

COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 20 January 1981

RECOMMENDATION FOR A COUNCIL DECISION

concerning the conclusion of the temporary agreement on concerted disciplines between Spain and the European Economic Community on cheese imports into Spain

(submitted to the Council by the Commission)



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EXPLANATORY MEMORANDUM

Following the adoption by Spain, under Article XIX of the GATT, of protective measures with regard to cheese imports, consultations were held by the Community with that country, and a satisfactory agreement has been reached on the minimum annual quantities of cheese to be imported into Spain from the Community in 1980 and 1981.

2.

CONCLUSION OF AN AGREEMENT RESULTING FROM THE CONSULTATIONS
HELD BETWEEN THE COMMUNITY AND SPAIN CONCERNING CHEESE
UNDER ARTICLE XIX OF THE GATT

(Communication from the Commission to the Council)

The Commission hereby forwards to the Council:

- a report on the outcome of the consultations held under Article XIX of the GATT between the Community and Spain concerning the protective measures taken by Spain with regard to cheese imports (Annex I);
- a draft agreement, with annexes, negotiated between Spain and the Community under Article XIX of the GATT, comprising agreed minutes and a temporary agreement on concerted disciplines (Annex III).

On 9 July the Article 113 Committee, meeting in Geneva, delivered a favourable opinion on the outcome of the above-mentioned negotiations.

The Commission recommends that the Council approve the agreement and its annexes, which have been initialled with Spain (Annex III).

To this end the Commission hereby submits a draft decision concluding the agreement (Annex II).

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ANNEX I

REPORT

ON THE CONSULTATIONS HELD BETWEEN THE COMMUNITY AND SPAIN
CONCERNING CHEESE UNDER ARTICLE XIX OF THE GATT

1. On 7 May Spain took protective measures under Article XIX of the GATT with regard to cheese imports and suspended the issue of import licences for most types of cheese coming under heading 04.04 of the Spanish Customs Tariff.

2. At the request of the Community, formal consultations under Article XIX of the GATT were opened on 16 May. Since then there has been a series of consultations with the Spanish authorities and members of the Article 113 Committee who did not attend were kept regularly informed by the Commission.

3. At the consultations a temporary solution was sought which would enable the Spanish to cope with their difficulties while at the same time ensuring that Community goods could still be exported at equitable prices, under proper conditions and at a reasonable quantitative level. The solution finally adopted at the consultations amounts to a temporary adaptation of the 1970 Agreement (which was based entirely on a price-observance mechanism) consisting of the introduction of a system of concerted disciplines based mainly on:

- the setting-up of a Joint Committee to administer the Agreement and ensure that its provisions are complied with (particularly those on minimum prices, possibilities of increasing imports, adjustment of the quality breakdown, etc.);
- the establishment of annual quantities for cheese imports into Spain from the Community.

The quantities for which the Spanish authorities undertake to grant import authorizations on an orderly and regular basis were fixed by mutual agreement at 7 994 tonnes for 1980 and 8 394 tonnes for 1981. It should be pointed out

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ANNEX I (2)

here that at the beginning of the consultations the Spanish authorities were applying an arrangement involving a quantity of 6 200 tonnes.

4. Hence, the Article 113 Committee, meeting in Geneva on 9 July, delivered an opinion in favour of concluding the consultations on this basis.

5. The documents recording the outcome of the consultations were initialled on 9 July.

ANNEX II

RECOMMENDATION FOR A COUNCIL DECISION

concerning the conclusion of the temporary agreement on concerted disciplines between Spain and the European Economic Community on cheese imports into Spain.

THE COUNCIL OF THE EUROPEAN COMMUNITIES:

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the Recommendation from the Commission,

Whereas Spain, invoking Article XIX of the General Agreement on Tariffs and Trade, has taken protective measures against imports of cheese for which the European Economic Community is the main supplier;

Whereas the Commission has entered into negotiations with Spain under Article XIX of the GATT; whereas it has reached an agreement with that country; whereas that agreement has proved to be satisfactory,

HAS DECIDED AS FOLLOWS:

Article 1

The agreement between the European Economic Community and Spain resulting from the negotiations under Article XIX of the GATT on imports of cheese into Spain, comprising agreed minutes and a temporary agreement on concerted disciplines, is hereby approved on behalf of the Community.

The text of the agreement is annexed to this decision.

ANNEX II (2)

Article 2

The President of the Council is hereby authorized to designate the person empowered to sign the agreement in order to bind the Community.

Done at Brussels,

For the Council

The President

AGREED MINUTES

OUTCOME OF THE CONSULTATIONS HELD UNDER ARTICLE IX
OF THE GATT BETWEEN SPAIN AND THE EUROPEAN ECONOMIC
COMMUNITY CONCERNING CHEESE

1. At the consultations held under Article XIX of the General Agreement, Spain and the European Economic Community agreed on the following provisional measures supplementing the Agreement of 5 June 1970 with regard to the arrangements governing imports of cheese into Spain.
2. Imports of cheese into Spain shall be subject to the following duties and charges:
 - (a) Bound customs duties (30% or 45% as appropriate);
 - (b) Variable regulatory duty, representing the difference between :
 - b.1. the entry price fixed for the protection of Spanish stock-farming and industry on the basis of measures taken in respect of the organization of Spain's domestic market in milk and milk products;
 - b.2. the most favourable rate on the international market on a free-at-Spanish frontier basis, plus the bound customs duty and the various costs borne in Spain in connection with customs clearance of imported cheese.
3. Spain and its main cheese suppliers can agree, however, on special import terms based on a system of concerted disciplines and joint responsibility for management, ensuring that trade is carried on at equitable prices, under proper and fair conditions and at a quantitative level which takes account of past trends representing reasonable growth.

4. Both parties reserve the rights which they possessed at the opening of the consultations which resulted in this Agreement of 9 July 1980.

Geneva, 9 July 1980.

For the Spanish Delegation

For the Delegation of the
Commission of the European
Communities.

TEMPORARY AGREEMENT ON CONCERTED DISCIPLINES BETWEEN SPAIN AND THE EUROPEAN COMMUNITY CONCERNING IMPORTS OF CHEESE INTO SPAIN

- 1. In accordance with the provisions of the General Agreement and pursuant to the Agreement on cheese concluded on 9 July 1980 between Spain and the European Economic Community, and in particular the provisions laid down in paragraph 3 thereof, Spain and the European Economic Community have agreed on the following provisions.
- 2. The objective of the Agreement of 5 June 1970, the undertakings given therein and the subsequent adaptations to it agreed by means of minutes shall remain in full force, subject to the following temporary adaptations, which are applicable for 1980 and 1981.
- 3. In order fully to attain the objective of the Agreement of 5 June 1970, Spain and the European Economic Community have agreed to establish annual quantities of imports of cheese into Spain from the European Community which, in 1980 and 1981, shall be used for the granting of import authorizations on an orderly and regular basis by the Spanish authorities.

In the light of the experience acquired during the application of this Agreement, the two parties may consult each other with a view to modifying by reference to the quantitative and qualitative trend of cheese consumption in Spain, the annual quantities set for imports from the European Economic Community.

The quantities for 1980 and 1981 are given in the Annex to this Agreement.

- 4. It shall be the responsibility of the Spanish authorities to establish a procedure for granting the import authorizations referred to in paragraph 3 of the Agreement which will take into account the need to ensure the orderly and regular marketing of import flows.

This procedure shall be notified to the competent authorities of the Community and to exporters and/or importers.

5. Where the Spanish authorities ascertain that for a consignment of cheese the free-at-frontier price fixed has not been observed or where they suspect an operator of unfair commercial practice, they can take the necessary measures to remedy the situation. The nature, extent and duration of these measures, which will apply to the operation in question, will depend on the gravity of the disturbance caused by the type of import concerned.

The Spanish authorities will inform this Community authorities immediately of the measures taken and may request action by the Community to remedy the situation.

6. For the purpose of monitoring and ensuring the proper implementation of this Agreement, a Joint Committee shall set up whose members will be designated by the respective authorities of each of the parties. The Joint Committee shall provide information on, propose and take decisions on any measures in all the spheres covered by the Agreement subject to the referral of such measures to the respective authorities. It shall meet at the request of either of the parties.

7. In order to ensure continuous cooperation in the day-to-day administration of export and import operations, the Spanish and Community authorities shall each appoint an official delegate, who, in the case of Spain, will be an official of the Ministry of Trade and Tourism. The official delegates will keep each other informed of the development of trade as regards prices and the quantities marketed; they will take or propose, by virtue of powers delegated by the Joint Committee, the necessary corrective administrative measures, it being understood that they will inform the Committee thereof.

8. Any problems arising in 1980 with regard to the maintenance of a constant flow of trade will be discussed in the Joint Committee.
9. In the second half of 1981 the Joint Committee will meet to decide whether and under what conditions this Agreement should be extended for one year.

Geneva, 9 July 1980.

For the Spanish Delegation

For the Delegation
of the Commission of the
European Communities.

ANNEXANNUAL QUANTITIES OF IMPORTS OF CHEESE INTO SPAIN FROM THE COMMUNITY

	<u>Tonnes</u>	
	<u>1980</u>	<u>1981</u>
A. Emmentaler - whole or in pieces	800	840
B. Blue-veined chesse :		
- Roquefort	44	46
- Other	1300	1365
C. Processed chesse	400	420
D. Asiago, Provolone, Grana-padano, Parmigiano Reggiano	150	158
E. Cheddar	100	105
F. Gouda, Edam (round)	3000	3150
G. Havarti 60%	1400	1470
H. Saint-Nectaire, Saint-Paulin, Taleggio	100	105
I. Soft cheese	400	420
J. Other chesses	300	315
<u>TOTAL</u>	<u>7.994</u>	<u>8.394</u>

Geneva, 9 July 1980

Sir,

In the consultations held between our Delegations on the arrangements governing imports into Spain of Community cheeses, I informed you of the Community's serious misgivings as regards the quantities which could be reserved for other countries supplying the Spanish market.

I noted the undertaking by your Delegation to inform the Community of the content of any agreement which Spain were to conclude with these other countries.

I therefore confirm :

- that the Community will not give its final agreement to the minutes initialled on this day in Geneva until it has been able to judge whether the share reserved for it on Spain's market, as a proportion of total imports from all sources, is in accordance with its expectations;
- that the Community can accept the provisional entry into force of the Agreement.

I should be grateful if you would acknowledge receipt of this letter and communicate it to your authorities.

Please accept, Sir, the assurance of my highest consideration.

Head of the Delegation
of the Commission of the
European Communities.

Don Francisco Botella

Head of the Spanish Delegation.

Geneva, 9 July, 1980

Sir,

I have the honour to acknowledge receipt of your letter, the content of which is as follows :

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Please accept, Sir, the assurance of my highest consideration".

Please accept, Sir, the assurance of my highest consideration.

Head of the Spanish Delegation.

Mr Michel-Jean Jacquot

Head of the Delegation of the
Commission of the European Communities.

Geneva, 9 July 1980

Sir,

In the consultations held between Spain and the Community under Article XIX of the General Agreement, Spain raised the question of imports into the Community of cheese of Spanish origin known as "queso de mezola".

I confirm that, as soon as the Spanish authorities have given the Community authorities an exact and detailed definition of this type of cheese, discussions will be initiated between our two delegations in order to establish import arrangements in the Community for this cheese from Spain.

I should be grateful if you would acknowledge receipt of this letter and communicate it to your authorities.

Please accept, Sir, the assurance of my highest consideration.

Head of the Delegation of the
Commission of the European Communities.

Don Francisco Botella
Head of the Spanish Delegation.

Spanish Delegation

ANNEX III (10)

Geneva, 9 July 1980

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