

COMMISSION OF THE EUROPEAN COMMUNITIES

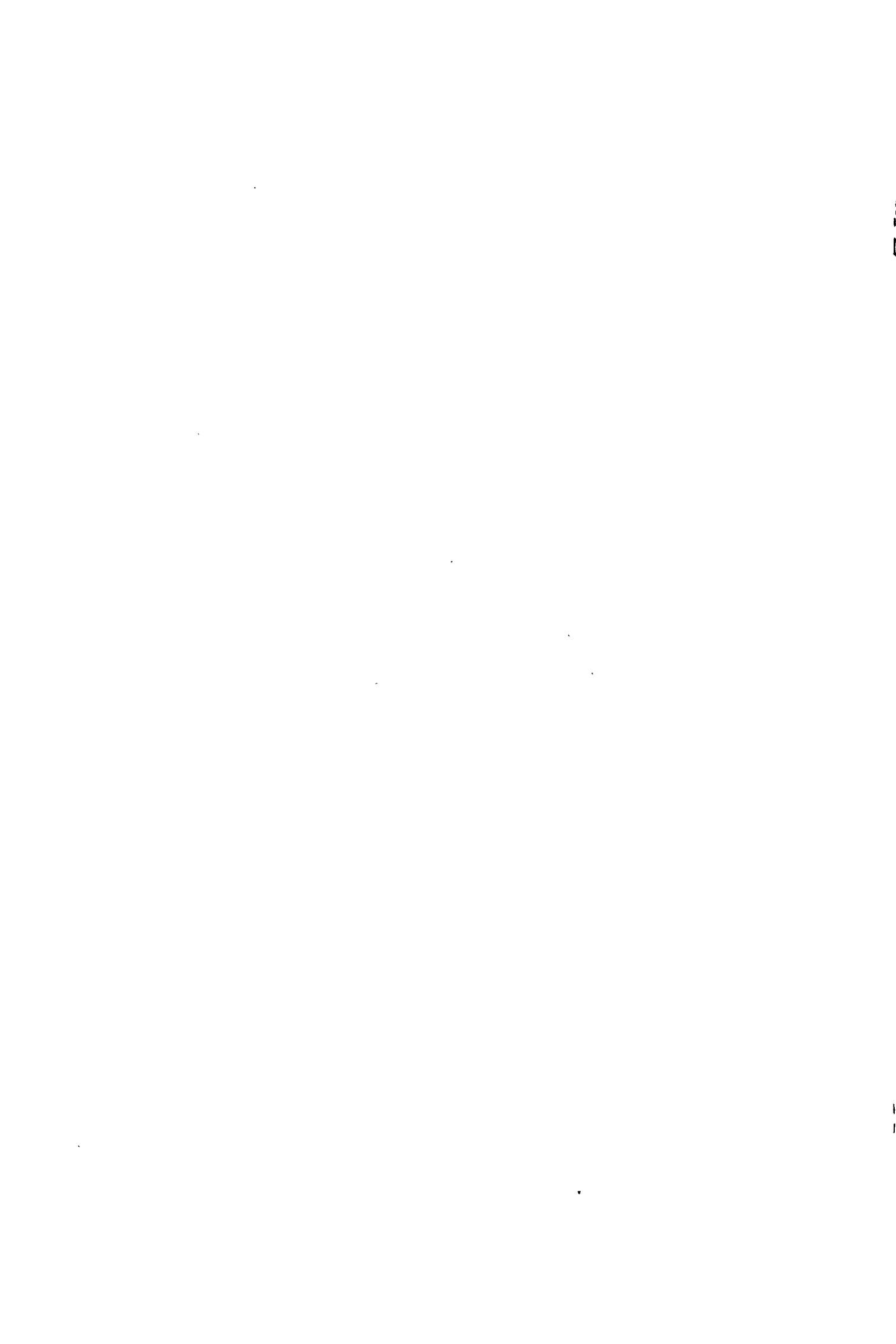
COM(75) 216 final.

Brussels, 16 may 1975

COMMISSION REPORT TO THE COUNCIL

on the present situation concerning the Community's
supply of certain oils and fats of fish and marine
mammals.

COM(75) 216 final.



EXPLANATORY NOTE

The attached report sets out the results of the study carried out by the Commission, in accordance with the request of the Council, on the problem of the Community's supply of hydrogenated oils and fats of fish and marine mammals.

In order to effect this study the Commission received the opinions of the different operators concerned by this matter.

Commission Report to the Council of the present situation concerning the Community's supply of certain oils and fats of fish and marine mammals.

1. As requested by the Council at its meeting on 14/15 April 1975, the Commission has carried out a further study on the present situation concerning the Community's supply of products in respect of which certain delegations have called for the introduction of a Community tariff quota. This study supplements the Commission's report to the Council concerning Regulation (EEC) No 613/74 of the Council, on the opening, allocation and administration of a Community tariff quota for certain oils and fats and marine mammals (SEC (74) 4565 final).
2. The Commission has carried out a study of problems concerning the supply, in certain Member States, of hydrogenated oils and fats of fish and marine mammals, inter alia by bringing together representatives of trade circles concerned by this matter. The exchange of views between producers and users related mainly to questions of quantity, quality and price.

Quantity

3. In certain Member States, users, who mainly obtain supplies of hydrogenated oils of fish and marine mammals from sources outside the EEC, reported that they had experienced difficulty in finding the quantities they needed on Community markets.

Producers, on the other hand, asserted that Community production of these fats and oils could readily cover internal needs. In fact, the Community's processing capacity for hydrogenated products exceeds one million metric tons, it having been expanded in several Member States in 1974.

Furthermore, the producers believed that there should be no difficulty in obtaining the supplies necessary for the manufacture of these fats and oils. About 200 000 tons of unrefined fish oils were produced annually in the Community, a further 3 - 400 000 tons being regularly imported from non-member countries.

When the meeting was adjourned, the producers point of view had not been contested by the users.

Quality

4. The users emphasized that supplies obtained outside the Community concerned oils and fats of fish and marine mammals with a fairly low melting point (20 - 30°).

However, the producers pointed out that they possessed hydrogenation plant which was as advanced technically as that in non-member countries. They confirmed that they were capable of producing the quantities needed by the users.

Furthermore, the sources of supply employed by the producers were the same as those used by non-member countries.

It was also admitted that a case which had been reported concerning "a large-scale consignment of totally unacceptable quality" was due to a misunderstanding between the parties concerned. A representative of users in a particular Member State had made known his company's need for a supply of hydrogenated oils of a very special quality, which had hitherto been supplied by certain non-member countries, and which was obtained from a particular type of fish. Note was taken, however, of the fact that this special quality concerned a quantity of about 800 metric tons, half the finished product being re-exported to non-member countries as inward processing traffic.

Price

5. There are at present more than 20 large firms in the countries of the original Community which possess hydrogenation plant and market their produce at competitive prices. Since crude fish oils are quoted regularly on world markets and most of these oils are hydrogenated or refined, the market in these products is highly transparent.

The producers considered themselves to be competitive on prices with the principal producers in non-member countries. Furthermore, the principal manufacturers of hydrogenated oils and fats of fish and marine mammals pointed out that they had not so far received requests for quotations from the users, whose share in the hydrogenated fats and oils market represented only a fraction of total consumption in their respective countries.

Conclusions

6. After re-examining the present situation concerning the Community's supply of certain fats and oils of fish and marine mammals, it was concluded that no difficulty should be encountered in obtaining regular supplies of these products for Community markets, from the quantitative point of view. However some problems remain from the qualitative point of view.

It would seem however that contracts between representatives of the trade circles concerned should be intensified to improve the exchange of information on requirements and secure better coordination in respect of delivery conditions.

