Report

drawn up on behalf of the Committee on Development and Cooperation

on the proposals from the Commission of the European Communities to the Council (Doc. 1-574/82 - COM(82) 468 final) on regulations fixing the Community's scheme of generalized tariff preferences for the period 1983-1985 and opening the scheme applicable in 1983

Rapporteur: Mr R. WEDEKIND
By letter of 27 August 1982 the President of the Council of the European Communities requested the European Parliament to deliver an opinion on the proposals from the Commission of the European Communities to the Council (Doc. 1-574/82) on regulations fixing the Community's scheme of generalized tariff preferences for the period 1983-1985 and opening the scheme applicable in 1983.

On 13 September 1982 the President of the European Parliament referred these proposals to the Committee on Development and Cooperation as the committee responsible and to the Committee on External Economic Relations, the Committee on Agriculture and the Committee on Economic and Monetary Affairs for their opinion.

On 23 September 1982 the Committee on Development and Cooperation appointed Mr Rudolf WEDEKIND rapporteur.

It considered the draft report at its meeting of 29 September 1982 and unanimously adopted the motion for a resolution.

The following took part in the vote: Mr Poniatowski, chairman; Mr Bersani, vice-chairman. Mr Wedekind, rapporteur; Mrs Cassanmagnago-Cerreti, Mr Cohen, Mr de Cuccy Ling, Mr de Gucht (deputizing for Mr Sablé), Mrs Dury, Mr Fellermaier, Mrs Focke, Mr G. Fuchs, Mr Geurtsen (deputizing for Mr Irmer), Mr C. Jackson, Mr Lezzi, Mr Michel, Mr Narducci, Mrs Rabbethge and Mr Wawrzik.

The opinions of the Committee on External Economic Relations and the Committee on Agriculture are attached to this report.

The opinion of the Committee on Economic and Monetary Affairs will be presented orally.

The explanatory statement will be presented orally.
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The Committee on Development and Cooperation hereby submits to the European Parliament the following motion for a resolution:

**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 on regulations fixing the Community's scheme of generalized tariff preferences for the period 1983-1985 and opening the scheme applicable in 1983

The European Parliament,

A. having regard to the proposal from the Commission of the European Communities to the Council (COM(82) 468 final),

B. having been consulted by the Council pursuant to Articles 43 and 113 of the EEC Treaty (Doc. 1-574/82),

C. having regard to the report of the Committee on Development and Cooperation, the opinion of the Committee on Agriculture and the opinion of the Committee on External Economic Relations (Doc. 1-662/82),

D. having regard to the result of the vote on the proposal from the Commission,

E. recalling its previous resolutions on the generalized system of tariff preferences and, more particularly, those of 17 October 1980, 15 December 1980 and 20 November 1981,

1. Reaffirms once again its support for the Community's policy of a generalized system of preferences for the benefit of developing countries and in particular the least-developed countries;

2. Approves the proposals submitted, which both take account of the economic situation in the Community and are also likely to result in improvements being made to the current five-year scheme of generalized tariff preferences;

1 OJ No. C 291, 10.11.80, p. 77
3 OJ No. C 327, 14.12.81, p. 107
3. Notes in particular that significant improvements are proposed for agricultural products originating in the least-developed countries but notes, however, that no changes are planned as regards the treatment of products covered by the common agricultural policy;

4. Observes once again that, in particular as regards the least-developed countries, preferences are worthless unless they apply to agricultural products;

5. Repeats its request, therefore, for the list of products to be progressively extended to include even agricultural products covered by the common agricultural policy, and calls once more on the Commission to draw up a commercial policy in the agricultural sector which is compatible with Community development policy;

6. Notes that the implementation of the measures proposed for textile products covered by the Multifibre Arrangement, as it has just been renewed, depends on the successful outcome of bilateral negotiations conducted by the Community with the supplier countries, and hopes sincerely that these negotiations will be successfully completed within the time limits laid down;

7. Recalls its support for the principle that the generalized system of preferences should be autonomous and calls again on the Commission to consider the extent to which the restrictions at present imposed on certain groups of countries (for example on newly-industrialized countries) might be abolished, on the assumption that those countries would agree to institute a preferential import scheme benefitting the least-developed countries;

8. Recalls the need for information and training so that the developing countries, and in particular the least-developed, may benefit more widely from the scheme's potential and regrets that no improvements have been proposed in this respect; recalls also the importance of improved coordination of the GSP instruments with those of commercial cooperation;
9. Stresses the need for the Commission to keep the social partners better informed and, where appropriate, to ensure consultation in sensitive industrial sectors making it possible to organize the restructuring needed ultimately to prevent constant recourse to protectionist measures;

10. Hopes that, on the occasion of such consultations, the social partners will proceed together to consider in an appropriate manner the implementation of minimum working standards;

11. Calls on the Commission again to draw up a study on the real significance of the generalized system of preferences and on its links with other Community development aid policies;

12. Deplores deeply the fact that the Commission has not seen fit to resubmit its proposals concerning the management of the generalized system of preferences; emphasizes once again that the power of decision in this matter must not be transferred to Council committees at this juncture.
OPINION OF THE COMMITTEE ON EXTERNAL ECONOMIC RELATIONS

Draftsman: Sir Fred CATHERWOOD

On 28 September 1982 the Committee on External Economic Relations appointed Sir Fred Catherwood draftsman of the opinion.

At its meeting of 29 September 1982 the committee considered the draft opinion and adopted it unanimously.

Present: Mr van Aerssen (2nd vice-chairman), Mr Almirante, Mr Blumenfeld, Mrs Pauwelyn, Mr Pelikan, Mrs Pruvot, Mr Radoux, Mr Spencer and Sir John Stewart-Clark.
1. In her draft opinion for the Committee on Development and Cooperation drawn up on behalf of the Committee on External Economic Relations, Mrs CARETTONI ROMAGNOLI stressed that the guidelines for the scheme of generalized tariff preferences were based on the following principles (PE 74.994 - pp- 3, 4 and 5):

2. 'As is known, the first period of application of the scheme of generalized tariff preferences (GSP) expired on 31 December 1980 and the Council decided to prolong the scheme for a further ten years. Parliament delivered its opinion on the guidelines for the scheme at its sitting on 17 October 1980 on the basis of the Pearce report (Doc. 1-455/80). The scheme was fixed for a five-year period with the possibility of annual adaptation.

3. By comparison with the previous decade, the scheme for the 1980s has been amended in two respects:

- simplification in order to achieve greater transparency of the system;
- the introduction of differentiation in relation to the beneficiary countries so that the poorest countries are better able to make use of the system and Community industry is protected against an excessive influx of sensitive products from countries regarded as highly competitive.

4. In order to simplify the system, the Community has since 1981 divided the products concerned into two categories: sensitive products (128 in total, 64 of which are industrial) and non-sensitive products. For sensitive products, preferential exports from the most competitive countries are subject to a system of Community quotas established for each individual country. These Community quotas are distributed among the Member States of the Community in national quotas. Once a quota ceiling has been reached, the Member State concerned must reintroduce customs duties in respect of the exporting country.

5. According to the Commission, economic criteria are the basis for determining the most competitive countries. We would draw attention to the fact that the Committee on External Economic Relations has in the past stated that these criteria should include the following elements:

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1 OJ No. C 291, 10.11.1980, pp.77 et seq.
2 Chouraqui opinion, Doc. 1-455/80

PE 80.398/fin.
(a) per capita income;
(b) industrial growth rate and investments;
(c) social situation;
(d) penetration of Community market;
(e) preference utilization rate during first period of application;
(f) situation of Community producers.

6. For imports from other, less competitive, countries no national quotas for Member States of the Community have been fixed. Customs duties for the whole Community are reintroduced when the exporting country's individual ceiling is reached.

7. For non-sensitive products there is a simple statistical surveillance arrangement. Under certain circumstances customs duties can be reintroduced in respect of a specific beneficiary country.

8. The economically least-developed countries (36 in total) enjoy general exemption, without any restriction, for all industrial products (including textiles) and for all agricultural products covered by the GSP, including those subjects to ceilings or quotas.

9. Overall, the GSP for industrial products - where there is general exemption from duties - comprises the following elements:

- sensitive products from competitive countries which are subject to a Community quota for each individual exporting country which is then distributed among the Member States in national quotas;

- sensitive products from other countries which are only subject to a Community quota for each individual exporting country;

- non-sensitive products subject only to statistical surveillance;

- sensitive and non-sensitive products from the poorest countries, on which there are no restrictions.

10. For agricultural products included in the GSP there is either partial or general exemption from duties. As already stated there are no restrictions for the poorest countries.
11. The arrangements for textile products are closely linked to the Multifibre Agreement (MFA) and the complementary bilateral agreements. No change will be made to the GSP textile arrangements until the outcome of the renegotiation of the MFA is known.

12. When assessing the GSP, it must be borne in mind that the latter is not just an instrument for development cooperation but that it can also contribute to a more balanced international trade situation. For, if the Third World’s share in world and industrial production increases, so will trade between North and South.

POSITION ADOPTED IN THE PAST BY THE COMMITTEE ON EXTERNAL ECONOMIC RELATIONS

13. In the opinion by Mrs CARETTONI ROMAGNOLI referred to above, (PE 74.994 - p. 9), the Committee on External Economic Relations set out a number of guidelines to be taken into consideration with a view to the adoption of the GSP in years to come:

(a) to improve the trading position of the poorest countries in the world, the preferences for these countries, in particular in the agricultural sector, must be increased;

(b) the question of the rules of origin needs to be studied thoroughly so that improvements can be made (the Committee on External Economic Relations will try to organize an exchange of views on this subject with representatives of interested beneficiary countries);

(c) the Commission’s new proposals on the management of the GSP deserve Parliament’s support;

(d) the Committee on External Economic Relations points out that the GSP should be considered - and hence developed - as one of the policy instruments in relations with developing countries, with particular reference to those countries which do not benefit from association treaties or other preferential arrangements.'
1. **Agricultural products**

14. In view of the particular sensitivity of various products for certain Member States and of the desire to grant additional advantages to the group of the least developed countries, the Commission is proposing:

- **Improvements in preferential margins** on 18 products already included in the EC's GSP including certain unrooted cuttings (06.02 A II), other live plants etc. (06.03 ex B) and parts of flowers, fresh (06.04 B I), mangoes (08.01 H), bay leaves (09.10 B), oleic acid (15.10 B), chocolate and chocolate goods (18.06 C), pineapple juices (20.07 B II a (4), B (5)) and cigarettes (24.02 A), cigars and cigarillos (24.02 B) and smoking tobacco (24.02 C);

- **The inclusion of 9 new products** among which are horse radish - fresh or chilled (07.01 G III), okra - frozen or dried (07.02 ex B, 07.04 ex B); dried sweet peppers (07.04 ex B I), dates - fresh, dried or frozen (08.01, ex 08.10), rose-hip fruits cooked or uncooked, frozen or dried (08.10 ex D, 08.12 ex B) and snails (16.05 ex B).

15. In the case of the five agricultural products covered by quotas, i.e. cocoa butter, soluble coffee, sliced tinned pineapple, diced tinned pineapple and Virginia type raw tobacco, it has become necessary to reorganize the distribution of the Member States' shares. The proposed distribution is as follows:

**Cocoa butter**

<table>
<thead>
<tr>
<th>Country</th>
<th>Share (t.)</th>
<th>Percentage</th>
<th>Change (t.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benelux</td>
<td>9,560</td>
<td>49.0%</td>
<td>-1,375</td>
</tr>
<tr>
<td>Denmark</td>
<td>20</td>
<td>0.1%</td>
<td>-25</td>
</tr>
<tr>
<td>Germany</td>
<td>6,400</td>
<td>32.8%</td>
<td>+3,680</td>
</tr>
<tr>
<td>Greece</td>
<td>20</td>
<td>0.1%</td>
<td>-25</td>
</tr>
<tr>
<td>France</td>
<td>700</td>
<td>3.6%</td>
<td>+610</td>
</tr>
<tr>
<td>Ireland</td>
<td>20</td>
<td>0.1%</td>
<td>-25</td>
</tr>
<tr>
<td>Italy</td>
<td>20</td>
<td>0.1%</td>
<td>-25</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>2,760</td>
<td>14.2%</td>
<td>-2,800</td>
</tr>
</tbody>
</table>

**First tranche**

19,500 t.

**Reserve**

2,500 t.
**SOLUBLE COFFEE**

<table>
<thead>
<tr>
<th>Country</th>
<th>Tons</th>
<th>Percentage</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>BENELUX</td>
<td>1,150</td>
<td>6.7%</td>
<td>(- 245 t.)</td>
</tr>
<tr>
<td>DENMARK</td>
<td>25</td>
<td>0.1%</td>
<td>(- 20 t.)</td>
</tr>
<tr>
<td>GERMANY</td>
<td>2,700</td>
<td>15.7%</td>
<td>(+ 1,890 t.)</td>
</tr>
<tr>
<td>GREECE</td>
<td>200</td>
<td>1.2%</td>
<td>(- 115 t.)</td>
</tr>
<tr>
<td>FRANCE</td>
<td>250</td>
<td>1.5%</td>
<td>(+ 25 t.)</td>
</tr>
<tr>
<td>IRELAND</td>
<td>20</td>
<td>0.1%</td>
<td>(- 25 t.)</td>
</tr>
<tr>
<td>ITALY</td>
<td>45</td>
<td>0.3%</td>
<td>(unchanged)</td>
</tr>
<tr>
<td>UNITED KINGDOM</td>
<td>12,800</td>
<td>74.5%</td>
<td>(- 1,510 t.)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>17,190 t.</td>
</tr>
</tbody>
</table>

**TINNED PINEAPPLES**

<table>
<thead>
<tr>
<th>Country</th>
<th>Slices</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>BENELUX</td>
<td>10.4%</td>
<td>2,679</td>
</tr>
<tr>
<td>DENMARK</td>
<td>2.9%</td>
<td>747</td>
</tr>
<tr>
<td>GERMANY</td>
<td>47.7%</td>
<td>12,288</td>
</tr>
<tr>
<td>GREECE</td>
<td>1.6%</td>
<td>412</td>
</tr>
<tr>
<td>FRANCE</td>
<td>5.7%</td>
<td>1,468</td>
</tr>
<tr>
<td>IRELAND</td>
<td>0.2%</td>
<td>52</td>
</tr>
<tr>
<td>ITALY</td>
<td>2.5%</td>
<td>644</td>
</tr>
<tr>
<td>UNITED KINGDOM</td>
<td>29.0%</td>
<td>7,470</td>
</tr>
<tr>
<td></td>
<td></td>
<td>25,760</td>
</tr>
<tr>
<td>Reserves</td>
<td></td>
<td>2,800</td>
</tr>
</tbody>
</table>
2. Industrial products

16. Experience has shown that the list of sensitive products drawn up in 1981 is, for the most part, still valid.

The Commission therefore proposes that some further liberalization of trade in sensitive products should be attempted and that eight products should be transferred to the Non-Sensitive List in 1983. However, for two other products - other fertilizers (CCT No. 31.05) and footwear with outer soles of other materials (CCT No. 64.04) - there has been such a marked deterioration in the particular industries' position as a result of significant imports from developing countries that the Commission considers that it will be necessary to control preferential imports much more closely and that the items concerned must henceforth figure on the Sensitive List with the major suppliers subject to individual country quotas.

17. Preferential imports from certain supplier countries have increased so substantially that it will be necessary to introduce an additional eleven individual country quotas to control these imports. On the other hand, the GSP import quotas of eight other countries have proved to be below expectations. These can be eliminated and replaced by ceilings in 1982. This kind of movement in both directions is precisely the kind of annual adaptation which the Commission had foreseen as likely and desirable when the new machinery was first introduced.

18. For those countries where individual country quotas are to be applied, the Commission considers that for about half of them the situation of the industry concerned in relation to competitive imports from GSP suppliers is still so
unhealthy - notably in the iron_and_steel_industry\textsuperscript{1}, the footwear_and_leather_industries and certain sectors of the chemical_industries - that no increases can be proposed. For the other items, it could approve an increase of at least 5% and in some case 10% or even 15%.

3. Textile products

(a) Products covered by the Multifibre Arrangement

19. Eligibility for GSP benefits on products covered by the MFA remains conditional on the satisfactory conclusion of bilateral voluntary restraint agreements or similar commitments by the exporting country vis-à-vis the European Community. In this context, discussions are currently taking place which, it is hoped, will lead to the inclusion of Bolivia and Ecuador in the list of eligible countries in 1983.

In the meantime, however, while the basic framework of the Community's GSP scheme for textiles remains that established in 1980, the Commission considers that certain adjustments and improvements are now timely, largely because the offer was calculated on the basis of imports in 1977.

(b) Products not covered by the Multifibre Arrangement

The Commission proposes that overall fixed ceilings on imports from all sources be replaced by individual ceilings, the value of which, furthermore, would be calculated in relation to the total volume of imports of the product in question for a more recent reference year - 1980 instead of 1977.

(c) Jute_and_coir_products

The Commission proposes that the 1982 arrangements should be renewed unchanged for a further year in favour of the present beneficiaries.

CONCLUSION

20. The Committee on External Economic Relations realizes that the Commission has limited room for manoeuvre in view of the need to avoid the depreciation of the

\textsuperscript{1} The Commission reserves the right to reconsider its position in the light of developments in the steel industry
preferential access given to certain groups of developing countries.

20(a). It notes that despite the considerable differences between sectors and products, imports covered by the GSP still represent in many cases, only a very small or even negligible percentage of the total volume of imports.

21. The Committee on External Economic Relations notes with satisfaction the extension of the GSP to include China and Romania.

The Commission proposes that Romania be included for seven additional products in List A and six products in List B and that China be included for three products in List A (this would mean that only some fifty products from both lists would be excluded in the case of Romania and twelve in the case of China).

22. It notes with interest that the tendency is to simplify the management of the GSP and to make it more efficient.

23. It notes that a number of countries are beginning to make more effective use of the new facilities offered to them as a result of the greater security provided by the system of fixing individual preferential shares.

24. It hopes that efforts relating to the definition of rules of origin which have already begun in the context of the UNCTAD Working Group will be pursued and will go beyond the 'notes printed on the reverse side of the Certificate of Origin Form A, which will become applicable on 1 January 1983'. The Committee on External Economic Relations points out that it would like to organize exchanges of views on this subject with representatives of the beneficiary countries.

25. It hopes that the Commission will continue its information campaign on the GSP to enable all the countries concerned, and in particular the poorest of those countries, to benefit from the scheme under the best possible conditions.
OPINION OF THE COMMITTEE ON AGRICULTURE

Draftsman: Mr E. WOLTJER

On 1 October 1982 the Committee on Agriculture appointed Mr Woltjer draftsman of the opinion for the Committee on Development and Cooperation.

At its meeting of 30 September and 1 October 1982 the opinion was adopted unanimously.

The following took part in the vote: Mr Curry, chairman; Mr Früh and Mr Colleselli, vice-chairmen, Mr Woltjer, draftsman; Mr Battersby, Mr Blaney, Mr Dalsass, Mr Davern, Mr Diana, Mr Eyraud, Mr Gautier, Mr Helms, Mr Hord, Mr Kaloyannis, Mr Kirk, Mr Marck, Mr M. Martin (deputizing for Mr Pranchère), Mr B. Nielsen, Mr d'Ormesson, Mrs Péry (deputizing for Mr Thareau), Mr Provan, Mr Tolman and Mr Vigenopoulos.
I. INTRODUCTION

1. Since 1971 the developing countries have been able to export the bulk of their processed or semi-processed products to a large number of industrialized countries duty-free or at reduced rates of duty.

This scheme of generalized tariff preferences, from which 125 independent countries and territories, 22 dependent countries and territories and 36 least-developed countries currently benefit, covers more than 300 processed agricultural products. The provisions of the scheme vary greatly, ranging from complete exemption to a more or less significant reduction in the rate of duty. In the case of the 36 least-developed countries, however, imports of the listed products are allowed into the Community completely free of duty. Import quotas apply only to certain sensitive products such as tobacco, tinned pineapple, cocoa butter and soluble coffee.

2. The main purpose of generalized tariff preferences is to increase the export earnings of the poor countries, promote their industrialization and accelerate their rate of economic growth by treating imports from less-developed countries more favourably than those from developed countries.

II. PROPOSALS FOR 1983

3. The Commission's proposals for the GSP scheme for 1983 include the following features:

- a substantial improvement in the offer to the least-developed countries;

- improvements in the preferential margins on 18 products already included in the list;

- the inclusion of 9 new products on the list;
4. The European Parliament's insistence over the past years that concessions should be made to the least-developed countries in particular under the generalized scheme of preferences has prompted the Commission to propose that these countries be granted duty-free access for all products in Chapters 1 to 24 of the CCT, on which ACP suppliers already receive preference and which are not further protected by a levy or similar device.

Annex C of the proposal for a regulation lists the products which may be imported free of duty from these countries, which are listed in Annex D.

The Committee on Agriculture welcomes the inclusion by the Commission of duty-free access for the least-developed countries in its proposal to the Council. It feels strongly, however, that this measure should be supplemented by other measures, such as the abolition of all technical and administrative barriers to ensure that these concessions apply in practice and not just on paper.

5. The preferential margins for 18 products already included on the list, including carrots and peas, other live plants, parts of plants (fresh), mangoes, bay leaves, oleic acid, chocolate and chocolate goods and tobacco goods, have been increased. These are products for which there is still room on the European market without putting domestic products at a disadvantage. The same applies to the 9 new products on the GSP list.

In the explanatory memorandum to its proposal the Commission has included both the lists of products in respect of which preferential margins have been increased and the new products. In certain cases it has also indicated the Community's main supplier countries.
6. Since the Commission's services themselves do not possess statistics relating to the products imported under the GSP scheme for 1981, your rapporteur is unable to comment in any meaningful way on the improvements proposed by the Commission.

He urges the Commission, for future reference, to attach to any proposal amending the generalized scheme of preferences, statistics which specify for each product the quantities imported and the exporting countries. Without such statistics the Committee on Agriculture is unable to check whether the GSP is measuring up to its requirements.

7. The following table, compiled from figures provided last year by the services of the Commission, illustrates the trend in total imports of the agricultural products covered by the GSP scheme between 1976 and 1980.

**IMPORTS OF AGRICULTURAL PRODUCTS COVERED BY THE GSP (1,000 ECU)**

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>Index 1976</th>
<th>Mediterranean</th>
<th>Index 1976</th>
<th>ACP countries</th>
<th>Index 1976</th>
<th>Total under GSP</th>
<th>Index 1976</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976</td>
<td>5,704,015</td>
<td>100</td>
<td>476,438</td>
<td>100</td>
<td>1,307,810</td>
<td>100</td>
<td>705,803</td>
<td>100</td>
</tr>
<tr>
<td>1977</td>
<td>8,164,346</td>
<td>143</td>
<td>609,431</td>
<td>128</td>
<td>2,367,102</td>
<td>181</td>
<td>968,131</td>
<td>137</td>
</tr>
<tr>
<td>1978</td>
<td>7,295,510</td>
<td>128</td>
<td>578,324</td>
<td>121</td>
<td>1,738,960</td>
<td>133</td>
<td>1,002,005</td>
<td>142</td>
</tr>
<tr>
<td>1979</td>
<td>7,814,929</td>
<td>137</td>
<td>658,140</td>
<td>139</td>
<td>1,733,587</td>
<td>133</td>
<td>1,356,866</td>
<td>192</td>
</tr>
<tr>
<td>1980</td>
<td>8,114,292</td>
<td>142</td>
<td>564,771</td>
<td>119</td>
<td>1,751,052</td>
<td>134</td>
<td>1,329,469</td>
<td>188</td>
</tr>
</tbody>
</table>

The table shows that imports under the scheme of generalized tariff preferences have increased more rapidly than total imports and more rapidly than imports from the Mediterranean countries and the ACP countries, which proves that the scheme has had a definite positive impact. Unfortunately the table does not indicate which of the
countries covered by the scheme – i.e. the least-developed countries or the countries which have already reached a certain level of development – have increased their exports to the Community the most.

8. Five products are subject to import quotas, the main purpose of which is to avoid undermining the concessions granted to the ACP countries. These products are: cocoa butter, soluble coffee, tinned pineapple and tobacco of the Virginia type.

The Commission notes that there have been drastic changes in the pattern of trade in these products over the past years, with the result that the original distribution formula needs to be reviewed. In the explanatory memorandum to its proposal the Commission has included tables showing the distribution method currently in force and the proposed new method. The Committee on Agriculture believes that it is to the advantage of the exporting countries that the distribution method be related as closely as possible to the actual situation, so as to remove as many obstacles as possible to imports of these products.

III. COUNTRIES ENJOYING GENERALIZED TARIFF PREFERENCES

9. Annex C of the Commission proposal lists the developing countries and territories enjoying generalized tariff preferences. Annex D is a list of the least-developed developing countries.

These lists were compiled on the basis of political considerations and largely reflect the conclusions of UNCTAD.

The Committee on Agriculture reiterates its reservations concerning the countries listed in Annex C, which includes not only countries which are genuinely in need of assistance but also those which have less need of generalized tariff preferences, such as the oil-rich countries of the Middle East.
If the purpose really is to enable those countries most in need to benefit from the system, the European Community should tackle this problem in the near future in collaboration with other countries operating preference schemes.

IV. CONCLUSIONS

10. The Committee on Agriculture:

- believes that the Commission's proposals may be a step towards a more balanced distribution of preferential concessions, which will benefit the least-developed countries in particular;

- calls on the Commission to make available in future to the European Parliament clearly-compiled tables showing the agricultural products covered by the generalized scheme of preferences, broken down by exporting country;

- calls on the Commission to revise the list of beneficiary countries so as to accord the greatest possible priority to the least-developed countries,

- reiterates its request to the Commission to formulate specific proposals designed to remove all technical and administrative obstacles, to enable the GSP to operate more effectively;

- requests the Committee on Development and Cooperation to incorporate the above conclusions in its motion for a resolution.