

COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 8 March 1982

CONCLUSION OF AN AGREEMENT RESULTING FROM THE CONSULTATIONS
HELD BETWEEN THE COMMUNITY AND SPAIN CONCERNING CHEESE
UNDER ARTICLE XIX OF THE GATT

(Communication from the Commission to the Council)

Recommendation for a

COUNCIL DECISION

concerning the conclusion of the temporary agreement on concerted disciplines
between Spain and the European Economic Community concerning imports of cheese
into Spain

(submitted to the Council by the Commission)

COM(82) 97 final

EXPLANATORY MEMORANDUM

Following the adoption by Spain, under Article XIX of the GATT, of protective measures with regard to cheese imports, consultations were held by the Community with that country, and a satisfactory agreement has been reached on the minimum annual quantities of cheese to be imported into Spain from the Community in 1982.

CONCLUSION OF AN AGREEMENT RESULTING FROM THE CONSULTATIONS
HELD BETWEEN THE COMMUNITY AND SPAIN CONCERNING CHEESE
UNDER ARTICLE XIX OF THE GATT

(Communication from the Commission to the Council)

The Commission hereby forwards to the Council:

- a report on the outcome of the consultations held under Article XIX of the GATT between the Community and Spain concerning the protective measures taken by Spain with regard to cheese imports (Annex I);
- a draft agreement, with annexes, negotiated between Spain and the Community under Article XIX of the GATT, comprising agreed minutes and a temporary agreement on concerted disciplines (Annex III).

The Commission recommends that the Council approve the agreement and its annexes, which have been initialled with Spain (Annex III).

To this end the Commission hereby submits a draft decision concluding the agreement (Annex II).

ANNEX I

REPORT

ON THE CONSULTATIONS HELD BETWEEN THE COMMUNITY AND SPAIN
CONCERNING CHEESE UNDER ARTICLE XIX OF THE GATT

1. On 7 May Spain took protective measures under Article XIX of the GATT with regard to cheese imports and suspended the issue of import licences for most types of cheese coming under heading 04.04 of the Spanish Customs Tariff.

2. At the request of the Community, formal consultations under Article XIX of the GATT were opened on 16 May. Since then there has been a series of consultations with the Spanish authorities which members of the Article 113 Committee attended and about which they were regularly kept informed by the Commission.

3. At the consultations a temporary solution was sought which would enable the Spanish to cope with their difficulties while at the same time ensuring that Community goods could still be exported at equitable prices, under proper conditions and at a reasonable quantitative level. The solution finally adopted at the consultations amounts to a temporary adaptation of the 1970 Agreement (which was based entirely on a price-observance mechanism) consisting of the introduction of a system of concerted disciplines based mainly on:

- the setting-up of a Joint Committee to administer the Agreement and ensure that its provisions are complied with (particularly those on minimum prices, possibilities of increasing imports, adjustment of the quality breakdown, etc.);
- the establishment of annual quantities for cheese imports into Spain from the Community.

The quantities for which the Spanish authorities undertake to grant import authorizations on an orderly and regular basis were fixed by mutual agreement at 7 994 tonnes for 1982. It should be pointed out

ANNEX I (2)

here that the quantities negotiated on 9 July 1980 for 1980 and 1981 were 7.994 T. and 8.394 T. respectively. For various reasons, the 1980 agreement was not approved by the Council.

ANNEX II

RECOMMENDATION FOR A COUNCIL DECISION

concerning the conclusion of the temporary agreement on concerted disciplines between Spain and the European Economic Community concerning imports of cheese into Spain

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 Spain, in reliance upon Article XIX of the General Agreement on Tariffs and Trade (GATT), has taken protective measures against imports of cheese for which the European Economic Community is the main supplier;

Whereas the Commission has entered into negotiations with Spain under Article XIX of the GATT; whereas it has reached an agreement with that country; whereas that agreement has proved to be satisfactory,

HAS DECIDED AS FOLLOWS:

Article 1

The agreement between the European Economic Community and Spain resulting from the negotiations under Article XIX of the GATT concerning imports of cheese into Spain, comprising agreed minutes and a temporary agreement on concerted disciplines, is hereby approved on behalf of the Community.

The text of the agreement is annexed to this decision.

ANNEX II (2)

Article 2

The President of the Council is hereby authorized to designate the person empowered to sign the agreement in order to bind the Community.

Done at Brussels,

For the Council

The President

AGREED MINUTES

OUTCOME OF THE CONSULTATIONS HELD UNDER ARTICLE IX
OF THE GATT BETWEEN SPAIN AND THE EUROPEAN ECONOMIC
COMMUNITY CONCERNING CHEESE

1. At the consultations held under Article XIX of the General Agreement, Spain and the European Economic Community agreed on the following provisional measures supplementing the Agreement of 5 June 1970 with regard to the arrangements governing imports of cheese into Spain.
2. Imports of cheese into Spain shall be subject to the following duties and charges:
 - (a) Bound customs duties (30% or 45% as appropriate);
 - (b) Variable regulatory duty, representing the difference between :
 - b.1. the entry price fixed for the protection of Spanish stock-farming and industry on the basis of measures taken in respect of the organization of Spain's domestic market in milk and milk products;
 - b.2. the most favourable rate on the international market on a free-at-Spanish frontier basis, plus the bound customs duty and the various costs borne in Spain in connection with customs clearance of imported cheese.
3. Spain and its main cheese suppliers can agree, however, on special import terms based on a system of concerted disciplines and joint responsibility for management, ensuring that trade is carried on at equitable prices, under proper and fair conditions and at a quantitative level which takes account of past trends representing reasonable growth.

.../...

4. Both parties reserve the rights which they possessed at the opening of the consultations.

Geneva,

For the Spanish Delegation

For the Delegation of the
Commission of the European
Communities.

TEMPORARY AGREEMENT ON CONCERTED DISCIPLINES BETWEEN SPAIN AND THE EUROPEAN
COMMUNITY CONCERNING IMPORTS OF CHEESE INTO SPAIN

1. In accordance with the provisions of the General Agreement and pursuant to the Agreement on cheese concluded to-day between Spain and the European Economic Community, and in particular the provisions laid down in paragraph 3 thereof, Spain and the European Economic Community have agreed on the following provisions.
2. The objective of the Agreement of 5 June 1970, the undertakings given therein and the subsequent adaptations to it agreed by means of minutes shall remain in full force, subject to the following temporary adaptations, which are applicable for 1980 and 1981.
3. In order fully to attain the objective of the Agreement of 5 June 1970, Spain and the European Economic Community have agreed to establish annual quantities of imports of cheese into Spain from the European Community which, in 1982, shall be used for the granting of import authorizations on an orderly and regular basis by the Spanish authorities.

In the light of the experience acquired during the application of this Agreement, the two parties may consult each other with a view to modifying by reference to the quantitative and qualitative trend of cheese consumption in Spain, the annual quantities set for imports from the European Economic Community.

The quantities for 1982 are given in the Annex to this Agreement.

4. It shall be the responsibility of the Spanish authorities to establish a procedure for granting the import authorizations referred to in paragraph 3 of the Agreement which will take into account the need to ensure the orderly and regular marketing of import flows.

.../...

This procedure shall be notified to the competent authorities of the Community and to exporters and/or importers.

5. Where the Spanish authorities ascertain that for a consignment of cheese the free-at-frontier price fixed has not been observed or where they suspect an operator of unfair commercial practice, they can take the necessary measures to remedy the situation. The nature, extent and duration of these measures, which will apply to the operation in question, will depend on the gravity of the disturbance caused by the type of import concerned.

The Spanish authorities will inform this Community authorities immediately of the measures taken and may request action by the Community to remedy the situation.

6. For the purpose of monitoring and ensuring the proper implementation of this Agreement, a Joint Committee shall set up whose members will be designated by the respective authorities of each of the parties. The Joint Committee shall provide information on, propose and take decisions on any measures in all the spheres covered by the Agreement subject to the referral of such measures to the respective authorities. It shall meet at the request of either of the parties.

7. In order to ensure continuous cooperation in the day-to-day administration of export and import operations, the Spanish and Community authorities shall each appoint an official delegate, who, in the case of Spain, will be an official of the Ministry of the Economy and Trade. The official delegates will keep each other informed of the development of trade as regards prices and the quantities marketed; they will take or propose, by virtue of powers delegated by the Joint Committee, the necessary corrective administrative measures, it being understood that they will inform the Committee thereof.

..!..!

8. Any problems arising in 1982 with regard to the maintenance of a constant flow of trade will be discussed in the Joint Committee.
9. In the second half of 1982 the Joint Committee will meet to decide whether and under what conditions this Agreement should be extended.

Geneva,

For the Spanish Delegation

For the Delegation
of the Commission of the
European Communities.

ANNEXQUANTITIES OF IMPORTS OF CHEESE INTO SPAIN FROM THE COMMUNITY IN 1980

	<u>Tonnes</u>
A. Emmentaler - whole or in pieces	1.150
B. Blue-veined chesse :	
- Roquefort	55
- Other	1.600
C. Processed chesse	460
D. Asiago, Provolone, Grana-padano, Parmigiano Reggiano	165
E. Cheddar	100
F. Gouda, Edam (round)	3.350
G. Havarti 60%	1.110
H. Saint-Nectaire, Saint-Paulin, Taleggio	130
I. Soft cheese	510
J. Other cheeses, excluding Edam in rectangular shape and in loaf shape other than of a net weight of 2 KG or more and 5 KG or less	920
TOTAL	<u>9.550</u> =====

Delegation of the Commission
of the European Communities

Geneva,

Sir,

I have the honour to refer to the agreement which was reached today between our two delegations regarding the fixing of quotas for imports of Community cheese into Spain in order to provide the Spanish authorities with a basis for granting import authorizations in 1982.

I hereby inform you that the Community understands category J (other cheeses) to include all those cheeses not included in categories A to I, with the exception of Edam in rectangular form and in loaf shape other than of a net weight of 2 KG or more and 5 KG or less. It also expects import authorizations to be evenly distributed among the following types of cheese :

- Fontal, Fontina
- Tilsit, Havarti other than Havarti 60 %
- "Pyrénées"
- Edam in loaf form of a net weight of 2 KG or more and 5 KG or less
- Other cheeses, with the exception of Edam in rectangular form and in loaf shape other than of a net weight of 2 KG or more and 5 KG or less.

I should be obliged, Sir, if you would confirm your agreement with the above.

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

Head of the Delegation
of the Commission of
the European Communities

Mr A. MORENO
Head of the Spanish Delegation

Geneva,

Sir,

I have the honour to acknowledge receipt of your letter which reads as follows :

"I have the honour to refer to the agreement which was reached today between our two delegations regarding the fixing of quotas for imports of Community cheese into Spain in order to provide the Spanish authorities with a basis for granting import authorizations in 1982.

I hereby inform you that the Community understands category J (other cheeses) to include all those cheeses not included in categories A to I, with the exception of Edam in rectangular form and in loaf shape other than of a net weight of 2 KG or more and 5 KG or less. It also expects import authorizations to be evenly distributed among the following types of cheese :

- Fontal, Fontina
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- Edam in loaf form of a net weight of 2 KG or more and 5 KG or less
- Other cheeses, with the exception of Edam in rectangular form and in loaf shape other than of a net weight of 2 KG or more and 5 KG or less.

I should be obliged, Sir, if you would confirm your agreement with the above."

I am able to confirm my agreement with the content of this letter.

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

Mr M.J. JACQUOT

Head of the Delegation of
the Commission of the European Communities

Head of the Spanish
Delegation