

European Communities

EUROPEAN PARLIAMENT

Working Documents

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DOCUMENT 1-233/83

REPORT

drawn up on behalf of the Committee on Economic and Monetary Affairs

on the proposal from the Commission of the European Communities (Doc. 1-942/82 - COM(82) 697 final) to the Council for a regulation amending Regulation (EEC) No. 2779/78 on the procedure for applying the ECU to legal acts adopted in the customs sphere

Rapporteur: Mr DE GUCHT

PE 84.023/fin.

By letter of 24 November 1982 the President of the Council of the European Communities consulted the European Parliament on the proposal from the Commission of the European Communities for a Council Regulation amending Regulation (EEC) No. 2779/78 on the procedure for applying the ECU to legal acts adopted in the customs sphere (Doc. 1-942/82).

On 13 December 1982 the President of the European Parliament referred this proposal to the Committee on Economic and Monetary Affairs as the committee responsible.

At its meeting of 16 February 1983 the Committee on Economic and Monetary Affairs appointed Mr DE GUCHT rapporteur.

The committee considered the Commission proposal and the draft report at its meeting of 20 and 21 April 1983.

At this meeting the committee unanimously decided to recommend that Parliament should adopt the Commission proposal, subject to the following amendment.

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

The following took part in the vote:

Mr MOREAU, chairman,

Mr DE GUCHT, rapporteur,

Mr ALBERS (deputizing for Mr DELEAU), Mr BEAZLEY, Mr BEUMER (deputizing for Mr COLLOMB), Mr DELOROZOY, Mrs DESOUCHES, Mr Ingo FRIEDRICH, Mr GIAVAZZI, Mr HERMAN, Mr ROGALLA (deputizing for Mr MIHR), Mr VAN ROMPUY and Mr WELSH.

This report was tabled on 22 April 1983.

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The Committee on Economic and Monetary Affairs hereby submits to the European Parliament the following amendment to the Commission proposal and motion for a resolution, together with explanatory statement:

Proposal from the Commission for a Council Regulation amending Regulation (EEC) No. 2779/78 on the procedure for applying the ECU to legal acts adopted in the customs sphere

Amendment tabled by the Committee on Economic and Monetary Affairs

Text proposed by the Commission of the European Communities

Preamble and recitals unchanged

Article 1

Paragraph 2 unchanged

Paragraph 3, first sub-paragraph unchanged

Amendment

Second sub-paragraph

If a change in parities occurs after the first working day of October, the new rates to be used for converting the ECU into a national currency for the purposes of determining the tariff classification of goods under the Common Customs Tariff and the anti-dumping duty shall also be applicable, by way of derogation from the provisions of paragraph 2, throughout the following calendar year, except where a change in monetary parities occurs during that period.

If a change in parities occurs after the first working day of October, by way of derogation from the provisions of paragraph 2 the rates to be used for converting the ECU into national currencies with effect from 1 January of the following calendar year for the purposes of determining the tariff classification of goods, the customs duty applicable under the Common Customs Tariff or the anti-dumping duty shall be those resulting from that change of parities.

Third sub-paragraph unchanged

Paragraphs 4 and 5 unchanged

Article 2 unchanged

A

MOTION FOR A RESOLUTION

closing the procedure for consultation of the European Parliament on the proposal from the Commission of the European Communities for a Council Regulation amending Regulation (EEC) No. 2779/78 on the procedure for applying the ECU to legal acts adopted in the customs sphere

The European Parliament,

- having regard to the proposal from the Commission to the Council (COM(82) 697 final)¹,
 - having been consulted by the Council (Doc. 1-942/82),
 - having regard to the report of the Committee on Economic and Monetary Affairs (Doc. 1-233/83),
 - having regard to the result of the vote on the proposal from the Commission,
- (a) noting that monetary parities have been realigned four times within the EMS since 1 October 1981²,
- (b) drawing attention to the fact that these realignments have led to a divergence between the ECU rates currently in force in the customs sphere and those applied on the market,
- (c) having regard to the importance of ensuring that customs legislation maintains the stability necessary for administrative purposes whilst keeping as closely as possible in touch with economic reality,
1. Voices its concern at the frequency of recent realignments in monetary parities, bearing in mind that monetary instability seriously affects the development of the economies of the Member States;

¹ OJ No. C 302, 19.11.1982, p. 5

² on 15 October 1981, 21 February and 13 June 1982, and 21 March 1983

2. Stresses once again the urgent need for an effective policy to encourage the convergence of economies and the further consolidation of the EMS, in accordance with the provisions of the agreement which established it, in order to tackle and eliminate the economic and monetary sources of disruption in exchange rates which have made the present Commission proposal necessary;
3. Is convinced, nevertheless, in the current state of affairs, of the need for rapid adjustment of the ECU exchange rates applying to legal acts adopted in the customs sphere, in order to prevent the risk of deflection of trade and shifts in the location of activity;
4. Approves the solution proposed by the Commission, which upholds existing legislation (Regulation No. 2779/78)¹ as regards reference to the first working day of October each year, but makes provision for an automatic re-alignment in the event of any change in monetary parities in relation to the ECU;
5. Emphasizes, however, that while it is important to approve the amendment to Regulation No. 2779/78 and ensure that it enters into force as soon as possible, in order to put an end to the disruption of trade flows, it is nonetheless necessary to proceed thereafter with the recasting of the regulation itself to ensure that the system is correctly understood;
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.

¹ OJ No. L 333, 30.11.1978

B

EXPLANATORY STATEMENT

1. In November 1978 the Council adopted Regulation (EEC) No. 2779/78¹ on the annual revision of the exchange rates of the ECU (which replaced the EUA under Regulation No. 3308/80 of 16 November 1980)² applying to legal acts adopted in the customs sphere. The object of this regulation is to ensure that customs legislation continues to reflect financial reality as closely as possible whilst maintaining the stability necessary for administrative purposes.
2. Article 2(2) of the regulation provides that the value of the ECU in national currencies to be applied to legal acts adopted in the customs sphere shall be fixed once a year, on the first working day of October, with effect from 1 January of the following calendar year.
3. Obviously, if the intended purpose of establishing a single accounting unit in the customs sphere is to be attained, there is a need for the rate of exchange between currencies relating to the conversion rate of the accounting unit to be as close as possible to the exchange rates currently in force on the market.
4. Since 1 October 1981 there have been four adjustments in currency parities within the EMS³, which have led to a divergence between the ECU rates currently in force in the customs sphere and economic reality. Hence the need to establish new parities.
5. Before going on to consider the Commission proposal, attention needs to be given in a more general context to the extreme importance of the measures to be taken in the Community to counter and eliminate the economic and monetary sources of disruption in exchange rates which make the present Commission proposal necessary.

¹ OJ No. L 333, 30.11.1978

² OJ No. L 345, 20.12.1980

³ on 15 October 1981, 21 February and 13 June 1982 and 21 March 1983.

6. Indeed, the European Parliament has not neglected to voice its concern at the frequency of realignments in monetary parities which have occurred recently¹, bearing in mind that monetary instability seriously affects the development of the economies of the Member States and makes an appropriate investment policy at European level, and progressive liberalization of the capital market very difficult.
7. Parliament has always stressed² the urgent need for an effective policy to encourage the convergence of economies and further consolidation of the EMS in accordance with the provisions of the agreement which established it. Indeed, the development of the EMS will entail the integration within the European Monetary Fund of three instruments: loan mechanisms, exchange agreements and the ECU. The desired result would be to obtain more rigorous exchange agreements, not so much by establishing strict rules laid down in advance, but rather on the basis of assessments by the European Monetary Fund.
8. However, in the present circumstances, the risk of deflection of trade and shifts in the location of activity, following marked changes in currency parities in the course of a single year, certainly points to the need for rapid adjustment of the ECU exchange rates as proposed by the Commission.

Consideration of the Commission proposal

9. In its proposal for a regulation¹ the Commission puts forward a solution which in principle maintains existing legislation (Regulation (EEC) No. 2779/78) as regards reference to the first working day of October, but provides for an automatic realignment whenever there is a change in currency parity in relation to the ECU for the purposes of certain legal acts adopted in the customs sphere.

¹ OJ No. C 287, 15.10.1981, p. 85, and OJ No. C 87, 5.4.1982, p. 74

² OJ No. C 117, 12.5.1980, p. 56 and OJ No. C 66, 15.3.1982, p. 45

³ Doc. 1-942/82

10. It should, however, be emphasized that, while it is important to approve the amendment to Regulation No. 2779/78 and to ensure that it enters into force as soon as possible, in order to put an end to the disruption of trade flows, it is also necessary to proceed thereafter with the recasting of the regulation itself to ensure that the scheme is correctly understood.

11. With regard more particularly to the wording of the articles proposed by the Commission it would be advisable for Article 1(3), second sub-paragraph to be redrafted to improve comprehension of the text (proposed amendment No. 1).