Convention and the Protocol on Privileges and Immunities before the end of 1997.

The European Council takes note of the interim report from the Presidency on **drugs** setting out the action that has been taken to follow up the proposals which it approved in Dublin concerning the various aspects of the drugs problem, in particular reduction of demand and supply and international cooperation. It welcomes the priority attention which has been accorded to synthetic drugs and the common action adopted by the Council to establish an early warning system. It requests the Council to pursue its work on precursor chemicals.

The European Council invites the Council to pursue its work on cooperation with third countries and regions and the implementation of the Joint Action on the approximation of the laws and practices of police, customs services and judicial authorities in the fight against drug addiction and illegal drug trafficking, and requests the Council to make a first assessment of the implementation of measures for the European Council in Luxembourg.

CORRUPTION

The European Council welcomes the adoption of the Convention on Corruption by Justice and Home Affairs Ministers at their meeting in May 1997 and urges Member States to ratify the Convention rapidly. It also urges Member States to ratify the Convention on the Protection of the European Communities' Financial Interests and its Second Protocol by mid-1998.

ASYLUM AND IMMIGRATION

The European Council welcomes the completion of the ratification procedures of the Convention determining the State responsible for examining applications of asylum lodged in one of the Member States of the European Community (Dublin Convention), thus allowing the entry into force of this convention by 1 September 1997.

RACISM AND XENOPHOBIA

The European Council welcomes the agreement on the European Monitoring Centre on Racism and Xenophobia which will be established in Vienna. This is a significant achievement in the context of the 1997 European Year against racism and xenophobia.



EXTERNAL ACTION BY THE UNION

TRADE QUESTIONS

The European Council expresses satisfaction at the successful conclusion of the Information Technology Agreement and the WTO negotiations on basic telecommunications services, which together liberalize approximately \$ 1 trillion in global trade in goods and services.

It reiterates the importance which the European Union attaches to the implementation of the comprehensive and integrated WTO plan of action for the least-developed countries agreed upon at the WTO Ministerial Conference in Singapore.

The European Council took note with satisfaction of the presentation by the Council of the report on the development of the trade policy and the preferential agreements of the Community, as requested by the European Council in Florence.

EU-US RELATIONS

The European Council notes with satisfaction the progress in implementing the New Transatlantic Agenda and Joint EU-US Action Plan recorded at the EU-US Summit in The Hague on 28 May. It also notes that the Summit coincided with the celebration of the 50th Anniversary of the Marshall Plan, thus marking the important role which the EU and the US are determined to continue to play in promoting together the stability and development of a democratic and undivided Europe.

MEDITERRANEAN

The European Council welcomes the conclusions adopted at the Second Euro-Mediterranean Conference, held at Valletta, Malta, on 15 and 16 April 1997, which, at a particularly difficult juncture as regards political conditions in the region, reaffirmed the principles and objectives agreed at Barcelona in 1995 and which set out a number of priorities for the future development of the Partnership. The European Council encourages all partners to actively pursue the strengthening of the partnership with the aim of establishing a common Euro-Mediterranean area of peace, prosperity and stability.

The European Council welcomes the progress made towards the creation of a Euro-Mediterranean Free Trade Area through the further extension of a network of Euro-Mediterranean agreements, which is a key element of the Partnership. In this context, it welcomes the signing of a Euro-Mediterranean Interim Association Agreement with the Palestine Liberation Organization for the benefit of the Palestinian Authority of the West Bank and the Gaza strip and stresses the importance of concluding the outstanding agreements with Egypt, Lebanon, Jordan and Algeria as quickly as possible on the basis of the mandate agreed by the Council.

RUSSIA

The European Council reaffirms the fundamental importance it attaches to the development of political and economic relations between the Union and the Russian Federation. It notes with satisfaction the active development of dialogue between the EU and Russia at all levels and notably the important contribution made by the EU-Russia Summit to that development.

The European Council welcomes the signing of the Founding Act on Mutual Relations, Cooperation and Security between NATO and the Russian Federation. This Agreement, the idea of which the European Council supported in its conclusions at Cannes in June 1995, is a fundamental contribution to the development of a new European security architecture in which Russia finds its due place.

SOUTH AFRICA

The European Council recalls the importance the Union attaches to deepening and strengthening its relations with South Africa. The signature in April of the Protocol governing the partial accession of South Africa to the Lomé Convention was an important step in this process. Similarly the European Council welcomes the South African Government's confirmation that it will pursue actively the negotiation and early conclusion of agreements on trade and cooperation, fisheries and wine. The European Union looks forward to working closely with South Africa as a member of the OAU and SADC in helping to address wider problems of common concern in Africa.

MIDDLE EAST PEACE PROCESS

The European Council adopted the Call for Peace in the Middle East given at Annex III.

FORMER YUGOSLAVIA

The European Council remains concerned about the slow progress to date in the consolidation of Bosnia and Herzegovina as a single state in accordance with the Dayton Agreements. It reminds the parties of their responsibility to their own people to implement sincerely the commitments they undertook at Dayton if further disaster is to be avoided. Recalling the various declarations and conclusions of the Council on Bosnia and Herzegovina it welcomes and supports the conclusions of the Sintra Ministerial meeting on 30 May. It expresses its deep appreciation to the High Representative, Mr Carl Bildt, for the way in which he has tackled with commitment, energy and great ability an extraordinarily difficult task. The EU will give the same strong support to his successor, Mr Carlos Westendorp, whose appointment the European Council welcomes. The European Union will work with him and other members of the international community to bring the parties in Bosnia and Herzegovina to implement fully their commitments in their own interest and that of their people as well as of stability in the region.

The European Council shares the concern of the international community at the slow progress towards genuine democracy and respect for fundamental rights and freedoms in the FRY and at the only partial implementation of the Gonzalez report. It reminds the Belgrade authorities that the further development of relations between the EU and the FRY will depend on full implementation of that report as well as on progress with respect to Kosovo (respect for human rights, granting of a large degree of autonomy), on the implementation of the Dayton Agreements and on other relevant conditions in the EU's strategy towards the countries of the region.

On Croatia, the European Council, in welcoming the elections there and particularly in Eastern Slavonia, and in paying tribute to the key role of UNTAES and its Administrator, Mr Jacques Klein, nonetheless emphasizes that strict respect for human and minority rights throughout the country, including the return of displaced persons and refugees, remains an essential requirement for the reintegration process and for an improvement of relations between the EU and Croatia.

ALBANIA

The European Council reaffirms the determination of the Union, in accordance

with its common position of 2 June and its regional approach to help Albania, to return to political and economic stability, to establish internal security and to promote the democratic process through holding the scheduled elections freely and fairly in accordance with international standards. The European Council fully supports the coordinating efforts of the Personal Representative of the Chairman-in-Office of the OSCE, Mr Franz Vranitzky, and the important role of the Multinational Protection Force in helping to create a secure environment for the election process and the various missions of the international community in Albania.

CONGO

The European Union looks forward to establishing a constructive relationship with the new government of the Democratic Republic of Congo. An essential cornerstone for rebuilding the country and securing the acceptance and assistance of the international community, including the European Union, is respect for human rights and international humanitarian law, as well as a genuine commitment to democracy. The EU welcomes the agreement between President Kabila and the UN Secretary General regarding the investigation into alleged human rights violations in Congo and expects President Kabila to give effect to that agreement and to implement the concrete steps which he has announced regarding the democratization process, which should result in free and fair elections within two years. The European Union is prepared to play a full part in this process. It is the intention that a Troika at political level will visit Kinshasa if possible this month.

The European Council recalls the need for an international conference under the auspices of the UN and the OAU on peace and stability in the Great Lakes Region.

HONG KONG AND MACAU

On the eve of the transition in Hong Kong, the European Council recalls its conclusions at Dublin on 13 and 14 December and the conclusions of the Council of 2 June in support of future stability and prosperity for the Hong Kong Special Administrative Region of the People's Republic of China. It emphasizes the importance it attaches to full respect for the rights and freedoms of the Hong Kong people and the high degree of autonomy, including for trading purposes, accorded to Hong Kong under the Sino-British Joint Declaration and the Basic Law of the Hong Kong Special Administrative Region, the implementation of which offers the best assurance for Hong Kong's future.

Regarding Macau the European Council expresses its wish that the transition process in the territory will continue to be in accordance with the Sino-Portuguese Joint Declaration of 1987, thus contributing to a smooth transfer of

the administration in 1999.

EU SUMMITS WITH LATIN AMERICA, THE CARIBBEAN AND AFRICA

The European Council looks forward to a summit meeting of Heads of State and Government of the EU with Latin America and the Caribbean. It likewise looks forward to a summit between the EU and Africa. These meetings should take place not later than the year 2000. It attaches importance to thorough preparation to ensure successful results of these summits.

CONTROL OF ARMS EXPORTS

The European Council underlined the vital role of concerted international efforts towards proper regulation of arms exports. It therefore called for renewed and sustained attention, in the framework of the Common Foreign and Security Policy, to developing responsible and coherent arms export control policy throughout the Union on the basis of the common criteria identified in the conclusions of the European Councils of 29 June 1991 and 26-27 June 1992. Greater sharing of relevant information on national licencing policy and practice is important for the fuller and more convergent implementation of the common criteria.