

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(80) 387 final

Brussels, 17th July 1980

COMMUNICATION FROM THE COMMISSION TO THE COUNCIL <sup>WER</sup>  
ON THE HARMONIZATION OF ENERGY COSTS IN HORTICULTURE

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on the harmonization of energy costs in horticulture

1. On 6 June 1980 the Commission forwarded a report to the Council on distortions of competition in hothouse agriculture (doc. COM(80)306 final). In this report it points out that the most serious distortions are caused by the use in horticulture of different types of fuel, at differing rates per unit of calorific value, from one member country to another. Other distortions are caused by the following factors:
  - the general procedures applying for the formation of fuel prices (fixing of maximum prices at different levels in different Member States or free formation of prices on the markets);
  - indirect taxation on energy, which varies appreciably from one Member State to another ;
  - the special rate charged for natural gas supplied to fruit and vegetable growers in the Netherlands.

The Commission stated in its report that it intended to initiate the procedure provided for in Article 93(1) of the Treaty in respect of the preferential rate charged for natural gas in the Netherlands; the procedure is under way.

2. However, on a more general level, it seems that efforts should be made to arrive at more harmonized conditions of fuel supply in the various Member States.

In its Communication to the Council on the harmonization of prices and taxes in the energy sector in the Community (doc. COM(80)152 final of 24 March 1980) the Commission said it intended to devote itself to this difficult and unavoidably lengthy task as soon as possible.

Work on this front is now in hand in the Commission departments. The Commission hopes to put appropriate proposals to the Council shortly.

In the immediate future there remains the urgent and tangible problem of the preferential tariff applied in the Netherlands in the case of natural gas used in horticulture:

As stated earlier, the Commission will examine this tariff in the light of Articles 92 and 93 of the Treaty. No action could be taken unless it were found that, with the help of State resources, Dutch growers are benefiting from specific advantages not available to other users of natural gas. However, irrespective of measures which could be taken in this case under the above-mentioned Articles, the Commission considers that the problem must be approached on a more general level and that it is consequently necessary, at least to some extent, to harmonize conditions for obtaining fuel supplies for Community horticulture. To this end, the Commission considers it appropriate that any fuel (natural gas, liquefied paraffin gas, diesel oil and residual fuel oil, etc.) should be supplied to horticultural users at the same prices as supplies in similar conditions of supply to users in other sectors. The Commission is aware that such an approach represents merely a partial solution. Nevertheless, it considers that such a measure could be a first useful step towards a more generalised harmonization of fuel prices. The Commission is also of the opinion that such harmonization will at the same time encourage energy saving, an objective on which the Council agreed in its Resolution of 9 June 1980 (1).

4. In these circumstances, the Commission invites the Council to express its agreement in principle on the approach described above by adopting the attached draft Resolution. It reserves the right to submit, if necessary, appropriate proposals on this matter.

(1) OJ No C 149, 18 June 1980, p. 3

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PROPOSAL FOR A RESOLUTION

Having regard to the guidelines set out in a basic programme for energy saving attached to its Resolution of 9 June 1980 concerning new lines of action by the Community in the field of energy saving and, in particular, the principle whereby

"consumer prices should reflect representative conditions on the world market, taking account of longer-term trends"

the Council of the European Communities,

hereby invites the Member States to ensure that the same prices are applied to the supply of any fuel (natural gas, liquefied paraffin gas, diesel oil and residual fuel oil, etc.) to users in the horticultural sector as are supplied to supplies in similar conditions of supply to users in other sectors.