

EUROPEAN PARLIAMENT

Working Documents

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MOTION FOR A RESOLUTION

tabled by Mr PETRONIO, Mr ROMUALDI,
Mr ALMIRANTE and Mr BUTTAFUOCO

pursuant to Rule 25 of the Rules of Procedure

on the system of export refunds applied
to Italian rice

The European Parliament,

- whereas Italy, with its production of more than a million tonnes each year, is practically the only rice-producing country within the European Community; whereas only 40% of production is sold for domestic consumption in Italy and the remaining 60%, though insufficient to meet the Community's needs, is divided equally between the Community and third countries,
 - whereas it is extremely difficult to find outlets for Italian rice on the markets of the other Member States because of the large-scale use of rice from other countries,
 - whereas Italian supplies to third countries are largely governed by
 - (a) the amount of food aid granted by the Community
 - (b) the system of refunds (export subsidies),
 - whereas contracts for supplying EEC food aid are awarded to the lowest tender and consist of very poor quality merchandise,
 - whereas, in addition, negotiations which held out good prospects for sales of large amounts to some countries in Eastern Europe have been cancelled as a result of recent embargo measures following the Russian-Afghan crisis which has led to a complete suspension of refunds to areas 2 and 3 and a big reduction of those to area No. 1 (Mediterranean) since these countries could have bought Italian rice and rerouted it to those countries which were the prime cause for the refund system being ended,
 - whereas, finally, speculators of one nationality in particular purchased a considerable share of the allocated tonnage just two days before the suspension with the obvious purpose of diverting this merchandise to the very countries which the EEC does not wish to supply,
1. Hopes, particularly in order to halt speculative moves now in progress, for an early reversal of the decisions taken so that the refunds system can be resumed at the old levels, at least for the countries of area No. 1 (Mediterranean) and subject, of course, to a system of guarantees to prevent rerouting of merchandise to the countries which caused the refunds to be terminated;
 2. Resolves that good quality rice (and not the poor quality merchandise accorded at present which is damaging the chances of expanding the market) should make up an increasing part of the food aid granted by the EEC to the Third World;
 3. Asks the Commission and Council to review and to improve the refunds system so that it will not be detrimental to Italian rice growers who are practically the sole producers in Europe and who, having been quick to apply advanced technology in order to reduce costs, have found that this also has the effect of reducing profit margins, while at the same time they are having to face American competition which, under past agreements, leaves Italian production a relatively free hand only in the area of round-grained rice which is known to be a relatively poor market;
 4. Instructs its President to forward this motion for a resolution to the Council and Commission of the European Communities. PE 63.348