

Bruxelles, le 27 janvier 1983
NOTE BIO COM(83)43 aux Bureaux Nationaux
cc. aux membres du Groupe du Porte-Parole

ATTENTION SPECIALE WASHINGTON ET NEW YORK

REUNION DE LA COMMISSION DU 26.1.1983

US wheat flour sale to Egypt: (Vasey)

The Spokesman made the following statement to the press:

The Commission has already expressed its deep concern to the American Authorities about the Government-to-Government sale of 1 million tonnes of wheat flour to Egypt. In the light of further information received from the US authorities, the Commission has taken the following decisions:

- In the current series of bilateral discussions at official level with the US on agricultural trade problems, which will resume in Brussels on 10 February, the Commission sees no utility in pursuing discussions on US complaints on Community wheat flour exports.
- The Commission reiterates the proposal it has already made in discussions with the United States to call a meeting of the 5 main wheat exporters.
- the Commission will take advantage of the bilateral meeting on 10 February to seek to prevent escalation into further actions of a similar kind by either party.

Background

The US sale of 1 million tonnes of wheat flour to Egypt will take place at \$ 155 a tonne, substantially below the already depressed world market price.

The sale is accompanied by an understanding in which Egypt commits itself to give preference to the US in the next 12-14 months for any additional wheat flour needs.

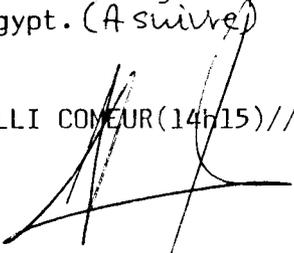
The European Community has been the principal commercial supplier of wheat flour to Egypt for at least 20 years. Total Community export to Egypt in the 12 months to June 1982 were 1.000.000 tonnes (of which 200.000 tonnes in the form of food aid). US sales in the same period were around 630.000 tonnes (of which around 560.000 tonnes were aided sales).

The sale was announced in Washington on 18 January, only six days after the opening of EEC-US bilateral talks on agricultural trade problems.

A GATT panel is currently investigating an American complaint concerning Community exports of wheat flour.

In reply to questions it can be confirmed that the Community has reserved its GATT rights in relation to the US export of wheat flour to Egypt. (A suivre)

Amities,
M. SANTARELLI COMEUR(14h15)////



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