

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(77) 137 final

Brussels, 21 April 1977

Proposal for a

COUNCIL REGULATION (EEC)

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

(submitted to the Council by the Commission)

COM(77) 137 final

EXPLANATORY MEMORANDUM

A.

At its meetings on 26/27/28 January 1977 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 30 June 1977, and
- new applications submitted by certain Member States for the suspension of common customs duties on agricultural products from 1 July 1977.
- 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 of inadequacy of production in the Community.

B.

Following the requests from Member States and after examining them, the Commission has taken into account the particular economic situations concerning the products in question. The table attached to this Explanatory Memorandum could serve to illustrate the economic situation in this sector. The figures reflect the situation only of those Member States which tabled the suspension request. There are no Community statistics available and the Statistical Office of the Commission will not be able to supply figures in the foreseeable future.

1) 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 dependent 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.

Suspension 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.

As this situation is not expected to change in the near future, duties, as a general rule, must be suspended for one year, i.e. from 1 July 1977 to 30 June 1978.

In the case of sardines (*Clupea pilchardus* Walbaum), suspension of duty has been requested on seasonal grounds for the period 1 September 1977 to 31 March 1978.

In the case of most fishery products the current suspension of duties which is due to expire on 30 June 1977 is to be prolonged. In the case of herring fillets, a new tariff measure is to be introduced.

For this item the Commission proposes a total suspension on condition that the existing ban on herring fishing in the North Sea is prolonged from 1 July to 31 December 1977.

2) 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 of growth on the Community market; these products must therefore be imported from third countries, in particular Japan and Canada. In view of the situation it would seem necessary to prolong the current total suspension of duties until 30 June 1978.

3) Mushrooms, bilberries and rose-hips and Cranberries

The needs of the Community processing industry specially in Germany for these products must be covered by imports from third countries.

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 adequate to prolong the current suspension of duties until 30 June 1978.

4) Dried red peppers

Dried red peppers are used by United Kingdom processors in a variety of prepared food products (particularly dried convenience meals). The import duty is therefore an unnecessary burden on production costs and increase food prices to consumers.

5) Dried white Beans

The needs of the Community for these products cannot be covered by the Community harvest. For this reason, the United Kingdom will have to meet its needs for these vegetables by imports from third countries, specially in Canada and the USA. White dried beans were subject to serious price increase in 1976 and because of the inadequacy of the harvest, these prices continue to rise in 1977. The suspension of the duty would allow the processing industry of this vegetable to keep the eventual price rises down to the minimum, in line with the desire to control inflation. In these circumstances, it would seem appropriate for the Commission to act upon the United Kingdom request for total suspension of the duty for 12 months.

6) Dates

- a) 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 other third countries. 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 1978 the total suspension of duties.

- b) It seems appropriate to the Commission to extend, following the request of the German Federal Republic, this suspension of customs duties to frozen dates, for which considerable requirements exist.
- c) The Community processing industry has to supply itself with fresh or dried dates for the production of sauces, pickles and various types of bakery products, by imports from third countries. For the British industry alone, great quantities of this product are imported annually from Iran and Iraq. One of the Member States is concerned that these dates may, regrettably, be used for alcohol production, this can be avoided by a special destination clause and a strict control of use by national Administrations. In the interests of the competitiveness of Community industry mentioned above, it seems to be now opportune to continue the total suspension currently in force, for this product for a period of one year.

7) Saffron

There is only minimal production of this product within the Community, but there is nevertheless a processing industry, particularly in France. 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 1978 the suspension of duty for this product.

8) 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 and specially those of Germany with regard to this product must be covered entirely by imports from third countries. 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 1978.

9) Christmas trees

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

Given that the duty rates for the Community as originally constituted with regard to Denmark have only been reduced by 80% up to now, the customs receipts from imports of firs from Denmark still amount to 2% of their value. The temporary suspension of the duties of the Common Customs Tariff may be considered as a method of avoiding an eventual rise in the prices of Christmas trees.

- 10) In the framework of an examination of a Commission proposal for a temporary duty suspension for agricultural items the Parliament (resolution of 14.11.1975, OJ No C 280 of 8.12.1975, p. 71) wished that a permanent duty reduction should be envisaged for those products which are subject to a suspension for several years.

The Commission is studying this suggestion, and if appropriate, it will make a proposal to the Council.

- 11) For information of the Council and of the Parliament which has asked for it (report of the Agricultural Commission of 12.11.1975, doc. 370/75) the following principles of the Commission are reiterated. The Commission proposes a total suspension for those products for which Community production does not exist or is minimal. A partial suspension is proposed in cases where the Community production covers only a part of the requirements. The volume of the suspension depends on the extent of the possible supply of the Community users.

The Commission is always looking for the right balance between the interests of the users and those of the suppliers in the Community.

Furthermore the Commission tries to propose measures which are suitable to facilitate an agreement of the Member States and which often -- represents a compromise.

C.

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

CCT-heading	Description of goods	CCT-rate
1) ex 03.01 B I h)	Cod (Gadus morrhua or Gadus callarias) fresh chilled or frozen, whole headless or in pieces, intended for the processing industry	15%
ex 03.01 B ij)	Coalfish (Pollachius virens or Gadus virens) fresh chilled or frozen, whole headless or in pieces, intended for the processing industry	15%
ex 03.01 B I k)	Haddock fresh chilled or frozen, whole headless or in pieces, intended for the processing industry	15%
ex 03.01 B I m) 2	Maekereel fresh chilled or frozen, whole headless or in pieces of a weight of not less than 400 g each, intended for the processing industry	20%
2) ex 03.02 A I f)	Saithe (Pollachius virens or Gadus virens), salted or in brine, whole headless or in pieces.	12%

In this respect the Commission does not agree to proposing a suspension of duties for these products at this stage for the following reasons :

Goods under item 1)

Present or future fishery negotiations should not be disturbed by granting a duty suspension.

Goods under item 2)

For these goods the Community is granting a restitution so that a prolongation of the duty suspension is not appropriate.

D.

CONCLUSION

The Commission, pursuant to Article 43 of the Treaty proposes to the Council taking measures for suspension of common customs tariff duties on products appearing in the Annex to this regulation. For most of these products the government experts of the Member States have already shown unanimous agreement in their preparatory work in the "Economy Tariff Problems" Group. For the rest, the mechanism of Article 43 makes it possible to adopting the required measures by a qualified majority.

CCT-heading	Description	CCT-rate	Rate of suspension	Total requirements	Home production and supplies from the Community	Imports from third countries
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1) <u>BENELUX</u> (estimates 1977)						
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	23%	0%	3,100 mt 7,156,940 u.a.	60 mt 137,940 u.a.	3,050 mt 7,019,000 u.a.
ex 03.01 B I q)	Sardinops sagax ocellata (pilchards), fresh, chilled or frozen, whole, headless or in pieces, intended for the processing industry	15%	8%	1,100 mt 724,625 u.a.	300 mt 197,625 u.a.	800 mt 527,000 u.a.
ex 16.05 A	Crabs of the "King", "Hanasaki", "Kegani" and "Queen" varieties, simply boiled in water and shelled, whether or not frozen, in packings of a net capacity of 2 kg or more intended for the processing industry	16%	0%	1,069 mt 6,639,000 u.a.	0	1,069 mt 6,639,000 u.a.
ex 16.05 B	Shrimps and prawns other than those of the "Grangon" variety, boiled	20%	10%	1,050 mt 1,444,000 u.a.	0	1,050 mt 1,444,000 u.a.

(1)	(2)	(3)	(4)	(5)	(6)	(7)
2) DENMARK (estimates 1977)						
ex 03.01 C	Roes, fresh, chilled or frozen	10%	OZ	2,500 mt 2,153,920 u.a.	400 mt 350,952 u.a.	2,100 mt 1,802,968 u.a.
ex 03.02 C	Fish roe, salted or in brine	11%	OZ	1,200 mt 2,170,490 u.a.	0	1,200 mt 2,170,490 u.a.
ex 16.04 A II	Fish roes, washed, cleaned of adherent organs and simply salted or in brine	30%	OZ	200 mt 647,683 u.a.	50 mt 165,687 u.a.	150 mt 481,996 u.a.
ex 16.04 C II	Spiced and salted herrings, packed in barrels, intended for the processing industry	20%	12%	4,000 mt 2,891,900 u.a.	500 mt 361,498 u.a.	3,500 mt 2,530,482 u.a.

3) FEDERAL REPUBLIC OF GERMANY (1975)						
03.01 A I b)	Salmon, fresh (live or dead), chilled or frozen	4%	OZ	4,000 mt 11,912,000 u.a.	1,500 mt 4,467,000 u.a.	2,500 mt 7,445,000 u.a.
ex 03.01 B I e)	Piked dog-fish (Squalus acanthias), fresh, chilled or frozen, whole,	6%	OZ	4,000 mt 4,962,000 u.a.	2,200 mt 2,729,000 u.a.	1,800 mt 2,233,000 u.a.
ex 03.01 B I g)	halibut (Hippoglossus reinhardtius), fresh, chilled or frozen, whole, headless or in pieces	8%	OZ	5,000 mt 4,466,000 u.a.	2,500 mt 2,233,000 u.a.	2,500 mt 2,233,000 u.a.
ex 03.01 B I q)	Sardinops sagax ocellata (pilchards), fresh, chilled or frozen, whole, headless or in pieces, intended for the processing industry	15%	8%	631 mt 108,975 u.a.	200 mt 34,540 u.a.	431 mt 74,435 u.a.
ex 03.01 B I q)	Sturgeons, fresh, chilled or frozen, whole, headless or in pieces, intended for the processing industry	15%	8%	176 mt 297,740 u.a.	0	176 mt 297,740 u.a.
ex 03.02 A I c)	Anchovies (Engraulis 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	10%	5%	426 mt 389,071 u.a.	100 mt 91,331 u.a.	326 mt 297,740 u.a.

(1)	(2)	(3)	(4)	(5)	(6)	(7)
ex 03.02 A I f)	Sprats, salted or in brine, whole, headless or in pieces	12%	0%	50 mt 167,475 u.a.	40 mt 133,980 u.a.	10 mt 33,495 u.a.
ex 06.04 B I	Natural Christmas trees unfit for replanting and branches of coniferous trees or holly for ornamental purposes	10% towards new Member States : 2%	0%	30,000,000 pieces 60,000,000 U.a.	German produc- tion : 14,000,000 pieces 28,000,000 u.a.	0
ex 07.03 E	Mushrooms, excluding cultivated mushrooms, preserved in brine, in sulphur water or in other preservative solutions, but not specially prepared for immediate consumption	12%	4%	1,500 mt 4,466,115 u.a.	delivery from Denmark : 16,000,000 pieces 32,000,000 u.a.	1,500 mt 4,466,115 u.a.
ex 07.04 B	Mushrooms, excluding cultivated mushrooms, dried, dehydrated or evaporated, whole or in identifiable pieces or slices, intended for the processing industry (a)	16%	0%	1,000 mt 9,305,000 u.a.	0	1,000 mt 9,305,000 u.a.
ex 08.09	Rose-hips, fresh	11%	0%	1,822 mt 558,264 u.a.	0	1,822 mt 558,264 u.a.
ex 08.10 A	Bilberries, cooked or uncooked, preserved by freezing, without added sugar	18%	4%	4,300 mt 4,466,115 u.a.	0	4,300 mt 4,466,115 u.a.

(1)	(2)	(3)	(4)	(5)	(6)	(7)
ex 08.10 B	Cranberries and rose-hips, whether or not cooked, preserved by freezing without added sugar	20%	OZ	590 mt 744,352 u.a.	0	590 mt 744,352 u.a.
ex 08.10 B	Dates, frozen in immediate packings of a net capacity of 5 kg or more, not intended for the production of alcohol	20%	OZ	3,000 mt 3,349,585 u.a.	0	3,000 mt 3,349,585 u.a.
ex 09.04 B I	Paprika, ground, for use in animal feedingstuffs	12%	OZ	390 mt 111,652 u.a.	0	390 mt 111,652 u.a.
23.07	Fish of marine mammal solubles	6%	2%	5,000 mt 465,218 u.a.	1,000 mt 93,043 u.a.	4,000 mt 372,175 u.a.
4) FRANCE (1976)						
ex 03.02 A I c)	Anchovies (Engraulis 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	10%	5%	1,765 mt 1,580,340 u.a.	0	1,768 mt 1,580,340 u.a.
ex 03.03 A I	Tails of crawfish, chilled or frozen, shelled or not	25%	OZ	1,037 mt 10,244,760 u.a.	0	1,037 mt 10,244,760 u.a.
ex 03.03 B I b)	Oysters, fresh (living), weighing no more than 12 g each	18%	OZ	152 mt 344,500 u.a.	0	152 mt 344,500 u.a.
ex 03.03 B I b)	Oysters, fresh (living), of the "Crassostrea gigas" variety weighing more than 100 g each	18%	OZ	60 mt 123,460 u.a.	0	60 mt 123,460 u.a.

(1)	(2)	(3)	(4)	(5)	(6)	(7)
ex 08.01 A	Dates, fresh or dried, in immediate packings of a net capacity not exceeding 35 kg, for repacking for retail sale	12%	0%	5 383 mt 3,085,760 u.a.	0	5 383 mt 3,085,760 u.a.
09.10 C I	Saffron, neither crushed or ground	16%	0%	3 mt 726,734 u.a.	0	3 mt 726,734 u.a.

5) ITALY (estimates 1977)

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	10%	5%	2,000 mt 3,048,000 u.a.	0	2,000 mt 3,048,000 u.a.
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6) UNITED KINGDOM (estimates 1977)

ex 03.01 B II a) and B II b) 7	Filletts of herring, fresh, chilled or frozen	18/15%	0%	10,000 mt 6,160,000 u.a.	0	10,000 mt 6,160,000 u.a.
ex 07.04 B	Sweet red peppers, dried, dehydrated or evaporated, whole, cut or sliced, but not further prepared	16%	0%	100 mt 342,000 u.a.	0	100 mt 342,000 u.a.
ex 07.05 B I	Beans dried, white of the species <i>Phaseolus vulgaris</i>	4.5%	0%	86,000 mt 50,825,000 u.a.	0	86,000 mt 50,825,000 u.a.
ex 08.01 A	Dates, fresh or dried, intended for processing other than for the production of alcohol	12%	0%	10,000 mt 5,853,000 u.a.	0	10,000 mt 5,853,000 u.a.
ex 16.05 A	Crabmeat, excluding meat of the species <i>Cancer pagarus</i> , simply boiled in water and shelled, frozen, in packings of a net capacity of 2 kg or more, for repacking, for retail sale	16%	0%	508 mt 3,388,000 u.a.	0	508 mt 3,388,000 u.a.

**Proposal for a
COUNCIL REGULATION (EEG)**

**temporarily suspending the autonomous Common Customs Tariff duties on a
number of agricultural products**

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 to suspend the autonomous Common Customs Tariff duties partially only 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,

HAS ADOPTED THIS REGULATION:

Article 1

The autonomous Common Customs Tariff duties 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 1 July 1977 to 31 December 1977 for the product listed in Table I;
- from 1 July 1977 to 30 June 1978 for the products listed in Table II;
- from 1 September 1977 to 31 March 1978 for the product listed in Table III;
- from 15 October 1977 to 31 December 1977 for the product listed in Table IV.

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

For the Council

The President

ANNEX

TABLE I

CCT heading No	Description of goods	Rate of autonomous duties
ex 03.01 B II a) and B II b) 7	Fillets of herring, fresh, chilled or frozen, intended for the processing industry (a)	0%

TABLE II

CCT heading No	Description of goods	Rate of autonomous duty
03.01 A I b)	Salmon, fresh (live or dead), chilled or frozen	0%
ex 03.01 B I e)	Piked dog-fish (<i>Squalus acanthias</i>), fresh, chilled or frozen, whole, headless or in pieces	0%
ex 03.01 B I g)	Greenland halibut (<i>Hippoglossus reinhardtius</i>), fresh, chilled or frozen, whole, headless or in pieces	0%
ex 03.01 B I q)	<i>Sardinops sagax</i> , <i>sardinops ocellata</i> (pilchards), fresh, chilled or frozen, whole, headless or in pieces, intended for the processing industry (a)	8%
ex 03.01 B I q)	Sturgeons, fresh, chilled or frozen, whole, headless or in pieces, intended for the processing industry (a)	8%
ex 03.01 C	Roes, fresh, chilled or frozen	0%
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	5%
03.02 A I e)	Salmon, salted or in brine, whole, headless or in pieces	4%
ex 03.02 A I f)	Sprats, salted or in brine, whole, headless or in pieces	0%
ex 03.02 A II d)	Fillets of saithe (<i>Pollachius virens</i> or <i>Gadus virens</i>), salted or in brine	7%
ex 03.02 C	Fish roe, salted or in brine	0%
ex 03.03 A I	Tails of crawfish, chilled or frozen, shelled or not	10%
ex 03.03 B I b)	Oysters, fresh, (living), weighing no more than 12 g each	0%
ex 03.03 B I b)	Oysters, fresh (living), of the ' <i>Crassostrea gigas</i> ' variety, weighing more than 100 g each	0%
ex 07.03 E	Mushrooms, excluding cultivated mushrooms, preserved in brine, in sulphur water or in other preservative solutions, but not specially prepared for immediate consumption	0%

(a) This suspension is subject to conditions to be determined by the competent authorities.

CCT heading No	Description of goods	Rate of autonomous duty
ex 07.04 B	Mushrooms, excluding cultivated mushrooms, dried, dehydrated or evaporated, whole or in identifiable pieces or slices, intended for the processing industry (a)	0%
ex 07.04 B	Sweet red peppers, dried, dehydrated or evaporated, whole, cut or sliced, but not further prepared	0%
ex 07.05 B I	Beans dried, white of the species <i>Phaseolus vulgaris</i>	0%
ex 08.01 A	Dates, fresh or dried, in immediate packings of a net capacity not exceeding 35 kg, for repacking, for retail sale (a)	0%
ex 08.01 A	Dates, fresh or dried, intended for processing other than for the production of alcohol (a)	0%
ex 08.09	Rose-hips, fresh	0%
ex 08.10 A	Bilberries, whether or not cooked, preserved by freezing, not containing added sugar	4%
ex 08.10 B	Cranberries and rose-hips, whether or not cooked, preserved by freezing, without added sugar	0%
ex 08.10 B	Dates, frozen in immediate packings of a net capacity of 5 kg or more, not intended for the production of alcohol (a)	0%
ex 09.04 B I	Paprika, ground, for use in animal feedingstuffs (a)	0%
09.10 C I	Saffron, neither crushed nor ground	10%
ex 16.04 A II	Fish roes, washed, cleaned of adherent organs and simply salted or in brine	0%
ex 16.04 C II	Spiced and salted herrings, packed in barrels, intended for the processing industry (a)	12%
ex 16.05 A	Crabs of the 'King', 'Hanasaki', 'Kegani' and 'Queen' varieties, simply boiled in water and shelled, whether or not frozen, in packings of a net capacity of 2 kg or more, intended for the processing industry (a)	0%
ex 16.05 A	Crabmeat, excluding meat of the species " <i>Cancer pagarus</i> ", simply boiled in water whether or not frozen, in packings of a net capacity of 2 kg or more, for repacking for retail sale (a)	5%
ex 16.05 B	Shrimps and prawns other than those of the 'Crangon' variety, boiled in water and shelled, whether or not frozen, intended for the industrial manufacturers of products falling within heading No 16.05 (a)	10%
23.07 A	Fish or marine mammal solubles	2%

(a) This suspension is subject to conditions to be determined by the competent authorities.

TABLE III

CCT heading No	Description of goods	Rate of autonomous duty
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	0%

TABLE IV

CCT heading No	Description of goods	Rate of autonomous duty
ex 06.04 B I	Natural Christmas trees unfit for replanting and branches of coniferous trees or holly for ornamental purposes	0%

FINANCIAL SHEET

Annex to Doc. GUD/297/77 E

Date:

1. Budget line concerned :

2. Title of activity : Council Regulation temporarily suspending the Common Customs Tariff duties for a certain number of agricultural products.

3. Legal basis : Art. 48 Treaty of Rome

4. Objectives of the activity :

Suspension of CCT duties for goods mentioned under 2.

5.0 Costs of the activity
to the account of the EC budget
by non collection of duties

1977

2,381,000 UA

Impossible to evaluate seriously because Community statistics do not exist.

The information given by the requesting Member States shows a minimum loss of 16,760,000 UA.