

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(74) 567 final

Brussels, 26 April 1974

Proposal for a

COUNCIL REGULATION (EEC)

temporarily ~~s~~suspending the autonomous duties in
the Common Customs Tariff on a number of agricultural
products

(submitted to the Council by the Commission)

COM(74) 567 final

EXPLANATORY MEMORANDUM

(1) At its meetings on 5, 25 and 26 March 1974 the Joint Group of government experts which meets under the aegis of the Commission to study economic problems relating to the Common Customs Tariff examined :

- the advisability of extending, for certain agricultural products, the suspensions of duties which are due to expire on 15 or 30 June 1974
- new applications submitted by certain Member States for the suspension of common customs duties on agricultural products from 1 July, 1 September or 15 October 1974.

(2) The applications submitted concerned products in respect of which the Member States concerned considered that a provisional reduction of autonomous duties in the Common Customs Tariff was justified for economic reasons, owing to the non-existence or inadequacy of production in the Community.

The above-mentioned group favoured unanimously the total or partial suspension of common customs duties on the products, which are the subject of the proposal for a Regulation annexed hereto.

(3) The Commission proposes a suspension of duties on the products in question chiefly for the following reasons :

(a) Fish

The Community's processing industry for fish is not adequately supplied by Community fishermen. Community catches are becoming increasingly smaller, so that some Member States have become dependant on large quantities of imports from third countries. Nevertheless, the duties applicable to these fish (basic materials for preservation in particular) reduce the competitiveness of the industries concerned.

Suspensions of duties are intended to enable the processing industry to compete with suppliers of finished products from third countries whose prices are more competitive. In addition, suspensions of duties could check the constant increase in the prices of processed fish.

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The following table, based on the available statistical data, could serve to illustrate the economic situation in this sector in the Member States submitting applications for suspensions of duties.

Federal Republic of Germany (1973)

Description of products	Needs (in metric tonnes)	Supplies (in metric tonnes)	Imports from the Six original EEC States (in metric tonnes)	Imports from the new Member States (in metric tonnes)	Imports from third countries (in metric tonnes)
Mackerel, fresh, chilled or frozen	x	x	1,574	2,845	2,903
Salmon, fresh, chilled or frozen	2,200	99	4	626	1,471
Salted Salmon					
Piked dog-fish, fresh, chilled or frozen	2,895	228	38	551	2,078
Black halibut, fresh, chilled or frozen	6,553	1,524	3	814	4,212
Coalfish, salted or in brine	1,785	0	30	152	1,603
Sprats, salted or in brine	x	x	28	0	321
Anchovies, salted or in brine	x	x	28	0	321
Soluble products of fish	x	x	795	23,858	18,656

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x Figures not available.

France (1973)

Description of products	Needs (in metric tonnes)	Supplies (in metric tonnes)	from the Six original EEC States (in metric tonnes)	Imports from the new Member States (in metric tonnes)	from third countries (in metric tonnes)
Anchovies salted or in brine	6,347	2,000	10	0	4,337
Crawfish frozen and chilled	2,879	630	13	162	2,074

Benelux (1972)

Crabs	x	x	65	38	1,108
Shrimps	4,610	779	2,335	140	1,356

As this situation is not expected to change in the near future, duties must be suspended for one year, i.e. from 1 July 1974 to 30 June 1975.

As mackerel are exempt from the Common Customs Tariff from 15 February to 15 June, it is proposed that the duty on these fish be suspended for the period 16 June 1974 to 14 February 1975.

In the case of sardines (*Clupea pilchardus* Walbaum), suspension of duty has been requested on seasonal grounds for the period 1 September 1974 to 31 March 1975.

In the case of most fishery products the current suspension of duties which is due to expire on 30 June 1974 is to be prolonged. In the case of crawfish, frozen or chilled a new tariff measure is to be introduced.

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(b) Oysters weighing no more than 12 g each; oysters of the "Cassostrea gigas" variety weighing more than 100 g each

As a result of pollution along the Atlantic coast in particular, a very high mortality rate has been recorded in the oyster farms. As it takes several years to reconstitute the farms and due to increased consumption, it is impossible at present to obtain sufficient mother oysters and spat with a sufficiently high resistance and a fast rate of growth on the Community market; these products must therefore be imported from third countries, in particular Japan.

Not only must oyster farms be reconstituted but they must also continue to grow, in view of the constantly increasing demand for adult oysters.

In order to meet her needs in 1973, France imported 250 metric tonnes of oyster spat weighing not more than 12 g each from the Community as originally constituted as well as 40 metric tonnes from the new Member States and had to import 2,336 metric tonnes from third countries. During the same period, she imported 170 metric tonnes of oysters of the *Cassostrea gigas* variety from third countries (Canada). In view of the situation it would seem necessary to prolong the current total suspension of duties until 30 June 1975.

(c) Chantarelles, bilberries and rose-hips

The needs of the Community processing industry for these products must be covered by imports from third countries. For example, the statistical data (1973, in metric tonnes) for the Federal Republic of Germany are as follows (not available for rose-hips) :

Description of products	Needs (in metric tonnes)	Imports		
		from the Six original EEC States (in metric tonnes)	from the new Member States (in metric tonnes)	from third countries (in metric tonnes)
Chantarelles	1,888	2	0	1,886
Bilberries	3,365	1,192	0	2,173

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Customs protection does not seem necessary for economic reasons because the high wages for picking the products make domestic production impossible. Suspension of duties will enable the Community's processing industry to compete with offers of finished products from third countries whose prices are more favourable. It would therefore seem sufficient to prolong the current suspension of duties (chantarelles : 4%; bilberries : 4% and rose-hips: 0%) until 30 June 1975.

(d) Dates

French packers found it difficult to obtain supplies particularly from Algeria and Tunisia. Since these countries reserve their production for local packers, these products must be imported from third countries, whence, for example, 17,601 metric tonnes were imported in 1973.

As a result of these supplies the packing industry has been able to survive and ensure a satisfactory level of employment with jobs for approximately 3,000 workers in a region - the South - where employment opportunities are very limited. As the situation is not changing, the Commission considers it necessary to prolong until 30 June 1975 the total suspension of duties.

(e) Saffron

There is only minimal production of this product within the Community, but there is nevertheless a processing industry, particularly in France, which needs 5,3 metric tonnes a year. Given that during the past few years the price of imported saffron has risen considerably, there is a danger of an increasingly more marked disaffection for saffron becoming noticeable and consequently the activity of the processing industry ceasing. It would therefore seem desirable to prolong until 30 June 1975 the suspension of duty at the present level of 10% for this product.

(f) Ground paprika

This product is mixed with feeding stuffs for laying hens and is not a substitute for any other agricultural product used for the same purpose. Community needs with regard to this product must be covered entirely by imports from third countries. For example, the Federal Republic of Germany had to import 1,630 metric tonnes of paprika from third countries in 1973.

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In the interests of the competitiveness of the Community's production of animal feeding stuffs, the current total suspension of duties must be prolonged until 30 June 1975.

(g) Bitter or Seville oranges

The Community's processing industry has an urgent need for this basic product, the production of which is fairly limited. Italy is unable to supply this industry sufficiently so that the latter is dependant on imports from Spain. For example : the needs of the industry in question in the Benelux countries in 1972, 860 metric tonnes, could be covered only partially by supplies from the Community (182 metric tonnes). This industry had to import 678 metric tonnes from third countries, hence the proposal to prolong until 30 June 1975 the suspension of duties at the present level of 4%.

(h) Dried apricots

The agreement between the Community and Iran which expired on 30 November 1973 provided for a partial suspension of duties on dried apricots. Given that the new commercial agreement, for which negotiations are at present taking place, will eventually contain the same tariff measure, it seems appropriate not to disturb the trade and for this reason the Common Customs duty for this product has been unilaterally suspended from 1 December 1973 to 30 June 1974. It is therefore desirable, for the same reasons, to prolong this unilateral suspension of the customs duty until 30 June 1975.

(i) Christmas trees

The needs of the Federal Republic of Germany for cut Christmas trees cannot be met in sufficient quantities from internal sources (14 million firs). It is therefore necessary to import an additional 2 million firs, mainly from Denmark.

Given that the duty rates for the Community as originally constituted with regard to Denmark have only been reduced by 40% up to now, the customs receipts from imports of firs from Denmark still amount to 6% of their value. Since the deliveries from Denmark cannot be compensated for by the other Member States, the duties are causing a rise in the prices on the German market.

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The temporary suspension of the duties of the Common Customs Tariff may be considered as an efficient method of avoiding an eventual rise in the prices of Christmas trees.

(k) Shelled cashew nuts (for lack of time, this part of the proposal could not be discussed by the Group)

In its communication to the Council on "implementation of the Declaration of Intent concerning the commercial relations with certain Asian countries" (Doc. COM(73)1801 final of 24 October 1973), the Commission proposed total suspension of the CCT duty on this product. The following reasons for the proposal were given :

"The sole Asian supplier of shelled cashew nuts is India. This country's exports of the Commodity cover 45% and 67% respectively of the imports of the Six and of the United Kingdom.

Cashew nuts are practically not grown in India, but imported from Tanzania for processing by hand, thereby providing employment in an area where social conditions are particularly poor. Furthermore, India's exports do not seem to compete with any of the associated or associable countries in Africa. In the circumstances, therefore, it would appear reasonable to place all suppliers on an equal footing, and the Commission recommends to this end a total suspension of the CCT duty which at present amounts to 2.5%. Inclusion under the GSP is not sufficient, as the product is not of Indian origin."

So as to avoid delaying the signing of the Commercial Cooperation Agreement with India, the proposed tariff measure was not, as originally planned, included in the Agreement. For this reason, the Commission now proposes that the product in question be added, in the Annex to the Regulation, to the list of products for which a 12-months suspension of duty is provided.

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(4) Taking into account the suspension of the duties of the Common Customs Tariff for the products concerned, the new Member States should suspend their tariffs for the period envisaged in conformity with Article 39 paragraph 2 of the Act concerning the conditions of Accession.

The group also examined the possibility of suspending common customs duties on the following products :

<u>Heading No</u>	<u>Description of goods</u>
03.01 B I h) 1	Cod (<i>Gadus morrhuas</i> or <i>Gadus callarias</i>), fresh or chilled, whole, headless or in pieces intended for the production of fillets
03.01 B I i) 1	Coalfish (<i>Pollachius virens</i> or <i>Gadus virens</i>), fresh or chilled, whole, headless or in pieces intended for the production of fillets
03.01 B I k) 1	Haddock, fresh or chilled, whole, headless or in pieces intended for the production of fillets
ex 08.05 A II	Almonds, fresh or dried, shelled or peeled but not shredded or chopped.

Unanimity within the group could not be reached on this point. The Commission, for its part, is not in favour of proposing a suspension of duties on these products at present for the following reasons.

(a) Cod, coalfish, haddock, fresh or chilled, fresh, chilled or frozen

The delegations of most Member States stated that they were against a suspension of common customs duties for these fish. The reasons given concern the availability of these fish on the market of the Community or the risk of disturbing the market of a Member State for whom fishing is specially important.

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In these conditions it seems inappropriate for the Commission to propose a suspension for the above-mentioned fish.

(b) Almonds

Following the poor harvest in the Community in 1973, the customs duty for this product was partially suspended from 1 October 1973 to 30 June 1974. A continuation of this measure until 30 September 1974, that is to say the date when the new Community Crop will become available, would upset the opportunities for the new Community Crop.

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic
Community, and in particular Article 43 thereof ;

Having regard to the proposal from the Commission ;

Having regard to the Opinion of the European Parliament ;

Whereas production in the Community of the products specified in
this Regulation is currently inadequate or non-existent and
whereas producers thus cannot meet the needs of user industries
in the Community ;

Whereas it is in the interest of the Community in certain cases
partially to suspend the autonomous duties in the Common Customs
Tariff because these goods are produced in the Community, and in
other cases to effect total suspensions ;

Whereas in view of the difficulty of assessing accurately short-term
trends in the economic situation in the relevant sectors, suspension
measures should be taken only for temporary periods the length of
which is to be determined by reference to the interests of Community
production ;

HAD ADOPTED THIS REGULATION :

Article 1

The autonomous duties in the Common Customs Tariff for the products
listed in the tables annexed to this Regulation shall be suspended
at the level indicated in respect of each of them.

These suspensions shall be applicable :

- from 16 June 1974 to 14 February 1975 for the product listed in Table I ;
- from 1 July to 31 December 1974 for the products listed in Table II ;
- from 1 July 1974 to 30 June 1975 for the products listed in Table III ;
- from 1 September 1974 to 31 March 1975 for the product listed in Table IV ;
- from 15 October to 31 December 1974 for the product listed in Table V.

Article 2

This Regulation shall enter into force on the third day following 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
The President

ANNEX

Table I

CCT heading No	Description of goods	Rate of duty (autonomous)
ex 03.01 B I m) 2	Mackerel, fresh, chilled or frozen, whole, headless, or in pieces, intended for the processing industry (a)	5 %

Table II

CCT heading No	Description of goods	Rate of duty (autonomous)
ex 08.02 A II a) and b)	Bitter or Seville oranges, fresh or dried	8 %

Table III

CCT heading No	Description of goods	Rate of duty (autonomous)
03.01 A I b)	Salmon, fresh, chilled or frozen	total suspension
ex 03.01 B I c)	Piked dog-fish (<i>Squalus acanthias</i>), fresh, chilled or frozen, whole, headless or in pieces	total suspension
ex 03.01 B I g)	Black halibut (<i>Hippoglossus reinhardtius</i>), fresh, chilled or frozen, whole, headless or in pieces	total suspension
ex 03.01 B I q)	<i>Sardinops sagax sardinops ocellata</i> (pilchards), fresh, chilled or frozen, whole, headless or in pieces, intended for the processing industry (a)	8c%

.../..

(a) This suspension shall be subject to such conditions as may be determined by the competent authorities.

ex 03.01 B I q)	Sturgeons, fresh, chilled or frozen, whole, headless or in pieces, intended for the processing industry (a)	8 %
ex 03.02 A I c)	Anchovies (<i>Engraulis</i> sp.p.) salted or in brine, whole, headless or in pieces, in barrels or other containers of a net capacity of 10 kg or more	total suspension
03.02 A I c)	Salmon, salted or in brine, whole, headless or in pieces	total suspension
ex 03.02 A I f)	Sprats, salted or in brine, whole, headless or in pieces	total suspension
ex 03.02 A I f)	Coalfish (<i>gadus virens</i>), salted or in brine, whole, headless or in pieces, in immediate packings of a net capacity of : a) 47 kg to 57 kg inclusive and containing at most 50 fish halves b) more than 57 kg and containing at most 60 fish halves	7 %
ex 03.03 A I	Crawfish meat, chilled or frozen, shelled or not	total suspension
ex 03.03 B I b)	Oysters, fresh (living), weighing no more than 12 g each	total suspension
ex 03.03 B I b)	Oysters, fresh (living), of the "crassostrea gigas" variety weighing more than 100 g each	total suspension
ex 07.01 Q II	Chantarellles, in fresh or chilled state	4 %
ex 08.01 A	Dates, fresh or dried, in immediate packings of a net capacity not exceeding 35 kg, for repacking, under customs or equivalent (administrative control, for retail sale (a)	total suspension
ex 08.01 F	Shelled cashew nuts	total suspension

(a) This suspension shall be subject to such conditions as may be determined by the competent authorities.

08.08 C	Bilberries, fresh	4 %
ex 08.09	Rose-hips, fresh	total suspension
ex 08.10 B	Bilberries, cooked or uncooked, preserved by freezing, without added sugar	4 %
08.12 A	Dried apricots	6 %
ex 09.04 B I	Paprika, ground, for use in animal feedingstuffs (a)	total suspension
09.10 C I	Saffron, neither crushed or ground	10 %
ex 16.04 C II	Spiced herrings, packed in barrels (semi-preserved) for the processing industry (a)	total suspension
ex 16.05 A	Crabs of the "King", "Hanasaki", "Legend" and "Queen" varieties, simply boiled in water and shelled, whether or not broken, in packings of a net capacity of 2 kg or more, intended for the processing industry concerned with products fal- ling within heading No 16.05 (a)	10 %
23.07 A	Fish or marine mammal solubles	2 %

Table IV

CCT heading No	Description of goods	Rate of duty (autonomous)
ex 03.01 B I d)	Sardines (<i>Clupea pilchardus</i> Walbaum), fresh, chilled or frozen, whole, of a length of 20 cm or more	total suspension

.../...

(a) This suspension shall be subject to such conditions as may be determined by the competent authorities.

Table V

GCT heading No	Description of goods	Rate of duty (autonomous)
ex 06.04 B I	Natural Christmas trees (firs) unfit for replanting	total suspension