

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(80) 884 final

Brussels, 16th December 1980

RECOMMENDATION FOR A COUNCIL DECISION

on the conclusion of voluntary restraints ~~with Austria, Iceland, Poland and Rumania~~ **SERIALS UNIT**
with Austria, Iceland, Poland und Rumania
in the sheepmeat and goatmeat sector

(presented by the Commission to the Council)

EXPLANATORY MEMORANDUM

1. Following the negotiating brief given to the Commission by the Council on 20 December 1979, voluntary restraint agreements for sheepmeat and goatmeat with Argentina, Australia, New Zealand and Uruguay, and Regulation (EEC) No 1837/80 on the common organisation of the markets in that sector were implemented with effect from 20 October 1980.
2. It was not possible to complete negotiation of comparable agreements at that date with non-member supplier countries which were either waiting for details as to the licence arrangements or were not able to accept a clause concerning the territories where the Treaty establishing the European Economic Community applied, or had not yet replied to the Commission's invitation to open negotiations.
3. As it has been possible meanwhile to resolve these difficulties with Austria, Iceland, Poland and Romania, it is proposed that approval be given to the proposal for a Council Decision on the conclusion of voluntary restraint agreements in respect of exports of sheepmeat and goatmeat from these four non-member countries.
4. The agreements cover the following annual quantities for the Community of Ten, expressed as carcase weight (bone-in equivalent weight):

	<u>Live animals</u>	<u>Fresh or chilled meat</u>	<u>Frozen meat</u>
Austria	300	0	0
Iceland	0	-- (1)	600 (1)
Poland	5 800	200	0
Romania	475	75	0

(1) including a maximum of 10% of fresh or chilled meat

**RECOMMENDATION FOR A
COUNCIL DECISION**

on the conclusion of voluntary restraint Agreements with Austria, Iceland,
Poland and Rumania in the sheepmeat and goatmeat sector

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
and in particular Article 113 thereof,

Having regard to the recommendation from the Commission,

Whereas the Commission has opened negotiations with non-member countries
which supply sheepmeat and goatmeat or live sheep and goats, with a view to
reaching Agreements for voluntary restraint on their exports to the
Community;

Whereas the Commission has reached agreement with Austria, Iceland,
Poland and Rumania;

Whereas the said agreements allow trade to be carried on in a manner
compatible with the common organisation of the markets in the sector in
question.

HAS DECIDED AS FOLLOWS:

Article 1

1. The Agreements drawn up in the form of exchanges of letters on trade
in the sheepmeat and goatmeat sector with the countries listed
hereafter are hereby approved on behalf of the European Economic
Community;

- Austria
- Iceland
- Poland
- Rumania

2. The texts of the Agreements are annexed to this Decision.

Article 2

The President of the Council is hereby authorized to designate the person
empowered to sign the Agreements referred to in Article 1, in order to bind
the Community.

Done at

For the Council
The President

ARRANGEMENT

in the form of an exchange of letters between the European Economic Community and Austria on trade in mutton and lamb.

Sir,

I have the honour to refer to the negotiations recently undertaken between our respective delegations for the purpose of drawing up provisions concerning import into the European Economic Community of mutton, lamb and goatmeat and live sheep and goats other than pure-bred breeding animals from Austria in connection with the implementation by the Community of the common organisation of the market in sheepmeat and goatmeat.

During these negotiations both parties agreed as follows:

1. This arrangement shall relate to:
 - live sheep and goats other than pure-bred breeding animals (subheading 01.04B of the common customs Tariff),
 - fresh or chilled mutton, lamb and goatmeat (subheading 02.01 A IV a)) of the Common Customs Tariff),
 - frozen mutton, lamb and goatmeat (subheading 02.01 A IVb)) of the Common Customs Tariff).

2. Within the terms of this arrangement, the possibilities of export of mutton and lamb and goatmeat from Austria to the Community are fixed at the following annual quantity:

300 tonnes of live animals expressed in carcass weight⁽¹⁾.

In order to ensure the proper functioning of the arrangement, Austria undertakes to implement the appropriate procedures to ensure that the annual quantity actually exported does not exceed the quantity agreed.

(1) 100 kg live weight shall compound to 47 kg carcass weight. (bone-in equivalent weight). (2)

(2) Carcass weight (bone-in equivalent weight). By this term is understood the weight of bone-in meat presented as such as well as boned meat converted by a coefficient into bone-in weight. For this purpose 55kg of boned mutton corresponds to 100 kg of bone-in mutton and 60 kg of boned lamb corresponds to 100 kg of bone-in lamb.

3. Should the Community have recourse to the safeguard clause, it undertakes that Austria's access to the Community as provided for in this arrangement will not be affected.
4. If imports from Austria in any one year exceed the quantities agreed, the Community reserves the right to suspend imports from Austria for the remainder of that year. The quantity overshipped shall be offset against Austria's export entitlement for the following year.
5. The Community undertakes to limit the levy applicable to imports of products covered by the present arrangement to a maximum amount of 10%, ad valorem.
6. At the time of new Member States, the Community, in consultation with Austria, will alter the quantities set out in clause 2, in accordance with Austria's trade with each new Member State. The charges applicable to imports for the said new Member State shall be fixed in accordance with the rules in the Treaty of Accession; the maximum level of the levy specified in clause 5 of this arrangement being taken into account.
7. Austria shall ensure that this arrangement is observed, in particular, by issuing export certificates covering the products referred to in clause 1 within the limits of the quantities covered by this arrangement.

For its part, the Community shall undertake to adopt all necessary provisions to make the issue of the import certificates for the products referred to above, originating in Austria, subject to the presentation of an export certificate, issued by the competent authority designated by the Austrian Government.

Detailed rules for applying this system shall be laid down in such a way as to render unnecessary the lodging of a security for the issue of the import certificate in respect of the products in question.

Also, such detailed rules of application shall provide that the competent Austrian authority shall communicate periodically to the competent authority of the Community the quantities in respect of which export certificates are issued, broken down, where appropriate, according to destination.

8. A Consultative Committee shall be set up composed of representatives from the Community and from Austria. The Committee shall ensure that the arrangement is being properly applied and is functioning smoothly.

It will ensure that the proper application of the arrangement is not affected by the export of mutton and lamb and goatmeat-based products to the Community under customs headings not referred to by the arrangement.

The Committee will discuss all questions which could arise in applying the arrangement and will recommend appropriate solutions to the competent authorities.

9. The provisions of this arrangement shall be agreed without prejudice to the parties' rights and obligations under GATT.
10. The annual quantity fixed in clause 2 refers to the period running from 1 January to 31 December. The quantity applicable as of the implementation of the present arrangement and until 1 January of the following year will be fixed on a pro rata basis in relation to the total annual quantity and will take into account the seasonality of the trade.
11. This arrangement shall apply, on the one hand, to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty and, on the other hand, to the territory of Austria.
12. The arrangement shall enter into force on 1.1.1981. It shall remain in force until 31 March 1984, and shall continue in force thereafter subject to each party having the right to denounce it by giving one year's notice in writing. In any case the provisions of this arrangement will be examined by the two parties before 1 April 1984 with a view to making any adjustment which they agree is necessary.

I should be obliged if you would kindly confirm the agreement of your Government to the foregoing.

Please accept, Sir, the assurance of my highest consideration.

DRAFT
EXCHANGE OF LETTERS

comprising an understanding relevant to clause 2 of the exchange of letters comprising an Agreement between the European Economic Community and Austria on trade in mutton, lamb and goatmeat.

I have the honour to refer to the Agreement in the form of an exchange of letters between the European Economic Community and the Republic of Austria on trade in mutton, lamb and goatmeat.

Further to that exchange of letters and to your request, I would advise you that the Authorities of Austria will ensure that for the period 1 January 1981 to 31 March 1984, there will be no change in the traditional trade flows of mutton, lamb and goatmeat to the market areas in the European Economic Community determined as sensitive.

The authorities of Austria will adopt the necessary measures for this purpose.

DRAFT

EXCHANGE OF LETTERS BETWEEN THE EUROPEAN ECONOMIC
COMMUNITY AND THE REPUBLIC OF ICELAND ON TRADE IN SHEEPMEAT AND GOATMEAT

I have the honour to refer to negotiations recently undertaken between our respective delegations for the purpose of drawing up the provisions concerning import into the Community of mutton, lamb and goatmeat, and live sheep and goats other than purebred breeding animals from Iceland, in connection with implementation by the Community of the common organization of the market in sheepmeat and goatmeat.

During these negotiations, both parties agreed as follows :

1. This arrangement shall relate to:

- fresh or chilled mutton, lamb and goatmeat (02.01 A IV a)
- frozen mutton, lamb and goatmeat (02.01 A IV b)

2. Within the terms of this arrangement, the Republic of Iceland undertakes to ensure that exports to the Community of the products referred to in clause 1 shall not exceed the following annual quantity :

600 tonnes, expressed in carcass weight (1) of which a maximum of 10 % may consist of fresh or chilled meat.

(1) Carcass weight (bone-in equivalent weight). By this term is understood the weight of bone-in meat presented as such as well as boned meat converted by a coefficient into bone-in weight. For this purpose 55 kg of boned mutton corresponds to 100 kg of bone-in mutton and 60 kg of boned lamb corresponds to 100 kg of bone-in lamb.

For this purpose, the appropriate procedures shall be implemented by the competent authorities of the Republic of Iceland.

3. Provided that Iceland's exports do not exceed the quantity agreed, the Community shall not apply any quantitative restriction nor measure of equivalent effect.

Should the Community have recourse to the safeguard clause, it undertakes that the provisions of this arrangement will not be affected.

4. If imports in any one year exceed the quantity agreed, the Community reserves the right to suspend imports from Iceland for the remainder of that year. The quantity overshipped shall be offset against Iceland's export entitlement for the following year.

5. The Community undertakes to limit the levy applicable to imports of products covered by the present arrangement to a maximum amount of 10% ad valorem.

6. At the time of accession of new Member states, the Community, in consultation with Iceland, will alter the quantity set out in paragraph 2, in accordance with Iceland's trade with each new Member state.

The charges applicable to imports for the said new Member States shall be fixed in accordance with the rules in the Treaty of Accession; the maximum level of the levy specified in point 5 of this arrangement being taken into account.

7. Iceland shall ensure that this arrangement is observed, in particular, by issuing export licences covering the products referred to in paragraph 1 within the limits of the quantity covered by this arrangement.

For its part, the Community shall undertake to adopt all necessary provisions to make the issue of the import licence for the products referred to above, originating in Iceland, subject to the presentation of an export licence, issued by the competent authority designated by the Iceland Government.

Detailed rules for applying this system shall be laid down in such a way as to render unnecessary the lodging of a security for the issue of the import licence in respect of the products in question.

Also, such detailed rules of application shall provide that the competent Iceland authority shall communicate periodically to the competent authority of the Community the quantities in respect of which export licences are issued, broken down, where appropriate, according to destination.

8. Both parties agree that steps should be taken by Iceland to ensure that the smooth operation of the arrangement is not affected by deliveries of mutton and lamb and goatmeat-based products falling under customs headings not referred to by the arrangement.
9. In order to ensure the smooth functioning of the arrangement, both parties agree to remain in close contact and to be ready to undertake consultations on any matter relating to its application. The said consultations shall be commenced within a maximum period of 14 days following request by one of the parties.
10. The annual quantity fixed in paragraph 2 refers to the period running from 1 January to 31 December.

The quantity applicable in the period between the entry into force of this arrangement and 1 January of the following year shall be fixed on a pro rata basis in relation to the total annual quantity.

11. This arrangement shall apply, on the one hand, to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty and, on the other hand, to the territory of the Republic of Iceland.
12. The arrangement shall enter into force on 1 January 1981. It shall remain in force until 31 March 1984, and shall continue in force thereafter subject to each party having the right to denounce it by giving one year's notice in writing. In any case the provisions of this arrangement shall be examined by the two parties before 1 April 1984 with a view to making any adjustment which they agree is necessary.

DRAFT

EXCHANGE OF LETTERS

comprising an understanding relevant to clause 2 of the exchange of letters comprising an Agreement between the European Economic Community and Iceland on trade in mutton, lamb and goatmeat

I have the honour to refer to the Agreement in the form of an exchange of letters between the European Economic Community and the Republic of Iceland on trade in mutton, lamb and goatmeat.

Further to that exchange of letters and to your request, I would advise you that the Authorities of Iceland will ensure that for the period 1 January 1981 to 31 March 1984, there will be no change in the traditional trade flows of mutton, lamb and goatmeat to the market areas in the European Economic Community determined as sensitive.

The authorities of Iceland will adopt the necessary measures for this purpose, it being understood that the quantities fixed in the Agreement shall not thereby be affected.

DRAFT

EXCHANGE OF LETTERS BETWEEN
THE EUROPEAN ECONOMIC COMMUNITY AND THE PEOPLE'S REPUBLIC OF POLAND
ON TRADE IN SHEEPMEAT AND GOATMEAT

I have the honour to refer to the negotiations recently undertaken between our respective delegations for the purpose of drawing up provisions concerning import into the European Economic Community of mutton, lamb and goatmeat, and live sheep and goats other than pure-bred breeding animals from the People's Republic of Poland, in connection with implementation by the Community of the common organisation of the market in sheepmeat and goatmeat.

During these negotiations which took place between the two parties who are participants in GATT, our delegations agreed as follows:

1. This Arrangement covers:
 - live sheep and goats other than pure-bred breeding animals (01.04 B);
 - fresh or chilled mutton, lamb and goatmeat (02.01 A IV a);
 - frozen mutton, lamb, and goatmeat (02.01 A IV b).

The two parties agree that steps should be taken to ensure that the smooth operation of the Agreement should not be upset by delivery of sheepmeat and goatmeat products falling under tariff headings not covered by the Arrangement.

2. Within this Arrangement, the scope for imports of sheepmeat and goatmeat and for live sheep and goats from Poland into the Community shall be fixed at the following annual quantities:

5,800 tons of live animals, expressed ⁱⁿ as carcass weight bone-in ⁽¹⁾, 200 tons of fresh or chilled meat, expressed ⁱⁿ as carcass weight bone-in ⁽²⁾.

In order to ensure the smooth operation of the Arrangement, the competent Polish authorities undertake to implement the appropriate procedures to ensure that the quantities actually exported do not exceed the above-mentioned figures.

3. In the case of imports of the products covered by this Arrangement and up to the quantity limits therein laid down, the Community will not apply new quantitative restrictions or measures of equivalent effect nor levy customs duties or taxes of equivalent effect to levies or customs duties exceeding those agreed at Point 5.

Were the Community to invoke the protective clause, it is hereby agreed that the provisions of this Arrangement would not be affected.

4. If imports from Poland exceed the agreed quantities, the Community reserves the right to suspend further imports from that country until the end of the current year. However, in any event, quantities beyond those agreed for the current year shall be deducted from the quantities agreed for the following year.

5. The Community undertakes, on import of products covered by this Arrangement, to limit the amounts levied to the following ad valorem levels:
10% for live animals
10% for meat

(1) 100kg live weight shall correspond to 47kg carcass weight (bone-in equivalent weight)

(2) Carcass weight (bone-in equivalent weight). By this term is understood the weight of bone-in meat / presented as such as well as boned meat converted by a coefficient into bone-in weight. For this purpose 55 kg of boned mutton corresponds to 100 kg of bone-in mutton and 60 kg of boned lamb corresponds to 100 kg of bone-in lamb.

6. On accession of new Member States to the Community, the quantities referred to at Point 2 shall be, as appropriate, adapted by the Community, in consultation between the two parties, to reflect the trade between the People's Republic of Poland and each such new Member State. The quantities shall not be reduced.

The charges to be levied on imports in respect of the said new Member States shall be fixed in accordance with the rules in the Treaty of Accession; the limit on the levy set out in Point 5 of this Arrangement shall be taken into account.

7. The competent Polish authorities shall ensure compliance with this Arrangement, in particular through issue by the competent agency which they shall designate for the purpose, of export licences applicable to the products referred to at Point 1, up to the maximum agreed quantity.

The Community agrees to take all the necessary measures to make automatic issue of an import licence, no later than release from customs bond, for the above-mentioned products originating in Poland subject to production of an export licence issued by the competent Polish authority.

Detailed rules for the implementation of this system shall be drawn up so that the lodging of a security for the issue of import licences in respect of the products in question shall be unnecessary. These detailed rules shall also provide that the competent Polish authorities and the competent Community authorities shall undertake periodical exchanges of information in respect of the quantities in respect of which export and import licences have been issued, broken down according to destination as appropriate, as well as in respect of quantities which have actually been shipped.

It is hereby agreed that export licences will be valid for three months with effect from their date of issue. The corresponding import licences shall be valid until the date of expiry of the export licences.

Quantities delivered under an export licence shall be deducted from the quantity agreed in respect of the year during which the export licence was issued.

8. In order to ensure the smooth operation of this Arrangement, the two parties shall take the appropriate measures and agree to remain in close contact and to be ready to undertake consultation in respect of any question which might arise while this Arrangement applies. Consultation must commence within a maximum of 14 days after a request by one of the parties.

9. The annual quantity fixed at Point 2 shall cover the period 1 January to 31 December.

The quantity applicable as from the date of implementation of this Arrangement up to 1 January of the following year shall be fixed by consultation between the two parties in proportion to the total annual quantity, adjusted to reflect the seasonal trend in Polish deliveries of the products in question during the year.

10.

This Agreement shall apply, on the one hand, to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty and, on the other hand, to the *territory of the People's Republic of Poland.*

11. This Arrangements shall enter into force on *1.1.1981*. It shall apply until 31 March 1984. It shall thereafter be automatically extended for periods of 1 year, subject to the right of either party to terminate it by notice in writing given six months before the date of expiry of any one of the said periods. In the case of termination, the Arrangement shall expire at the date of expiry of the period in question. In any case, the provisions of this Arrangement shall be reviewed by the two parties before 1 April 1984 for the purpose of incorporating any adaptation which might seem necessary for its extension.

I would be grateful to you if you would confirm to me that the foregoing correctly expresses what our two delegations agree in this respect.

Formal ending.

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D R A F T

EXCHANGE OF LETTERS RELEVANT TO THE CONSULTATIONS FORESEEN AT
POINT 8 OF THE EXCHANGE OF LETTERS BETWEEN THE EUROPEAN ECONOMIC
COMMUNITY AND THE PEOPLE'S REPUBLIC OF POLAND ON TRADE IN
SHEEPMEAT AND GOATMEAT

Since it was not possible to reach sufficiently precise solutions to some questions raised by Poland during the negotiations for this Arrangement, it was agreed during the negotiations that, during the consultations provided for in Point 8 of the exchange of letters, if Poland were to raise any concrete problems, the following points could be covered by the said consultations without prejudice to the terms of Point 8:

1. cases of force majeure;
2. supply of live animals within the quantity agreed for meat;
3. in cases where the quantity agreed for a given year was entirely taken up, advance use, at the end of the current year, of a limited proportion of the quantity agreed for the following year;
4. use of the agreed quantities for the purposes of export of frozen meat of Polish origin to the Community;
5. the possibility of allowing imports of quantities over and above those fixed in Point 2 of the Arrangement if the Community market were to require additional imports.
6. the possibility of delivering export and import certificates for quantities above those agreed, in so far as the quantities actually imported are below those for which import certificates have been delivered.

For its part, the Community would be prepared to undertake the said consultations in a spirit of cooperation in respect of any requests put forward by Poland.

Furthermore, I can hereby confirm to you the following declaration made by the Community during the above-mentioned negotiations:

- imports into the Community of products covered by the Arrangement shall not be subject to the quantitative limits set out in Point 2 of that Arrangement provided that they are re-exported from the Community either without further processing or after processing under the relevant Community system.

Formal ending.

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D R A F T

EXCHANGE OF LETTERS RELEVANT TO CLAUSE 2
OF THE EXCHANGE OF LETTERS BETWEEN THE EUROPEAN
ECONOMIC COMMUNITY AND THE PEOPLE'S REPUBLIC OF
POLAND ON TRADE IN SHEEPMEAT AND GOATMEAT

I have the honour to refer to the exchange of letters between the European Economic Community and Poland on trade in mutton, lamb and goatmeat.

Further to that exchange of letters and to your request, I would advise you that the Polish authorities will ensure that for the period 1 January 1981 to 31 March 1984, there will be no change in the traditional trade flows of mutton, lamb and goatmeat and live sheep and goats to the market areas in the European Economic Community determined as sensitive.

The Polish authorities will adopt the necessary measures for this purpose.

Formal ending.

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DRAFT

EXCHANGE OF LETTERS BETWEEN
THE EUROPEAN ECONOMIC COMMUNITY AND THE SOCIALIST REPUBLIC OF ROMANIA
ON TRADE IN SHEEPMEAT AND GOATMEAT

During the negotiations recently undertaken between our respective delegations for the purpose of drawing up provisions concerning import into the European Economic Community of mutton, lamb and goatmeat, and live sheep and goats other than pure-bred breeding animals from the Socialist Republic of Romania, in connection with implementation by the Community of the common organisation of the market in sheepmeat and goatmeat, our delegations agreed as follows:

1. This Arrangement covers:

- live sheep and goats other than pure-bred breeding animals (01.04 B);
- fresh or chilled mutton, lamb and goatmeat (02.01 A IV a);
- frozen mutton, lamb, and goatmeat (02.01 A IV b).

2. Within the terms of this arrangement, the competent authorities of the Socialist Republic of Romania undertake to ensure that exports to the Community of the products referred to in clause 1 shall not exceed the following annual quantities:

475 tonnes of live animals, expressed in carcass weight bone-in⁽¹⁾

75 tonnes of fresh or chilled meat, expressed in carcass weight bone-in⁽²⁾

(1) 100 kg live weight shall correspond to 47 kg carcass weight (bone-in equivalent weight).

(2) Carcass weight (bone-in equivalent weight). By this term is understood the weight of bone-in meat presented as such as well as boned meat converted by a coefficient into bone-in weight. For this purpose 55 kg of boned mutton corresponds to 100 kg of bone-in mutton and 60 kg of boned lamb corresponds to 100 kg of bone-in lamb.

For this purpose, the appropriate procedures shall be implemented by the competent authorities of the Socialist Republic of Romania.

3. Provided that Romania's exports do not exceed the quantities mentioned in point 2, the Community shall not apply any quantitative restriction nor measure of equivalent effect.

Should the Community have recourse to the safeguard clause, it undertakes that the provisions of this arrangement will not be affected.

4. If imports from Romania exceed the agreed quantities, the Community reserves the right to suspend further imports from that country until the end of the current year. However, in any event, quantities beyond those agreed for the current year shall be deducted from the quantities agreed for the following year.

5. The Community undertakes, on import of products covered by this Arrangement, to limit the amounts levied to the following ad valorem levels:
10% for live animals
10% for meat

The Community will not charge apart from the above mentioned levies, customs duties or other taxes of equivalent effect to levies or to customs duties.

6. On accession of new Member States to the Community, and if justified by the trade between the Socialist Republic of Romania and each such new Member State, the Community accepts consultations between the two parties in order to adapt, if appropriate, the quantities set out in point 2. The quantities set out in point 2 shall not be reduced.

The charges to be levied on imports in respect of the said new Member States shall be fixed in accordance with the rules in the Treaty of Accession; the limit on the levy set out in Point 5 of this Arrangement shall be taken into account.

7. In taking account of the objectives and provisions of this arrangement the Community agrees that any actual implementation of refunds or any other form of assistance with respect to exports of mutton, lamb and live sheep and lamb intended for slaughter will apply only at prices and on conditions which comply with existing international obligations and in respect of the traditional shares of the Community of world export trade in these products. These words shall be interpreted in a manner consistent with Article XVI of GATT and in particular in conformity with Article 10(2)(c) of the Agreement on interpretation and application of Articles VI, XVI and XXIII of the General Agreement on tariffs and trade.

8. The competent authorities of Romania shall ensure that this arrangement is observed, in particular, by issuing export licences covering the products referred to in paragraph 1 within the limits of the quantity covered by this arrangement.

For its part, the Community shall undertake to adopt all necessary provisions to make the issue of the import licence for the products referred to above, originating in Romania, subject to the presentation of an export licence, issued by the competent Romanian authority.

Detailed rules for applying this system shall be laid down in such a way as to render unnecessary the lodging of a security for the issue of the import licence in respect of the products in question.

Also, such detailed rules of application shall provide that the competent authority of Romania shall communicate periodically to the competent authority of the Community the quantities in respect of which export licences are issued, broken down, where appropriate, according to destination.

It is hereby agreed that export licences will be valid for three months with effect from their date of issue. The corresponding import licences shall be valid until the date of expiry of the export licences.

Quantities delivered under an export licence shall be deducted from the quantity agreed in respect of the year during which the export licence was issued.

9. Both parties agree that steps should be taken by Romania to ensure that the smooth operation of the arrangement is not affected by deliveries of mutton and lamb and goatmeat-based products falling under customs headings not referred to by the arrangement.

10. In order to ensure that smooth operation of this Arrangement, the two parties shall take the appropriate measures and agree to remain in close contact and to be ready to undertake consultation in respect of any question which might arise while this Arrangement applies. Consultation must commence within a maximum of 14 days after a request by one of the parties.

11. The provisions of this arrangement shall be agreed without prejudice to the parties' rights and obligations under GATT.

12. The annual quantity fixed at Point 2 shall cover the period 1 January to 31 December.

The quantity applicable as from the date of implementation of this Arrangement up to 1 January of the following year shall be fixed by consultation between the two parties in proportion to the total annual quantity.

13. This arrangement shall apply, on the one hand, to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty and, on the other hand, to the territory of the Socialist Republic of Romania.

14. This Arrangement shall enter into force on 1 January 1981. It shall apply until 31 March 1984. It shall thereafter be automatically extended for periods of 1 year, subject to the right of either party to terminate it by notice in writing given six months before the date of expiry of any one of the said periods. In the case of termination, the Arrangement shall expire at the date of expiry of the period in question. In any case, the provisions of this Arrangement shall be reviewed by the two parties before 1 April 1984 for the purpose of incorporating any adaptation which might seem necessary for its extension.

I would be grateful to you if you would confirm to me that the foregoing correctly expresses what our two delegations agree in this respect.

Formal ending.

DRAFT

EXCHANGE OF LETTERS RELEVANT TO CLAUSE 10 OF THE
EXCHANGE OF LETTERS BETWEEN THE EUROPEAN ECONOMIC COMMUNITY
AND THE SOCIALIST REPUBLIC OF ROMANIA ON TRADE IN SHEEPMEAT AND GOATMEAT

With reference to the exchange of letters between the European Economic Community and the Socialist Republic of Romania on trade in sheepmeat and goatmeat, the two parties agreed that the following specific point could be covered by the consultation foreseen in clause 10 of that exchange of letters, without prejudice to the terms of that clause:

- the possibility of allowing, at the conditions laid down in the arrangement, imports of quantities over and above those fixed in clause 2 of the arrangement if the Community market were to require additional imports.

Formal ending.

D R A F T

EXCHANGE OF LETTERS RELEVANT TO CLAUSE 2
OF THE EXCHANGE OF LETTERS BETWEEN THE EUROPEAN
ECONOMIC COMMUNITY AND THE SOCIALIST REPUBLIC OF
ROMANIA ON TRADE IN SHEEPMEAT AND GOATMEAT

I have the honour to refer to the exchange of letters between the European Economic Community and Romania on trade in mutton, lamb and goatmeat.

Further to that exchange of letters and to your request, I would advise you that the competent Romanian authorities will ensure that for the period 1 January 1981 to 31 March 1984, there will be no change in the traditional trade flows of mutton, lamb and goatmeat and live sheep and goat from Romania to the market areas in the European Economic Community determined as sensitive.

The Romanian authorities will adopt the necessary measures for this purpose.

Formal ending.

FINANCIAL STATEMENT

DATE : 3.12.1980

1. BUDGET LINE CONCERNED : 736

2. ACTION : Conclusion of voluntary restraint agreements for exports from Austria, Iceland, Poland and Romania of sheepmeat and goatmeat including the limitation of import charges to the maximum ad valorem amounts of 10% for live animals and 10% for fresh and chilled meat.

3. LEGAL BASIS : Art. 113

4. OBJECTIVES : Limiting the levies charged to the maximum ad valorem amounts of 10% for the products covered by Regulation 1837/80 from the four countries referred to under 2, which agree not to export greater quantities than those under 5.2.

5. FINANCIAL CONSEQUENCE	FOR THE MARKETING YEAR	CURRENT FINANCIAL YEAR ()	FOLLOWING FINANCIAL YEAR ()
5.0 EXPENDITURE			
CHARGED TO THE EC BUDGET CREDITS/INTERVENTIONS XXXXXXXXXXXXXXXXXXXXXX CHARGED TO THE NATIONAL BUDGET XXXXXXXXXXXXXXXXXXXXXX			
5.1 RECEIPTS		- 963 000 ECU	- 963 000 ECU
-OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)			
-NATIONAL			

YEAR YEAR YEAR

5.0.1 PLURIANNUAL PATTERN OF EXPENDITURE
5.1.1 PLURIANNUAL PATTERN OF RECEIPTS

5.2 METHOD OF CALCULATION (Base: world price for meat and live animals 2 400 ECU per tonne for frozen meat: 1 800 ECU per tonne)

Fresh/frozen meat	Live animals loss of revenue: 5% from the customs duty applicable until 20.10.80.
Loss of revenue: 10% from customs duty applicable until 20.10.80	

AUSTRIA : 300 tonnes live animals		36 000 ECU
ICELAND : 600 tonnes frozen meat	108 000 ECU	
POLAND : 5 800 tonnes live animals		696 000 ECU
200 tonnes fresh meat	48 000 ECU	
Romania : 475 tonnes live animals		57 000 ECU
75 tonnes fresh meat	18 000 ECU	

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6.

COMMENTS :