

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(79) 276 final

Brussels, 28 May 1979

Proposal for a
COUNCIL DIRECTIVE

on temporary suspension of the application of inward processing
arrangements to certain dairy products

(submitted to the Council by the Commission)

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EXPLANATION

The market situation in the Community for whey, skimmed milk powder and butter becomes more and more difficult and there is at present a surplus production of these products in the Community. The surplus that cannot be quickly eliminated, since there are few outlets on the world market and hence only limited possibilities for export, entails serious difficulties for the proper working of the common organisation of the market in milk and milk products.

In order to remedy this serious market situation the Council adopted regulation (EEC) no. 1961/75 prohibiting the use of inward processing arrangements in respect of skimmed milk powder. Furthermore the use of inward processing arrangements in respect of butter was prohibited by Commission Regulation (EEC) No. 3352/75 as last amended by Regulation (EEC) no. 2119/78 and the Commission in order to avoid substitution of SMP by whey powder has submitted a proposal to the Council prohibiting the use of inward processing arrangements for whey. These measures however, only partially cover the cases where it is economically justified and possible to exclude the use of inward processing arrangements in respect of such products, and it is therefore indicated to supplement these measures. This may be done by a directive applying article 5(1) of the Council directive on the harmonisation of provisions laid down by law, regulation or administrative action in respect of inward processing (69/73/EEC).

Article 29 of the basic directive sets out the procedure for the adoption of such an application directive, i.e. adoption by the Council acting on a qualified majority on a proposal from the Commission.

A draft proposal for an application directive is annexed.

Having regard to the serious state of the market in the Community for milk and milk products it is necessary that the proposal be transmitted to the Council as quickly as possible.

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on temporary suspension of the application of inward processing arrange-
ments to certain dairy products

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Directive 69/73/EEC of 4 March 1969 on the harmonization of provisions laid down by law, regulation or administrative action in respect of inward processing¹, as last amended by Directive 76/119/EEC², and in particular Article 29 thereof;

Having regard to the proposal from the Commission;

Whereas Article 5(1) of Directive 69/73/EEC provides that the competent authorities may grant authorizations in all cases where inward processing arrangements would contribute towards providing the most favourable conditions for the export of goods resulting from such processing without conflicting with essential interests of producers within the Community; whereas Article 5(2) of the Directive referred to above provides that certain operations are considered to contribute towards providing the most favourable conditions for exports without conflicting with essential interests of producers within the Community;

Whereas the use of inward processing arrangements has been prohibited to a certain extent in respect of milk powder and butter by Council Regulation (EEC) No 1961/75³, as last amended by Regulation (EEC) No 875/77⁴ and Commission Regulation (EEC) No 3352/75⁵, as last amended by Regulation (EEC) No 2119/78⁶ and in respect of whey by Council Regulation (EEC) No 179⁷;

Whereas there is a surplus of skimmed milk powder and butter at present in the Community; whereas there are very few outlets on the world market, which considerably limits the possibility of exporting these products; whereas all capacity for absorbing surpluses must therefore be devoted to Community production;

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¹OJ No L 58 of 8.3.1969, p. 1

³OJ No L 200 of 28.7.1975, p. 6

⁵OJ No L 330 of 24.12.1975, p. 28

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²OJ No L 24 of 30.1.1976, p. 58

⁴OJ No L 106, 29.4.1977, p. 23

⁶OJ No L 246 of 8.9.1978, p. 12

Whereas the world market does, however, offer some outlets for certain processed products not covered by the prohibitions of using the inward processing arrangements; whereas the Community processing industries may obtain their whey, skimmed milk powder and butter for the manufacture of such products from third countries and process it under inward processing arrangements;

Whereas the Community market will enable these industries to obtain ample supplies of whey, skimmed milk powder and butter of Community origin, thus relieving the Community market in those products; whereas the use of such products from third countries is therefore liable to jeopardize the proper working of the common organization of the market in milk and milk products and thus conflict with essential interests of producers within the Community;

Whereas it is necessary to ensure a uniform application of Article 5(1) of the Directive (EEC) 69/73/EEC;

HAS ADOPTED THIS DIRECTIVE:

Article 1

Without prejudice to the provisions of Article 5(2) of Directive No 69/73/EEC and to the provisions of Regulation (EEC) Nos 1961/75, 3352/75 and 179, the inward processing arrangements concerning the products mentioned below, introduced into the customs territory of the Community from third countries, are considered, until , as conflicting with essential interests of producers within the Community:

CCT heading No	Description of goods
04.02 A I	Whey
04.02 A II b) 1	Milk and cream, in powder or granules, of a fat content by weight, not exceeding 1.5%, other than those in immediate packings of a net capacity of 2.5 kg or less
04.03	Butter

Article 2

Article 1 shall not affect imports made under inward processing arrangements within 30 days from provided they are made pursuant to authorizations valid on that date.

Article 3

The Member States shall bring into force the measures necessary to comply with this Directive not later than

Article 4

This Directive is addressed to the Member States.

Done at Brussels,

For the Council
The President