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Working Documents

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DOCUMENT 1-89/83

REPORT

drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the Council (Doc. 1-938/82 - COM(82) 698 final) for a regulation determining the import duties applicable to fish fillets obtained on board Community vessels from fish originating in third countries

rappporteur: Mrs Nicole PERY



By letter of 23 November 1982, the President of the Council of the European Communities requested the European Parliament to deliver an opinion, pursuant to Article 43 of the EEC Treaty, on the proposal from the Commission of the European Communities to the Council for a regulation determining the import duties applicable to fish fillets obtained on board Community vessels from fish originating in third countries.

On 13 December 1982, the President of the European Parliament referred this proposal to the Committee on Agriculture as the committee responsible and to the Committee on Budgets and the Committee on External Economic Relations for their opinions.

At its meeting of 18 January 1983, the Committee on Agriculture appointed Mrs Péry rapporteur.

The Committee considered the Commission's proposal and the draft report at its meeting of 21/22 March 1983 and at the same meeting the Committee decided unanimously to recommend to Parliament that it approve the Commission's proposal without amendment.

The Committee then adopted unanimously the motion for a resolution as a whole.

The following took part in the vote: Mr Curry, chairman; Mr Früh and Mr Colleselli, vice-chairmen; Mrs Péry, rapporteur; Mr Battersby, Mr Blaney, Mr Clinton, Mr Dalsass, Mr M. Martin (deputizing for Mr Pranchère), Mr Newton Dunn (deputizing for Mr Howell), Mr Provan, Mr J.D. Taylor (deputizing for Mr Hord), Mr Tolman and Mr Woltjer.

The present report was tabled on 23 March 1983.

The Opinion of the Committee on Budgets will be published separately.

The Committee on External Economic Relations has decided not to deliver an opinion.

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The Committee on Agriculture hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

closing the procedure for consultation of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation determining the import duties applicable to fish fillets obtained on board Community vessels from fish originating in third countries

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council (COM(82) 698 final),<sup>1</sup>
  - having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. 1-938/82 ),
  - having regard to the report of the Committee on Agriculture and the opinion of the Committee on Budgets (Doc. 1-89/83),
  - having regard to the result of the vote on the proposal from the Commission,
1. Approves the proposal of the Commission subject to the amendments proposed by the Parliament being incorporated;
  2. Considers that the purpose of the proposal should be limited to allowing Community factory ships to buy-in an additional amount of fish from third countries, without being penalized excessively, in order to allow these vessels to operate economically. The proposal should not allow ship-based processing to gain an unfair cost advantage over land-based factories;
  3. Believes, therefore, that additional provisions should be included in the Commission's proposal so as:
    - (a) to avoid disruption to efforts by producer organizations to maintain stable prices
    - (b) to ensure that no excessive encouragement is given to the creation of a sea based processing industry relying to an ever greater extent on fish caught by vessels of third countries;

<sup>1</sup>

4. Considers that these objectives could be achieved by:
  - (a) the fixing of minimum prices to be respected by the factory fleets; or
  - (b) the introduction of a coefficient establishing a maximum percentage of landings by individual vessels of fish from third countries which may benefit from the reduced import regime;
5. Points out that the deterioration of relations with Canada and the withdrawal of Greenland from the Community will both affect the economics of the large factory fleets;
6. Instructs its President to forward to the Council and Commission, as Parliament's opinion, the Commission's proposal as voted by Parliament and the corresponding resolution.

B  
EXPLANATORY STATEMENT

Introduction

The purpose of the Commission's proposal is to put fish filleting carried out on Community vessels at sea on a same taxation basis as Community factories on land. This is to be done by changing the basis for charging customs duties on fish fillets obtained from fish purchased from third countries but filleted on board Community vessels.

The reason for the proposed change, according to the Commission, arises from the introduction of 200 mile fishing zones. Previously international waters are now regulated by coastal states whose fisheries legislation may lay down strict quotas, thus limiting amounts which may be caught. In order to make fishing trips to distant waters economic, large factory ships may buy fish caught by third country vessels. In certain cases, legislation of the coastal state may require cooperative fishing and such purchases.

The proposed change in the import regime

The proposed change will reduce the import duties imposed on filleted fish, since it is suggested that the regime applied to fresh fish should be employed in working out the import duties. At present, there is not a very significant difference between the duty applied to fillets (18%) and fresh fish (14%). But the duty on fillets is applied on the value added resulting from the filleting process. Since this additional value is in the order of 40%, the difference in duty will be 40% multiplied by the higher rate of duty, rather than the simple 14%.

The proposal of the Commission can be considered as logical in that it reduces the discrimination applied to vessels obliged for economic or even legal reasons to buy-in fish caught by third country vessels. It also reduces the incentives for fraudulent declarations concerning the origin of fish, in that the difference in duty to be paid will become insignificant. This in turn may possibly make it easier to control more precisely the origin of fish landed in Community ports.

On the other hand, it is clear that there is a disincentive to use fish from third countries, and this disincentive will be removed. This might result in an increased use of fish from third countries and even an increased use of such factory ships which will have the average costs of raw materials reduced and a different cost structure to factories on land.

One can ask whether this would be in the interest of the European fishing industry, particularly when the final product may be disembarked from any Community port. The idea of these mobile factories seeking the highest prices and undermining the prices of particular ports is a nightmare which no producers organization would like to face, particularly when fishermen are already facing serious problems.