

EUROPEAN PARLIAMENT

# Working Documents

1982-1983

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DOCUMENT 1-441/82

## Report

drawn up on behalf of the Committee on External Economic Relations

on the recommendation from the Commission of the European Communities to the Council for a Regulation concerning the conclusion of the Additional Protocol to the Co-operation Agreement between the European Economic Community and the Socialist Federal Republic of Yugoslavia consequent on the accession of the Hellenic Republic to the Community

Rapporteur: Mrs K. NIKOLAOU



By letter of 15 April the Council of the European Communities requested the European Parliament to deliver an opinion on the proposal from the Commission of the European Communities to the Council on the recommendation for a Council regulation concerning the conclusion of an Additional Protocol to the Cooperation Agreement between the EEC and the Socialist Federal Republic of Yugoslavia consequent on the accession of the Hellenic Republic to the Community (Doc. 1-123/82).

During the sitting of 21 April 1982 the European Parliament referred this proposal to the Committee on External Economic Relations as the committee responsible and to the Committee on Transport for its opinion.

At its meeting of 28 April 1982 the Committee on External Economic Relations appointed Mrs NIKOLAOU rapporteur.

At its meeting of 19 May, 26 May and 24 June 1982 the Committee on External Economic Relations considered the Commission's proposal and adopted it unanimously at the latter meeting.

The committee adopted the motion for a resolution as a whole with one abstention.

The following took part in the vote:

Sir Frederick Catherwood, chairman; Mrs Wieczorek-Zeul, vice-chairman; Mrs Nikolaou rapporteur; Mr Almirante, Mr Bonaccini (deputizing for Mr Alavanos), Mrs Caretoni Romagnoli (deputizing for Mr Galluzi), Mr Cohen (deputizing for Mr Seal) Mr de Goede (deputizing for the Reverend Ian Paisley), Lord O'Hagan, Mr Irmer (deputizing for Mr Damseaux), Mr Paulhan, Mr Pelikan, Mr Pesmazoglou, Mr Pranchère (deputizing for Mrs Poirier), Mrs Pruvot, Mr Rieger, Mr Seeler, Mr Simmonds (deputizing for Mr Welsh), Mr Stella and Sir John Stewart-Clark.

The opinion of the Committee on Transport, in the form of a letter, is attached.

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Opinion of the Committee on Transport

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A

The Committee on External Economic Relations 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 recommendation from the Commission of the European Communities to the Council for a regulation concerning the conclusion of the Additional Protocol to the Cooperation Agreement between the European Economic Community and the Socialist Federal Republic of Yugoslavia consequent on the accession of the Hellenic Republic to the Community

The European Parliament

- having regard to the proposal from the Commission to the Council (COM(82) 15 fin)
  - having been consulted by the Council (Doc. 1-123/82),
  - having regard to the report of the Committee on External Economic Relations and the opinion of the Committee on Transport (Doc. 1-441/82),
  - having regard to the result of the vote on the proposal from the Commission,
1. Calls on the Council and the Commission in implementing this Agreement to ensure the rapid promotion of the economic and trade interests of the two parties;
  2. Emphasizes the need for the Community to pay particular attention to the problems arising from Greece's geographical isolation from the other EEC Member States and especially to problems relating to the transport sector and requests the Commission to strive for a solution to this problem by means of specific effective measures;

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3. Considers that the Community should take such preliminary steps as are necessary to ensure that the rechannelling of trade flows - which is a natural consequence of enlargement (as evidenced by the present case of baby beef)-takes place gradually and without giving rise to difficulties for either party;
4. Urges the Council and the Commission to ensure that the enlargement of the whole network of economic and trade ties between the EEC and Yugoslavia contributes progressively towards a proper balance in relations between the two parties, since this is essential if the agreement is to have any real meaning;
5. Finally, approves the proposed regulation under consideration subject to the above-mentioned reservations;
6. Instructs its President to forward to the Commission and the Council the proposal from the Commission as voted by Parliament and the corresponding resolution as Parliament's opinion.

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B

EXPLANATORY STATEMENT

1. The accession of Greece to the EEC had made it necessary to revise certain provisions of the Cooperation Agreement between the EEC and Yugoslavia.
2. The accession of Greece has modified the Community's regional profile. It has significantly increased the size of the Community's Mediterranean regions. The new Member State has no land frontiers with the Community.
3. In order to take account of these new factors, the Council of Ministers and the representatives of the Member States instructed the Commission in July 1981 to open negotiations with Yugoslavia with a view to revising the Agreement.
4. The Additional Protocol modifying the Agreement was initialled on 15 January 1982 and signed on 1 April 1982 in Brussels.
5. The basic principle underlying the revision of the Agreement was that Greece should recognize existing Community acts in respect of relations between the EEC and Yugoslavia.
6. In accordance with the Council's mandate, the adjustments to this Agreement concerned on the one hand modifications to the annual ceilings imposed by the Community on certain products originating in Yugoslavia and on the other hand transitional measures relating to the adjustment of Greek customs duties, enabling Greece progressively to implement the EEC-Yugoslavia Cooperation Agreement.
7. Although the Council's mandate referred only to adjustments of a technical nature (quotas, customs duties and general provisions), the following additional topics arose and were dealt with by exchanges of letters and joint declarations:

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- the fixing of quotas for baby beef. The main problem encountered here was that Yugoslav production was geared to the Greek market, which, before accession, absorbed large quantities of baby beef. The arrangements provided for in the Protocol and their provisional application in accordance with the Community regulation resulted in the immediate loss of the Greek market for Yugoslav production and significantly increased Greece's foreign exchange spending for the purchase of meat;
  - transit arrangements for Community products through Yugoslavia. Greece is the only Community country which has no land frontiers with the Community and 80% of the volume of Greek trade to western Europe passes through Yugoslavia. Because of Yugoslavia's inadequate transport infrastructure, the carriage of goods through Yugoslavia is subject to very high transport charges and only a limited number of permits are issued. This significantly reduces the competitiveness of Greek products within the Community;
  - action to prevent the ceilings being utilized in such a way that the Greek market is inundated with Yugoslav products. Since the ceilings are not fixed in relation to individual countries and because of the proximity of Greece to Yugoslavia there was a risk that the Greek market would be inundated with certain industrial goods originating in Yugoslavia which would seriously disrupt traditional trade relations between the two countries.
8. Finally, it should be stressed that, in view of the special nature of Yugoslavia and its economic and political importance for the Community, steps must be taken to ensure that progress is made towards restoring a proper balance of economic and trade relations between the EEC and Yugoslavia.



OPINION OF THE COMMITTEE ON TRANSPORT  
Letter from the chairman of the committee to  
Sir Fred CATHERWOOD, chairman of the  
Committee on External Economic Relations

Dear Mr Chairman,

At its meeting of 28 May 1982 the Committee on Transport considered the Recommendation for a Council Regulation concluding an Additional Protocol to the Cooperation Agreement between the European Community and the Socialist Federal Republic of Yugoslavia consequent on the accession of the Hellenic Republic to the Community together with the draft protocol and proposal for a regulation attached thereto.

The transport aspect of this Agreement concerns transit through Yugoslavia which is the subject of a joint declaration adopted on the occasion of the negotiations and of two declarations by each of the contracting parties, which are attached to the minutes of the negotiations.

The Committee on Transport has, on several occasions, stressed the importance it attaches to the question of transit through non-Member States, particularly as it concerns Greece, which is in the unique position among the Member States of being geographically separated from the rest of the Community.

In his report on relations between the Community and Greece in the field of transport (Doc. 1-684/80), Mr COTTRELL observed that 85% of all international transport between Greece and the rest of the Community crosses the territory of Yugoslavia. This figure illustrates in itself the importance of transit through Yugoslavia for the Greek economy. Mr COTTRELL pointed to the current difficulties caused by transit through non-Member States, particularly over permits and transit levies, and called for negotiations to resolve them as soon as possible. He also stressed the need for the further development of combined transport by road, rail and water, and of measures to improve the rail and road networks crossing Yugoslavia, in which the Community could play a part.

The recommendations put forward in this report do not appear to be reflected in the provisions of the Agreement.

Although reference is made to 'the new dimension which the accession of Greece has conferred on the problem of transit through Yugoslavia and cooperation aimed at improving and developing infrastructure' and 'seeking..... appropriate improvement of transit facilities, notably road transit, with Greece in particular'<sup>1</sup>, no specific action is proposed.

Consequently, the Committee on Transport considers that this Agreement does nothing to improve the present situation.

The attitude taken by Yugoslavia in the negotiations on the Agreement on occasional international passenger transport by road, in coaches or buses, would even seem to suggest a less accomodating stance in the matter of transit.

The Committee on Transport therefore asks the Committee on External Economic Relations to emphasize, in its report, the need to find practical and speedy solutions to the problems of transit through Yugoslav territory which have a crucial bearing on trade between Greece and the rest of the Community.

Yours sincerely,

(sgd) Horst SEEFELD

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The following took part in the vote: Mr Seefeld, chairman; Dame Shelagh Roberts and Mr Kaloyannis, vice-chairmen; Mr Adamou (deputizing for Mr Martin), Mr Albers, Mr Buttafuoco, Mr Cardia, Mr Cottrell, Mr Gabert, Mr Hoffmann, Mr Irmer (deputizing for Mrs von Alemann), Mr Junot, Mr Klinkenborg, Mr Lagakos and Mr Moreland (deputizing for Mr Marshall).

<sup>1</sup>COM (82) 15 final, p 52