

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(82) 228 final

Brussels, 5 May 1982

Recommendation for a

COUNCIL DECISION

on the conclusion of an Agreement in the form of an exchange of letters  
between the European Economic Community and the Czechoslovak Socialist  
Republic on trade in the sheepmeat and goatmeat sector

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(submitted to the Council by the Commission)

COM(82) 228 final



## EXPLANATORY MEMORANDUM

1. Following the negotiating mandate given by the Council to the Commission on 20 December 1979 and pursuant to Regulation (EEC) No 1837/80 on the common organization of the market in sheepmeat and goatmeat, voluntary restraint agreements in respect of exports of products in the sector in question have been made with the following non-member countries:  
Argentina, Australia, Austria, Bulgaria, Hungary, Iceland, New Zealand, Poland, Rumania, Uruguay and Yugoslavia.
2. Although Czechoslovakia was the first non-member country to agree to the principle of voluntary restraint for exports of sheepmeat and goatmeat to the Community, negotiations on a formal and final agreement between the Community and Czechoslovakia were not concluded until the end of March 1982.
3. Since the provisions of the draft agreement finally accepted by the competent Czechoslovak authorities are the same as those contained in the voluntary restraint agreements already concluded between the Community and the non-member countries listed above, it is proposed that the proposal for a Decision on the conclusion with Czechoslovakia of a voluntary restraint agreement in respect of its exports to the Community in the sheepmeat and goatmeat sector be approved.  
  
In application of this agreement, the Community undertakes to observe a 10% ad valorem ceiling on the relevant levy charged and Czechoslovakia undertakes to limit its exports to 800 tonnes of fresh or chilled meat per year. This quantity is the same as that accepted for import into the Community in 1981 and corresponds to the amount envisaged by the Community in the context of a possible agreement.
4. It should be pointed out that, since at the time a decision should have been taken on the arrangements to apply to Czechoslovakia in 1982 that country had not yet agreed to conclude an agreement, the Council - on a proposal from the Commission - decided to limit the quantity benefiting from a 10% ad valorem ceiling on the levy to 600 tonnes in 1982 pending the entry into effect of a voluntary restraint agreement.

RECOMMENDATION FOR A  
COUNCIL DECISION

on the conclusion of an Agreement in the form of an exchange of letters between the European Economic Community and the Czechoslovak Socialist Republic on trade 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 conducted negotiations with non-member countries which supply sheepmeat and goatmeat or live sheep and goats, with a view to reaching agreement for voluntary restraint on their exports to the Community;

Whereas the Commission has reached agreement with Czechoslovakia;

Whereas the said agreement allows trade to be carried on in a manner compatible with the common organization of the market in the sector in question,

HAS DECIDED AS FOLLOWS:

*Article 1*

The Agreement in the form of an exchange of letters between the European Economic Community and

the Czechoslovak Socialist Republic on trade in the sheepmeat and goatmeat sector is hereby approved on behalf of the Community.

The text of the Agreement is attached to this Decision.

*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

*For the Council*

*The President*

DRAFT

EXCHANGE OF LETTERS

BETWEEN

THE EUROPEAN ECONOMIC COMMUNITY

AND THE CZECHOSLOVAK SOCIALIST REPUBLIC

ON TRADE IN SHEEPMEAT AND GOATMEAT

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

During these negotiations, the two parties to which are participants in GATT, our delegations agreed as follows :

1. This Arrangement covers :

live sheep and goats other than pure-bred breeding animals (subheading 01.04 B 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 IV b of the Common Customs Tariff).

.../...

2. Within the terms of this Arrangement, the competent Czechoslovak authorities undertake to ensure that exports to the Community of the products referred to in point 1 do not exceed the following annual quantity :

800 tonnes of fresh or chilled meat, expressed as carcase weight bone-in (1).

For this purpose, the appropriate procedures will be implemented by the competent Czechoslovak authorities.

3. Provided that Czechoslovak exports do not exceed the quantities given in point 2 the Community will not apply any quantitative restriction or measure having equivalent effect.

If the Community were to invoke the protective clause, the provisions of the Arrangement would not be affected.

4. If imports for Czechoslovakia exceed the agreed quantities, the Community reserves the right to suspend further imports from that country until the end of the current year.

In any case, however, quantities exceeding the agreed quantity for the current year will be deducted from the quantities agreed for the following year.

5. The Community undertakes, in respect of imports of products covered by this Arrangement, to restrict the charges levied to the ad valorem level of 10 % for meat and for live animals.

The Community will not charge, apart from the levies set out above, customs duties or charges having equivalent effect to levies or to customs duties.

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(1) Carcase 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. When a new Member State accedes to the Community and if the pattern of trade between Czechoslovakia and such Member State justifies it, the Community shall agree to consultations between the two parties with a view to possible adaptation of the quantities given in point 2.

The quantities given in point 2 shall not be reduced.

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. The competent Czechoslovak authorities shall ensure compliance with the terms of this Arrangement, in particular by means of the issue, by a Czechoslovak body designated for the purpose, of export licences covering the products listed in point 1, within the limits of the quantities agreed.

For its part the Community undertakes to adopt all the necessary measures to ensure that the automatic issue of an import licence for the above-mentioned products originating in Czechoslovakia shall be subject to production of an export licence issued by the competent Czechoslovak authority.

Detailed rules for the implementation of this system shall be drawn up in such a way that there is no requirement for a security for issue of import licences in respect of the products in question. These detailed rules shall also provide that the competent Czechoslovak authorities and the competent Community authorities shall undertake periodical exchanges of information on the quantities in respect of which export and import licences have been issued, broken down, as appropriate, according to destination.

It is hereby agreed that export licences will be valid for a period of three months 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 for the year during which the export licence was issued.

8. The two parties agree that steps should be taken to ensure that the smooth operation of the Arrangement is not disturbed by deliveries of sheepmeat and goatmeat products falling under tariff headings not covered by this Arrangement.
9. In order to ensure the smooth operation of this Arrangement, the two parties agree to remain in close contact and to be ready to undertake consultations on any question which might arise in the course of application of this Arrangement. The said consultations must be commenced within a maximum period of 14 days following request by one of the parties.
10. The provisions of this Arrangement shall be accepted without prejudice to the rights and obligations of the parties under GATT.
11. The annual quantity fixed in point 2 shall cover the period 1 January to 31 December.  

The quantity applicable from 1 January 1984 to 31 March 1984 shall be fixed by means of the consultations referred to in point 9 in proportion to the overall annual quantity.
12. 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 Czechoslovak Socialist Republic.

13. This Arrangement shall enter into force on 1 January 1982. It shall apply until 31 March 1984 and, subsequently, for periods of two years, subject to the right of either of the parties to terminate it by giving notice in writing six months before the date of expiry of any one of the said periods. In the case of termination, the Arrangement shall come to an end at the date of expiry of the period in question. In any event, the provisions of this Arrangement shall be reviewed by the two parties during the six months preceding 1 April 1984, so that any adaptations which might be necessary can be made to it.

I should be grateful to you if you would confirm to me that the above sets out correctly the substance of the agreement between our two delegations.

Formal ending.

DRAFT

EXCHANGE OF LETTERS  
CONCERNING POINT 2 OF THE EXCHANGE OF LETTERS  
BETWEEN THE EUROPEAN ECONOMIC COMMUNITY AND  
THE CZECHOSLOVAK SOCIALIST REPUBLIC  
ON TRADE IN SHEEPMEAT AND GOATMEAT

I have the honour to refer to the exchange of letters between the European Economic Community and the Czechoslovak Socialist Republic on trade in sheepmeat and goatmeat.

Further to this exchange of letters and in response to your request, I would ask you to note that the competent Czechoslovak authorities will ensure that there is no change in traditional export flows as regards sheepmeat, goatmeat and live sheep and goats between the Czechoslovak Socialist Republic and Community markets considered to be sensitive, for the period from 1 January 1982 to 31 March 1984.

The competent authorities of the Czechoslovak Socialist Republic will introduce the necessary measures to this end.

DRAFT

EXCHANGE OF LETTERS  
CONCERNING THE CONSULTATIONS PROVIDED FOR IN POINT 9  
OF THE EXCHANGE OF LETTERS BETWEEN  
THE EUROPEAN ECONOMIC COMMUNITY AND THE  
CZECHOSLOVAK SOCIALIST REPUBLIC  
ON TRADE IN SHEEPMEAT AND GOATMEAT

With reference to certain specific questions raised during the negotiations for this Arrangement, I have the honour to point out that it was agreed during these negotiations that, within the context of this Arrangement, if Czechoslovakia were to raise any concrete problems, they could be covered by the consultations provided for in point 9 without prejudice to the general provisions of that point. These problems include :

1. supply of live animals within the quantity agreed for meat;
2. the possibility of advance use, during the current year, of a limited proportion of the quantity agreed for the following year;
3. the possibility of allowing imports of quantities over and above those fixed in point 2 of the Arrangement if the Community market situation no permits.

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 Czechoslovakia.

Formal ending.

# FINANCIAL STATEMENT

Date : 5 April 1982

1. BUDGET HEADING : 100 (revenue)

APPROBIATIONS : 1 899.1 m ECU

2. TITLE : Draft Council Decision on the conclusion of an Agreement in the form of an exchange of letters between the EEC and the Czechoslovak Socialist Republic on trade in the sheepmeat and goatmeat sector

3. LEGAL BASIS : Article 113 of the EEC Treaty

4. AIMS OF PROJECT : Conclusion of a voluntary restraint agreement between the EEC and Czechoslovakia

5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR ( 82 )	FOLLOWING FINANCIAL YEAR ( 83 )
5.0 EXPENDITURE			
- CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)			
- NATIONAL ADMINISTRATION			
- OTHER			
5.1 RECEIPTS			
- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)	-0.4 m ECU	-0.1 m ECU	0.4 m ECU
- NATIONAL			
	1984 <sup>1</sup>		
5.0.1 ESTIMATED EXPENDITURE			
5.1.1 ESTIMATED RECEIPTS	-0.1 m ECU		

5.2 METHOD OF CALCULATION

The Agreement covers a total of 800 tonnes of meat, of which 600 tonnes have already been approved for 1982.

Normal levy at present : 700 ECU/t

Reduced levy (10% ad valorem) : 264 ECU/t

Loss in revenue : 436 ECU/t x 800 t = 0.35m ECU

6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?

~~YES/NO~~

6.1 CAN THE PROJECT BE FINANCED BY TRANSFER OF FUNDS FROM THE CURRENT BUDGET?

~~YES/NO~~

6.2 IS A SUPPLEMENTARY BUDGET BE NECESSARY ?

~~YES/NO~~

6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY ?

~~YES/NO~~

OBSERVATIONS : 1 up to 31 March 1984

