

COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMUNICATION OF THE COMMISSION TO THE COUNCIL
CONCERNING THE TRADE AGREEMENTS TO BE APPLIED
TO AGRICULTURAL AND FOOD PRODUCTS IN THE FRAMEWORK
OF THE FUTURE ACP-EEC CONVENTION

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Communication of the Commission to the Council
concerning the trade arrangements to be applied
to agricultural and food products in the framework
of the future ACP-EEC Convention

1. The Council has made clear in its negotiating directives addressed to the Commission, that :

- the negotiations with the ACP states who are parties to the Convention will aim

"as a general rule, to consolidate the Lomé Convention in the light of the experience gained from it and of trends in the international economic situation including that of the Community. Its provisions shall seek to retain the existing provisions except when :

a) directives contained in this decision state otherwise;

b) the continued examination within the Community of certain matters now being discussed leads to the conclusion that complementary directives should be issued;

c) it appears from the course of the negotiations or for any other reason that complementary directives are necessary which are directed towards amendments or new provisions;"

- and more especially concerning the trade arrangements, that,

"the new Convention will maintain the trade arrangements established in the Lomé Convention which, while taking account of the specific character of agricultural problems, consist essentially of almost totally free access for the ACP states without reciprocal obligations on their part."

2. At the ACP-EEC Ministerial Conference of 21st December 1978, the Conference instructed

"the negotiators to examine the possibility of improving the conditions of access to the EEC market for products in respect of which the ACP states were encountering difficulty of access under the present Convention, it being understood that the principle of free access is maintained for all products originating in the ACP states which already enjoy such access."

Since that time, the ACP states presented in March 1979 a list of agricultural and food products (see annex), specifying the import system required, that is in almost all cases total exemption from all levies or customs duties.

During the Ministerial Conference of 22-24 March 1979 at Freeport, the ACP States made clear that their demands with regard to agricultural products were aimed at total generalised free access for all products and that the list only represented the most sensitive and important products. They also emphasised that they expected the Community to make a "political" reply.

3. The Commission considers on its side that the Community has already shown proof of a political approach by opening up its market for 99,5% of exports from the ACP states.

The Commission also notes that almost all the products contained on the ACP list already enjoy considerable advantages. Furthermore, the products concerned are often those in which the Community is self-sufficient or in surplus and which already cause severe problems of disposal on the internal market.

The Commission considers that, for these reasons, the essential feature of the offer made to the ACP states is the re-enactment of the current system which meets the wishes expressed several times by the ACP states to benefit from stable and lasting measures.

New and generalised concessions are, in the opinion of the Commission, impossible in the majority of cases for both economic and political reasons (for example, the market situation and the sensitivity of the farming community).

Consequently, the Commission considers that it is appropriate to communicate these observations to the ACP states in the framework of the negotiations.

4. Furthermore, it considers that a careful analysis of the list should be undertaken during the negotiations and with the participation of the ACP states, to focus attention on those very limited number of products which are the most problematical.

In the event that this analysis leads to the conclusion that modifications to the existing system would be appropriate, they should be seen in the light of the following criteria :

- a real and concrete interest in trade and the possibility of effective absorption by the Community market,
- the stability and security of the system,
- the necessity of maintaining a Community market.

Precise proposals are to be presented by the Commission to the Council, in an appropriate form, in the course of the negotiations.

5. Taking account of these observations, the Commission invites the Council to instruct it to inform the ACP states of the foregoing and to check with their assistance the most sensitive agricultural and food products. Where necessary, modifications to the existing system would be envisaged, above all taking into account a concrete and real interest in trade in the products concerned between the ACP states and the Community, of the stability and security of the system in question, and the situation with regard to these products in the Community and the unity of its market.

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ACP REQUESTS CONCERNING CERTAIN AGRICULTURAL PRODUCTS ⁽¹⁾

PRODUCT	LOME ARRANGEMENTS	ACP REQUESTS
Beef and veal 02.02 All the products covered by Article 1 of Regulation (EEC) No 805/68	<p>1. In addition, ACP beef and veal exporters must pay a variable levy of 10%.</p> <p>2. The ACP Governments have to impose on their respective beef and veal marketing and export departments a charge equivalent to the 90% levy which the EEC has renounced in respect of beef exports to its markets.</p> <p>3. The volumes to which the 7% rate of increase applies are not included in the agreement on the reduction of the 90% levy.</p> <p>4. The present arrangements contain no provisions applicable in the event of force majeure such as those experienced by the ACP States during the past 28 months.</p> <p>5. The special arrangements are due to expire on 28 February 1980. The ACP States are requesting that they be replaced by a firm agreement in the new Convention.</p>	<p>(a) The new Convention should contain a firm Protocol on beef in order to remove the uncertainty and insecurity inherent in the present Agreement.</p> <p>(b) This Protocol should provide for total exemption from the levy applicable to ACP beef and veal exports to the EEC.</p> <p>(c) The current 7% rate of increase laid down for ACP exports to the Community should be maintained and should be totally exempt from levy.</p> <p>(d) The firm Protocol on beef should contain provisions applicable in the event of variations in production owing to disease or drought, for example.</p> <p>(e) In the new Convention the quantities reserved for the ACP States will be determined on the basis of the volumes laid down for 1980.</p>
<p><u>Meat and milk products</u> 02.02 Dead poultry 02.06 Bacon, ham (salted) 04.05 Ghee 16.01 Sausages</p>	<p>Levy Levy Variable levy Levy</p>	Total exemption from levies
<p><u>Fruit and vegetables fresh and chilled</u> 07.01 F Leguminous vegetables 07.01 G IV Radishes 07.01 S Peppers sweet 07.01 T Other vegetables 07.01 M Tomatoes 07.01 D Salad vegetables including endive and chicory 07.01 G Carrots, turnips, celeriac 07.01 H Onions, shallots 07.01 A Asparagus</p>	<p>Free access without a marketing timetable</p> <p>60% reduction of the CCT within a quota of 1,000 t between 15.11 and 15.4 (*)</p> <p>13-15% customs duty depending on timetable</p> <p>17% CCT with no timetable</p> <p>12% CCT</p> <p>16% CCT</p>	<p>CCT: 0%; no limit on quantity between 1.11 and 15.5, reduced customs duty between 15.5 and 31.10.</p> <p>Customs duty: 0% during off-season timetable</p> <p>At least Maghreb arrangements (60% reduction depending on timetable)</p> <p>At least Maghreb arrangements (60% reduction depending on timetable)</p> <p>CCT: 0%; possibility of timetable</p>

(*) Outside CCT timetable: 11%.

⁽¹⁾ The ACP States have said that the list appended is by no means exhaustive and that they intend to submit a proposal in the Bahamas concerning bananas.

PRODUCT	LOME ARRANGEMENTS	ACP REQUIREMENTS
<p><u>Fruit and vegetables, fresh and chilled (continued)</u></p> <p>07.01 P Cucumbers</p> <p>Gherkins</p> <p>07.01 Q Mushrooms</p> <p>07.01 Q IV Other</p> <p>08.02 A, B Oranges, mandarins, clementines, etc.</p> <p>08.02 C Lemons</p>	<p>16% CCT from 1.11 to 15.5</p> <p>20% CCT from 16.5 to 31.10</p> <p>No timetable</p> <p>16% CCT</p> <p>8% CCT, no timetable</p> <p>CCT: 80% reduction</p> <p>8% full CCT tariff</p>	<p>CCT: 0% for timetable from 1.11 to 15.5</p> <p>Reduction for timetable from 16.5 to 31.10</p> <p>CCT: 0%</p> <p>CCT: 0%</p> <p>CCT: 0%</p> <p>CCT: 0%</p>
<p><u>Processed products obtained from fruit and vegetables</u></p> <p>20.01 to 20.07</p>	<p>CCT: 0%</p> <p>levy of added duty on sugar (ads) except no ads for following juices and preserves</p> <ul style="list-style-type: none"> - pineapple - mixtures of pineapple, papaw and grenadillo - grapefruit mixtures <p>Other preserves and fruit juices are subject to ads</p>	<p>Abolition of added duty on sugar for all products</p>
<p><u>CEREALS</u></p> <p>10.05 B Maize</p>	<p>Levy</p> <p>Reduction of levy by 1.5 EUA/tonne</p> <p>FOD: 6 EUA/tonne</p> <p>reduction in the levy with a limit of 4,500 tonnes a year</p>	<p>0% levy for all products in Regulation (EEC) No 2727/75.</p>

PRODUCT	LOME ARRANGEMENTS	ACP REQUESTS
<p><u>CEREALS (cont.)</u></p> <p>10.07 B Millet Grain sorghum</p> <p>the other products falling within 10.07 (buckwheat, seed sorghum, etc.)</p> <p>10.06 Rice</p> <p>10.06 A I Paddy rice</p> <p>10.06 A II Husked rice</p> <p>10.06 B Semi-milled rice</p> <p>10.06 B Wholly milled rice</p> <p>10.06 C Broken rice</p>	<p>50% reduction in levy</p> <p>100% levy</p> <p>Reduction in levy per 100 kg at threshold price of:</p> <p>- 50% of the levy less 0.30 EUA</p> <p>- 50% of the levy less 0.30 EUA</p> <p>- 50% of the levy less 0.45 EUA (Regulation No 359/67)</p> <p>- 50% of the levy less 0.45 EUA (Regulation No 359/67)</p> <p>- 50% of the levy less 0.25 EUA</p> <p><u>FOD</u> 0% levy</p>	<p>0% levy</p> <p>0% levy</p> <p>0% levy for all these products</p>
<p><u>Processed products obtained from cereals and rice</u></p> <p>Cereal flours, groats, meal, worked cereals, grains, etc.</p> <p>Flour of dried leguminous vegetables, fruits or starches</p> <p>Headings 11.01 to 11.09</p>	<p>• no fixed component in the levy for third countries</p> <p>• reduction in the variable component of the levy per 100 kg</p> <p>- 0.15 EUA for ex 07.06 products (manioc, arrowroot, salep and other similar roots and tubers with high starch content, excluding sweet potatoes).</p> <p><u>OCT</u> 0% levy</p> <p>- 0.30 EUA reduction for products in 11.06 (flour and meal of sago, manioc, arrowroot)</p>	<p>1. 0% levy</p> <p>2. alignment on OCT arrangements</p>

PRODUCT	LOME ARRANGEMENTS	ACP REQUESTS
<p><u>Processed products obtained from cereals and rice (contd.)</u></p> <p>Other starches 11.01 B Maize flour 11.02 Maize germ flour 11.02 Other cereals</p>	<p>of salep and other roots and tubers falling under 07.06</p> <p><u>OCT</u> 0% levy</p> <p>50% of levy Levy Levy Levy</p>	<p>Total exemption from levies</p>
<p><u>Certain products resulting from the processing of agricultural products (Council Regulation No 1059/69)</u></p> <p>17.04 B Chewing gum 17.04 D Other sugar confectionary, not containing cocoa 18.06 A Cocoa powder 18.06 C Other cocoa goods</p>	<p>0% fixed component 0% variable component for several products</p> <p>Variable component</p> <p>Variable component Variable component Variable component</p>	<p>Abolition of variable component for all products</p>
<p>17.01 A Jaggery 17.03 Molasses 17.05 Sugars with added flavouring or colouring matter</p>	<p>80% + levy</p> <p>Variable levy</p> <p>Variable levy</p>	<p>Total exemption from levies and customs duties Total exemption from levies Total exemption from levies</p>