

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(89) 425 final

Brussels, 13 September 1989

Proposal for a
COUNCIL REGULATION (EEC)

laying down general rules for implementing the
Act of Accession of Spain and Portugal as regards the
compensation mechanism on imports of fruit and vegetables
originating in Spain

(presented by the Commission)

Com' 5

EXPLANATORY MEMORANDUM

Article 131 of the Act of Accession of Spain provides that fruit and vegetables falling within Regulation (EEC) No 1035/72 are subject to a regime of specific transitional arrangements consisting of two phases. Article 152 provides that during the second phase, which begins on 1 January 1990 and ends on 31 December 1995, a compensation mechanism is to be introduced on import into the Community of Ten for those fruit and vegetables coming from Spain for which a reference price is fixed with regard to third countries. The rules governing the mechanism are laid down also.

The purpose of the attached draft Regulation is to establish general rules for applying the mechanism.

In view of the similarity between the compensation mechanism on importation and the reference price arrangements governed by Articles 23 to 27 of Regulation (EEC) No 1035/72, the Commission is proposing to incorporate all the technical, administrative and procedural provisions of the reference prices arrangements, subject to certain specific provisions of Article 152 of the Act of Accession.

Proposal for a
COUNCIL REGULATION (EEC)

laying down general rules for implementing the Act of Accession
of Spain and Portugal as regards the compensation mechanism
on imports of fruit and vegetables originating in Spain

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the Act of Accession of Spain and Portugal, and in particular Article 89(1) thereof,

Having regard to the Commission's proposal,

Whereas Article 152 of the Act of Accession provides that from the beginning of the second phase of the transitional period for Spain a compensation mechanism is to be introduced on imports into the Community, as constituted on 31 December 1985, hereinafter referred to as the "Community of Ten", for fruit and vegetables for which a reference price is fixed with regard to third countries;

Whereas among the measures necessary for implementing the mechanism, rules should be laid down in particular for recording the producer prices for products or varieties representative of the production marketed for the purpose of calculating the Community offer price; whereas it should be borne in mind that the prices listed concern products packaged for transportation;

Whereas for the purpose of determining the Spanish offer price calculated each marketing day on the basis of the representative rates recorded, the rates to be regarded as such should be defined; whereas in order to obtain a realistic overview of the market situation, the rates to be used should relate to a significant proportion of the goods presented on the markets; whereas consequently the nature of the rates and the quantity of products to be taken into consideration for calculating the Spanish offer price should be specified;

Whereas where the offer price of the Spanish product is lower than the Community offer price, compensation is to be achieved by levying a corrective amount in accordance with Article 152(2)(d) and (e) of the Act of Accession; whereas in order to enable the compensation mechanism to operate satisfactorily under sound conditions and to ensure that Spanish products are not subject to more stringent arrangements than those applying to products originating in third countries, provision should be made for the fixing or discontinuance of a corrective amount to be based on the prices recorded for several consecutive market days, and the method to be applied should be defined;

HAS ADOPTED THIS REGULATION:

Article 1

1. The Community offer price, referred to in Article 152(2)(a) of the Act of Accession, applicable to the whole Community of Ten, shall be fixed for each marketing year or for each of the periods into which the year may be subdivided on the basis of seasonal price variations. It shall be fixed before the beginning of the marketing year. However, for the period from 1 January 1990 to the end of the 1989/1990 marketing year, it shall be fixed before 1 January 1990.

2. The producer prices to be used for determining the Community offer price shall be those for a home-grown product with defined commercial characteristics, recorded on the representative market or markets situated in the production areas where prices are lowest, for the products or varieties which represent a considerable proportion of production marketed for part of the year or throughout the year and which fall within quality class I and satisfy specified requirements as regards market preparation.

When the average of prices recorded on each representative market is being calculated, prices which could be considered excessively high or excessively low in relation to normal price fluctuations on the market shall be disregarded.

3. The transport costs referred to in Article 152(2)(a) of the Act of Accession may be calculated on a flat-rate basis.

Article 2

For the purpose of calculating the Spanish offer price referred to in Article 152(2)(b) of the Act of Accession, the Commission shall, on the basis of information supplied by Member States or data gathered by the Commission itself, regularly follow, for a product with defined commercial characteristics, the trend of average prices for products coming from Spain on all the representative markets of the Community of Ten for which prices are available, namely the average prices on the most representative import markets of the Member States and significant prices recorded on other markets for large quantities of those products or, if there are no prices on the most representative markets, significant prices recorded on other markets for large quantities.

The following shall be regarded as representative:

- the prices of class I products, provided that the quantities of this class represent not less than 50% of the total quantity marketed;
- the prices of class I products, together with, where the products in this class represent less than 50% of the total quantity, the prices, used as they stand, of class II products in respect of the quantity that will cover 50% of the total quantity marketed;
- the prices, used as they stand, of class II products, in cases where there are no class I products, unless a decision is taken to multiply them by a conversion factor if, by reason of production conditions in Spain, such products have not, because of their quality, been normally or traditionally marketed in class I. Where the prices are multiplied by a conversion factor, customs duties shall first be deducted.

Article 3

For the purpose of implementing Article 152(2)(d) and (e) of the Act of Accession, the following procedure shall be applied:

1. If the Spanish offer price remains at least ECU 0.6 below the Community offer price for two consecutive market days, a corrective amount shall be introduced, save in exceptional circumstances. This amount shall be equal to the difference between the Community offer price and the arithmetic mean of the last two Spanish offer prices available.

2. Where the Spanish offer price recorded during a period of 5 to 7 consecutive market days is alternatively higher and lower than the Community offer price, and where Spanish offer prices higher or lower than the Community offer price are recorded during two consecutive market days without the provision contained in paragraph 1 being applied, a corrective amount shall be introduced, save in exceptional circumstances, in derogation from that paragraph and under the conditions laid down below.

- The corrective amount shall be introduced where three Spanish offer prices lower than the Community offer price are recorded and where one of the Spanish offer prices is at least ECU 0.6 lower than the Community offer price;

- The corrective amount shall be equal to the difference between the Community offer price and the last available Spanish offer price at least ECU 0.6 lower than the Community offer price.

3. The corrective amount introduced pursuant to paragraphs 1 and 2 shall be the same for all Member States of the Community of Ten and shall be levied in addition to the customs duties in force.

4. The corrective amount introduced in accordance with paragraph 1 shall not be adjusted unless a change in the factors used in its calculation gives rise from the time of its actual application, during three consecutive market days, to an adjustment in its amount of more than ECU 0.6.

A decision to abolish the corrective amount shall be taken where, from the time of actual application of that amount, the Spanish offer prices for two consecutive market days are at least equal to the Community offer price or if there are no prices during six consecutive working days. Such decision shall be taken also if the application of the first subparagraph results in a corrective amount of zero.

5. The corrective amount introduced in accordance with paragraph 2 shall be levied during 6 days.

It shall be abolished prior to the expiry of that period only if:

- the application of paragraph 1 results in the fixing of a new higher corrective amount, or
- from the time of actual application of the corrective amount the Spanish offer prices during three consecutive market days are at least equal to the Community offer price.

Article 4

1. Detailed rules for the application of this Regulation and the Community offer price shall be adopted in accordance with the procedure laid down in Article 33 of Council Regulation (EEC) No 1035/72⁽¹⁾.
2. A decision to introduce, adjust or abolish the corrective amount shall be taken by the Commission.

Article 5

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

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

Done at Brussels,

For the Council

(1) OJ No L 118, 20.5.1972, p.1.

FINANCIAL STATEMENT

DATE :

1. BUDGET HEADING: 1000 APPROPRIATIONS:

2. TITLE: Determination of the general implementing rules under the Spanish Act of Accession relating to the import compensation mechanism in the fruit and vegetable sector.

3. LEGAL BASIS: Articles 89(1) and 152 of the Spanish Act of Accession

4. AIMS: The measure aims to implement article 152 of the Act of Accession relating to the import compensation mechanism

5. FINANCIAL IMPLICATIONS: REVENUE FROM THE BUDGET (EXPENDITURE) REVENUE	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR ('89)	FOLLOWING FINANCIAL YEAR ('90)
	5.1 REVENUE - OWN RESOURCES OF THE EC (LEVIES)	p.m.	-
5.0.1 ESTIMATED EXPENDITURE			
5.1.1 ESTIMATED REVENUE			

5.2 METHOD OF CALCULATION :

- 6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET? YES
- 6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET? YES
- 6.2 WILL A SUPPLEMENTARY BUDGET BE NECESSARY? NO
- 6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY? YES

COMMENTS:

The introduction of an offer price will have the same effect as would a reference price. It may be necessary at some later date to apply a corrective amount to imports from Spain into the Community of Ten.

FICHE D'IMPACT SUR LA COMPETITIVITE ET L'EMPLOI**I. Quelle est la justification principale de la mesure ?**

Mise en oeuvre de la seconde phase de l'adhésion de l'Espagne dans le secteur des fruits et légumes.

II. Caractéristiques des entreprises concernées

En particulier :

- Y a-t-il un grand nombre de P.M.E. ? Oui
- Note t'on des concentrations dans des régions : Oui
 - éligibles aux aides régionales des E.M. ?
 - éligibles au Feder ?

III. Quelles sont les obligations imposées directement aux entreprises ?

Néant

IV. Quelles sont les obligations susceptibles d'être imposées indirectement aux entreprises via les autorités locales ?

Néant

V. Y a-t-il des mesures spéciales pour les PME ? Aucune

- lesquelles ?

VI. Quel est l'effet prévisible ?

- sur la compétitivité des entreprises ? Néant

- sur l'emploi ? Néant

VII. Les partenaires sociaux ont-ils été consultés ? Non

- avis des partenaires sociaux

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DOCUMENTS

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