

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(75) 153 final

Brussels, 10 April 1975

Proposal for a
COUNCIL REGULATION (EEC)

temporarily suspending the autonomous
duties in the Common Customs Tariff on
a number of agricultural products

(submitted by the Commission to the Council)

COM(75) 153 final

EXPLANATORY MEMORANDUM

A.

At its meetings on 28 January, 24/25/ 26 February and 13/14 March 1975 the Joint Group of government experts which meets under the aegis of the Commission to

study economic problems relating to the Common Customs Tariff examined :

- the advisability of extending, for certain agricultural products, the suspensions of duties which are due to expire on 30 June 1975, and
- new applications submitted by certain Member States for the suspension of common customs duties on agricultural products from 1 July 1975.
- The applications submitted concerned products in respect of which the Member States concerned considered that a provisional reduction of autonomous duties in the Common Customs Tariff was justified for economic reasons, owing to the non-existence of inadequacy of production in the Community.

B.

Following the requests from Member States and after examining them, the Commission has taken into account the particular economic situations concerning the products in question.

1) Fish

The Community's processing industry for fish is not adequately supplied by Community fishermen. Community catches are becoming increasingly smaller, so that some Member States have become dependent on large quantities of imports from third countries. Nevertheless, the duties applicable to these fish (basic materials for preservation in particular) reduce the competitiveness of the industries concerned.

Suspensions of duties are intended to enable the processing industry to compete with suppliers of finished products from third countries whose prices are more competitive. In addition, suspensions of duties could check the constant increase in the prices of processed fish.

The following table, based on the available statistical data, could serve to illustrate the economic situation in this sector in the Member States submitting applications for suspensions of duties.

Federal Republic of Germany (1973)

Description of products	Needs (in metric tonnes)	Supplies (in metric tonnes)	Imports from the Community (in metric tonnes)	from third countries (in metric tonnes)
1	2	3	4	5
Mackerel, fresh, chilled or frozen	x	x	4,419	2,903
Salmon, fresh, chilled or frozen				
Salted Salmon	2,200	99	630	1,471
Piked dog-fish, fresh, chilled or frozen	2,895	228	589	2,078
Black halibut, fresh, chilled or frozen	6,553	1,524	817	4,212
Coalfish, salted or in brine	1,785	0	182	1,603
Fillets of Saithe, salted or in brine	1,850	0	0	1,850
Sprats, salted or in brine	x	x	28	321
Anchovies, salted or in brine	x	x	28	321
Soluble products of fish	x	x	24,653	19,670

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x Figures not available

France (1973)

Description of products	Needs (in metric tonnes)	Supplies (in metric tonnes)	Imports (from the Community (in metric tonnes)	Imports from third countries (in metric tonnes)
1	2	3	4	5
Anchovies	7,584	5	136	7,443
Crawfish frozen and chilled	794	-	1	793

Benelux (1973)

Mackerel, fresh, chilled or frozen	14,242	8,835	4,482	925
Crabs	x	x	221	1,338
Shrimps	4,610	779	2,475	1,356

Denmark (1973)

Fish Roe, fresh, chilled or frozen	2,138	1,594	127	2,417
Fish Rose, salted or in brine	5,71.1	0	0.1	571

As this situation is not expected to change in the near future, duties must be suspended for one year, i.e. from 1 July 1975 to 30 June 1976.

As mackerel are exempt from the Common Customs Tariff from 15 February to 15 June, and suspended until 30 June 1975, it is proposed that the duty on these fish should be suspended for the period 1 July 1975 to 14 February 1976.

x Figures are not available.

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In the case of sardines (*Clupea pilchardus* Walbaum), suspension of duty has been requested on seasonal grounds for the period 1 September 1975 to 31 March 1976.

In the case of most fishery products the current suspension of duties which is due to expire on 30 June 1974 is to be prolonged. In the case of fillets of saithe and salmon, canned, a new tariff measure is to be introduced.

2) Oysters weighing no more than 12 g each; oysters of the "Cassostrea gigas" variety weighing more than 100 g each

As a result of pollution along the Atlantic coast in particular, a very high mortality rate has been recorded in the oyster farms. As it takes several years to reconstitute the farms and due to increased consumption, it is impossible at present to obtain sufficient mother oysters and spat with a sufficiently high resistance and a fast rate of growth on the Community market; these products must therefore be imported from third countries, in particular Japan.

Not only must oyster farms be reconstituted but they must also continue to grow, in view of the constantly increasing demand for adult oysters.

In order to meet her needs in 1973, France imported 250 metric tonnes of oyster spat weighing not more than 12 g each from the Community as originally constituted as well as 40 metric tonnes from the new Member States and had to import 2,337 metric tonnes from third countries. During the same period, she imported 170 metric tonnes of oysters of the *Cassostrea gigas* variety from third countries (Canada). In view of the situation it would seem necessary to prolong the current total suspension of duties until 30 June 1976.

3) Chantarelles, bilberries and rose-hips and Cranberries

The needs of the Community processing industry for these products must be covered by imports from third countries. For example, the statistical data (1974, in metric tonnes) for the Federal Republic of Germany are as follows :

Description of products	Needs (in metric tonnes)	from the Community (in metric tonnes)	from third countries (in metric tonnes)
Chantarelles in brine	950	0	950
Rose hips	168	0	168
Bilberries frozen	407	0	407
Cranberries frozen	4,300	0	4,300

Customs protection does not seem necessary for economic reasons because the high wages for picking the products make domestic production impossible. Suspension of duties will enable the Community's processing industry to compete with offers of finished products from third countries whose prices are more favourable. It would therefore seem adequate to prolong the current suspension of duties (chantarelles : 4%, and rose-hips : 0%) until 30 June 1976, and to suspend, for the first time, common customs tariff duties on.

4) Dried White Beans

The needs of the Community for these products cannot be covered by the Community harvest. For this reason, the United Kingdom will have to meet its needs for these vegetables which amount to

82,000 tonnes for the year 1974 by imports from third countries, White dried beans were subject to serious price increases in 1974 and because of the inadequacy of the harvest, these prices continue to rise in 1975. The suspension of the duty would allow the processing industry of this vegetable to keep the eventual price rises down to the minimum, in line with the desire to control inflation. In these circumstances, it would seem appropriate for the Commission to act upon the United Kingdom request for total suspension of the duty for 12 months.

5) Dates

French packers found it difficult to obtain supplies particularly from Algeria and Tunisia. Since these countries reserve their production for local packers, these products must be imported from other third countries, whence, for example, 5,321 metric tonnes were imported in 1973.

As a result of these supplies the packing industry has been able to survive and ensure a satisfactory level of employment with jobs for approximately 3,000 workers in a region - the South - where employment opportunities are very limited. As the situation is not changing, the Commission considers it necessary to prolong until 30 June 1976 the total suspension of duties. It seems appropriate to the Commission to extend, following the request of the German Federal Republic, this suspension of customs duties to frozen dates, for which a need to import by that Member State from third countries some 5,400 tonnes per year.

The Community processing industry has to supply itself with fresh or dried dates for the production of sauces, pickles and various types of bakery products, by imports from third countries. For the British industry alone, 10,000 tonnes of this product are

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imported annually from Iran and Iraq. One of the Member States is concerned that these dates may, regrettably, be used for wine production, this can be avoided by a special destination clause and a strict control of destination by national Administrations. In the interests of the competitiveness of Community industry mentioned above, it seems to be now opportune to continue the total suspension currently in force, for this product for a period of one year.

6) Saffron

There is only minimal production of this product within the Community, but there is nevertheless a processing industry, particularly in France, which needs 5.3 metric tonnes a year. Given that during the past few years the price of imported saffron has risen considerably, there is a danger of an increasingly more marked disaffection for saffron becoming noticeable and consequently the activity of the processing industry ceasing. It would therefore seem desirable to prolong until 30 June 1976 the suspension of duty at the present level of 10% for this product.

7) Ground paprika

This product is mixed with feeding stuffs for laying hens and is not a substitute for any other agricultural product used for the same purpose. Community needs with regard to this product must be covered entirely by imports from third countries. For example, the Federal Republic of Germany had to import 5,590 metric tonnes of paprika from third countries in 1974. In the interests of the competitiveness of the Community's production of animal feeding stuffs, the current total suspension of duties must be prolonged until 30 June 1976.

8) Bitter or Seville oranges

The Community's processing industry has an urgent need for this basic product, the production of which is fairly limited. Italy is unable to supply this industry sufficiently so that the latter is dependant on imports from Spain. For example : the needs of

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the industry in question in the Benelux countries in 1973, 900 metric tonnes, could be covered only partially by supplies from the Community (200 metric tonnes). This industry had to import 678 metric tonnes from third countries, hence the proposal to prolong until 30 June 1976 the suspension of duties at the present level of 4%.

9) Christmas trees

The needs of the Federal Republic of Germany for cut Christmas trees cannot be met in sufficient quantities from internal sources (14 million firs). It is therefore necessary to import an additional 2 million firs, mainly from Denmark.

Given that the duty rates for the Community as originally constituted with regard to Denmark have only been reduced by 40% up to now, the customs receipts from imports of firs from Denmark still amount to 6% of their value. Since the deliveries from Denmark cannot be compensated for by the other Member States, the duties are causing a rise in the prices on the German market. The temporary suspension of the duties of the Common Customs Tariff may be considered as an efficient method of avoiding an eventual rise in the prices of Christmas trees.

Taking into account the suspension of the duties of the Common Customs Tariff for the products concerned, the new Member States should suspend their tariffs for the period envisaged in conformity with Article 39 paragraph 2 of the Act concerning the conditions of Accession.

C.

The group also examined the possibility of suspending common customs duties on the following products :

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ex chapter 15 Inedible beef dripping, otherwise known as "inedible tallow" with a cholesterol content exceeding 0.2%, being a fat for technical purpose other than for the preparation of products for human consumption.

ex 16.05 B Shrimps and prawns of the "Pandalus Borealis" variety, boiled in water and shelled, whether or not frozen, intended for industrial manufacture of products falling within heading No. 16.05.

In this respect the Commission does not agree to proposing a suspension of duties for these products at this stage for the following reasons :

1) Inedible beef dripping

The national experts of the Member States and the Commission are currently examining the question of whether this product should be classified under tariff heading 15.02 (exempt) or ex 15.06 (2.5%). Until this point has been settled finally, a decision on suspension of customs duties cannot be taken.

2) Shrimps and prawns of the "Pandalus Borealis" variety

In view of the current difficult situation of shrimp fishers in certain Member States, the Commission is not in a position to propose tariff measures, (neither suspension of duties, nor Community tariff Customs).

D.

CONCLUSION

The Commission, pursuant to Article 43 of the Treaty propose to the Council taking measures for suspension of common customs tariff duties

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on products appearing in the Annex to this regulation. For most of these products the government experts of the Member States have already shown unanimous agreement in their preparatory work in the "Economy Tariff Problems" Group. For the rest, the mechanism of Article 43 makes it possible to adopting the required measures by a qualified majority.

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic
Community, and in particular Article 43 thereof ;

Having regard to the proposal from the Commission ;

Having regard to the Opinion of the European Parliament ;

Whereas production in the Community of the products specified in
this regulation is currently inadequate or non-existent and whereas
producers thus cannot meet the needs of user industries in the
Community ;

Whereas it is in the interest of the Community in certain cases
partially to suspend the autonomous duties in the Common Customs
Tariff because these goods are produced in the Community, and in other
cases to effect total suspensions ;

Whereas in view of the difficulty of assessing accurately short-term
trends in the economic situation in the relevant sectors, suspension
measures should be taken only for temporary periods the length of
which is to be determined by reference to the interests of Community
production ;

HAD ADOPTED THIS REGULATION :

.../...

Article 1

The autonomous duties in the Common Customs Tariff for the products listed in the tables annexed to this Regulation shall be suspended at the level indicated in respect of each of them.

These suspensions shall be applicable :

- from 1 July 1975 to 14 February 1976 for the product listed in Table I ;
- from 1 July 1975 to 30 June 1976 for the products listed in Table II ;
- from 1 September 1975 to 31 March 1976 for the product listed in Table III ;
- from 15 October to 31 December 1975 for the product listed in Table IV.

Article 2

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels

For the Council,

The President,

ANNEX

TABLE 1

CCT heading No.	Description of goods	Autonomous CCT duties
1	2	3
ex 03.01 B I m) 2	Mackerel, fresh, chilled or frozen, whole, headless, or in pieces, intended for the processing industry. (a)	12%

(a) The application of this suspension will be subject to the conditions determined by the competent authorities.

TABLE II

1	2	3
03.01 A I b)	Salmon, fresh (live or dead), chilled or frozen.	0%
ex 03.01 B I e)	Piked dog-fish (<i>Squalus acanthias</i>), fresh, chilled or frozen, whole headless or in pieces	0%
ex 03.01 B I g)	Black halibut (<i>Hippoglossus reinhardtius</i>), fresh, chilled or frozen, whole, headless or in pieces.	0%
ex 03.01 B I q)	<i>Sardinops sagax sardinops ocellata</i> (pilchards), fresh, chilled or frozen, whole, headless or in pieces, intended for the processing industry (a)	8%
ex 03.01 B I q)	Sturgeons, fresh, chilled or frozen, whole, headless or in pieces, intended for the processing industry (a)	8%
ex 03.01 C	Roes, fresh, chilled or frozen	0%
ex 03.02 A I c)	Anchovies (<i>Engraulis</i> sp.p.) salted or in brine, whole, headless or in pieces, in barrels or other containers of a net capacity of 10 kg or more	0%
03.02 A I e)	Salmon, salted or in brine, whole, headless or in pieces	4%
ex 03.02 A I f)	Sprats, salted or in brine, whole, headless or in pieces	0%

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(a) The application of this suspension will be subject to the conditions determined by the competent authorities.

1	2	3
ex 03.02 A I f)	Saithe (<i>Gadus virens</i>), salted or in brine, whole, headless or in pieces	7%
ex 03.02 A II d)	Fillets of Saithe (<i>Gadus virens</i>), salted or in brine, whole, headless or in pieces	7%
ex 03.02 C	Fish roe, salted or in brine	0%
ex 03.03 A I	Tails of crawfish, chilled or frozen, shelled or not	10%
ex 03.03 B I b)	Oysters, fresh (living), weighing no more than 12 g each	0%
ex 03.03 B I b)	Oysters, fresh (living), of the " <i>Crassostrea gigas</i> " variety weighing more than 100 g each	0%
ex 07.03 E	Chantarelles provisionally preserved in brine, in sulphur water or in other preservative solutions, but not specially prepared for immediate consumption	4%
ex 07.05 B I	Beans dried, white of the species <i>Phaseolus vulgaris</i>	0%
ex 08.01 A	Dates, fresh or dried, for repacking, for retail sale (a)	0%
ex 08.01 A	Dates, fresh or dried, intended for processing other than for the production of alcohol (a)	0%
ex 08.01 F	Shelled cashew nuts	0%
ex 08.02 A II	Bitter or Seville oranges, fresh or dried	8%
ex 08.09	Rose-hips, fresh	0%
ex 08.10 A	Bilberries, cooked or uncooked, preserved by freezing, without added sugar	4%
ex 08.10 B	Cranberries, cooked or uncooked, preserved by freezing, without added sugar	0%

.../...

(a) The application of this suspension will be subject to the conditions determined by the competent authorities

1	2	3
ex 08.10 B	Dates, frozen in immediate packings of a net capacity of 5 kg or more, not intended for the production of alcohol (a)	0%
ex 09.04 B I	Paprika, ground, for use in animal feeding-stuffs (a)	0%
09.10 C I	Saffron, neither crushed or ground	10%
ex 16.04 B	Salmon, canned, of a net weight of 1.8 kg or more, intended for the processing industry (a)	5%
ex 16.04 C II	Spiced and salted herrings, packed in barrels for the processing industry (a)	8%
ex 16.05 A	Crabs of the "King", "Hanasaki", "Kegani" and "Queen" varieties, simply boiled in water and shelled, whether or not frozen, in packings of a net capacity of 2 kg or more, intended for the processing industry (a)	0%
ex 16.05 B	Shrimps and prawns other than those of the "Crançon" and "Pandalus borealis" varieties boiled in water and shelled, whether or not frozen, intended for the industrial manufacturers of products falling within heading No. 16.05 (a)	10%
23.07 A	Fish or marine mammal solubles	2%

(a) The application of this suspension will be subject to the conditions determined by the competent authorities

TABLE III

1	2	3
ex 03.01 B I d)	Sardines (<i>Clupea pilchardus</i> Walbaum), fresh, chilled or frozen, whole, of a length of 20 cm or more	0%

TABLE IV

1	2	3
ex 06.04 B I	Natural Christmas trees unfit for replanting and branches of coneferous trees or holly for ornamental purposes	0%