

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(81) 45 final

Brussels, 11th February 1981

COMMISSION REPORT TO THE COUNCIL

on the outcome of the consultations with Austria concerning certain types of cheese under the EEC-Austria Agreement of 20 September 1977 on price observance and the arrangements for imports into Austria

PROPOSAL FOR A COUNCIL REGULATION (EEC)

amending the Agreement on price observance and import arrangements annexed to the Agreement of 20 September 1977 between Austria and the European Economic Community concerning certain types of cheese negotiated under Article XXVIII of GATT

(presented by the Commission to the Council)

COM(81) 45 final

CONSULTATIONS WITH AUSTRIA CONCERNING CERTAIN TYPES OF CHEESE
UNDER THE EEC-AUSTRIA AGREEMENT OF 20 SEPTEMBER 1977 ON
PRICE OBSERVANCE AND IMPORT ARRANGEMENTS

(Commission Communication to the Council)

The Commission hereby presents to the Council:

1. A report on the outcome of the consultations with Austria (Annex I).
2. A proposal for a Council regulation amending the Agreement on price observance and import arrangements annexed to the Agreement of 20 September 1977 between Austria and the European Economic Community concerning certain types of cheese negotiated under Article XXVIII of GATT (Annex II).

On 15th January 1981, the Article 113 Committee delivered a favourable opinion on the outcome of the consultations.

The Commission proposes that the Council approve the abovementioned regulation.

R E P O R T

on the outcome of the consultations with Austria concerning certain types of cheese under the EEC-Austria Agreement of 20 September 1977 on price observance and the arrangements for imports into Austria.

The following conclusions may be drawn from the consultations between Austria and the Community provided for in their Agreement on price observance and the arrangements for the importation of certain types of cheese into Austria, which were held at Austria's request:

- i) The basis for calculating the various free-at-Austrian-frontier minimum prices should be reviewed so that greater account can be taken of the actual market situation;
- ii) In order to take account of increases in cheese production costs in Austria, increases in the ex-dairy price of milk should be reflected in the minimum prices of the types of cheese concerned.

Subject to approval by their respective authorities, the delegations agreed on the following:

I. Change in the free-at-Austrian-frontier prices

From , the free-at-Austrian-frontier prices to be observed by the European Economic Community shall, by common accord, be as follows:

Description of goods	Free-at-Austrian-frontier price to be observed Sch/100kg
1. Processed cheese of a fat content, by weight, in the dry matter:	
a) Of less than 26%	4 301
b) Of 26% or more but less than 46%	4 832
c) Of 46% or more but less than 56%	5 227
d) Of 56% or more	5 785
2. Emmentaler and Gruyère	5 061
3. Blue-veined cheese	4 181
4. Danbo, Edam, Elbo, Fynbo, Fontal, Gouda, Havarti, Malbo, Maribo, Mimolette, Samsø, Tilsit, Tylo	4 258
5. Butterkäse, Esrom, Italico, Kernheim, St-Nectaire, St-Paulin, Taleggio	3 793
6. Cheddar and other types of cheese not mentioned above	4 682

The above free-at-frontier prices shall replace those given in paragraph 2 of the Agreement of 20 September 1977.

II. Adjustments in line with the price of milk in Austria

The free-at-frontier prices given in the preceding paragraph shall be increased or reduced by a sum equal to the product of the increase or reduction in the ex-dairy price of 3.5% fat milk in Austria expressed in schillings per 100 kg multiplied by the following coefficients for each of the types of cheese covered by the Agreement :

Description of goods	Coefficient
1. Processed cheese of a fat content, by weight, in the dry matter:	
a) Of less than 26%	8
b) Of 26% or more but less than 46%	10
c) Of 46% or more but less than 56%	11
d) Of 56% or more	13
2. Emmentaler and Gruyère	14
3. Blue-veined cheese	12
4. Danbo, Edam, Elbo, Fynbo, Fontal, Gouda, Havarti, Malbo, Maribo, Mimolette, Samsø, Tilsit, Tybo	12
5. Butterkäse, Esrom, Italico, Kernheim, St-Nectaire, St-Paulin, Taleggio	11
6. Cheddar and other types of cheese not mentioned above	13

In order that the free-at-frontier prices may be observed, the Austrian authorities shall keep the Commission of the European Communities informed of increases in the ex-dairy price of milk in Austria. On receipt of this information the Commission of the European Communities and the Austrian authorities for their own sphere of jurisdiction shall adopt appropriate measures as soon as possible to permit the simultaneous entry into force of the new free-at-frontier prices.

III. Consultation clause

The changes in free-at-frontier prices referred to in paragraph 2 shall, however, be made in accordance with the following provisions :

The two parties undertake to initiate consultations to examine the situation and, if necessary, take appropriate action should the provisions of this exchange of letters fail to permit the harmonious development of trade in the types of cheese covered by the Agreement.

In particular, consultations shall take place if there is a reduction in normal export flows from the Community to Austria. In that event, any change in the minimum prices of all or some of the types of cheese covered by the Agreement as a result of an increase in the Austrian milk price may take place only as a result of agreement during the above consultations.

Consultations may also take place if all or some of the types of cheese covered by the Agreement are imported into Austria from the Community in such increased quantities as to cause serious disturbances on the Austrian market. In that case, an exceptional increase in the minimum prices of all or some of the types of cheese covered by the Agreement may be considered only if agreement is reached during the above consultations.

IV. Amendment of the Agreement of 20 September 1977.

The delegations have agreed to propose that the Agreement of 20 September 1977 be amended in order to take the above changes into account.

It was agreed that a draft text, in the form of an exchange of letters, should be submitted to the respective authorities as soon as possible.

PROPOSAL

for

COUNCIL REGULATION (EEC)

amending the Agreement on price observance and import arrangements annexed to the Agreement of 20 September 1977 between Austria and the European Economic Community concerning certain types of cheese negotiated under Article XXVIII of GATT.

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 proposal from the Commission,

Whereas at the negotiations under Article XXVIII of GATT on the withdrawal of the concessions made by Austria for products falling within subheading 04.04 A of the Austrian Customs Tariff, Austria and the European Economic Community concluded an Agreement on price observance and import arrangements⁽¹⁾;

Whereas in order for the objectives of the Agreement to be attained, it is necessary to make certain amendments thereto;

Whereas the consultations provided for in the Agreement have enabled Austria and the European Economic community to reach agreement on the necessary amendments; whereas that agreement is considered to be satisfactory,

(1) OJ No L 237, 16.9.1977, p. 4

HAS ADOPTED THIS REGULATION:

Article 1

The agreement in the form of an exchange of letters between Austria and the Community amending the Agreement on price observance and import arrangements annexed to the Agreement of 20 September 1977 between Austria and the European Economic Community concerning certain types of cheese negotiated under Article XXVIII of GATT is hereby approved on behalf of the Community.

The text of the said agreement is attached to this Regulation.

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.

Article 3

This Regulation shall enter into force on the day following that of 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, 1981.

For the Council
The President

AGREEMENT

IN THE FORM OF AN EXCHANGE OF LETTERS AMENDING THE AGREEMENT OF 20 SEPTEMBER 1977 ON PRICE OBSERVANCE AND THE ARRANGEMENTS FOR THE IMPORTATION OF CERTAIN TYPES OF CHEESE

Letter No 1

Sir,

I have the honour to refer to the Agreement on price observance and import arrangements annexed to the Agreement of 20 September 1977 between Austria and the European Economic Community concerning certain types of cheese negotiated under Article XXVIII of GATT, and in particular in paragraphs 4 and 5 thereof, which provide for consultations between the two parties on any question which may arise in connection with the application of the Agreement.

Accordingly, Austria and the European Economic Community have held consultations as a result of which the following provisions have been drawn up:

1. From , the free-at-Austrian-frontier price to be observed by the European Economic Community shall be fixed by common accord as follows:

Description of goods	Free-at-Austrian-frontier price to be observed Sch/100 kg
1. Processed cheese of a fat content, by weight, in the dry matter:	
a) Of less than 26%	4 301
b) Of 26% or more but less than 46%	4 832
c) Of 46% or more but less than 56%	5 227

d) Of 56% or more	5 785
2. Emmentaler and Gruyère	5 061
3. Blue-veined cheese	4 181
4. Danbo, Edam, Elbo, Fynbo, Fontal, Gouda, Havarti, Malbo, Maribo, Mimolette, Samsø, Tilsit, Tybo	4 258
5. Butterkäse, Esrom, Italico, Kernheim, St-Nectaire, St-Paulin, Taleggio	3 793
6. Cheddar and other types of cheese not mentioned above	4 682

The above free-at-frontier prices shall replace those given in paragraph 2 of the Agreement of 20 September 1977.

2. The free-at-frontier prices given in the preceding paragraph shall be increased or reduced by a sum equal to the product of the increase or reduction in the ex-dairy price of 3.5% fat milk in Austria expressed in schillings per 100 kg multiplied by the following coefficients for each of the types of cheese covered by the Agreement :

Description of goods	Coefficient
1. Processed cheese of a fat content, by weight, in the dry matter:	
a). Of less than 26%	8
b) Of 26% or more but less than 46%	10
c) Of 46% or more but less than 56%	11
d) Of 56% or more	13
2. Emmentaler and Gruyère	14
3. Blue-veined cheese	12
4. Danbo, Edam, Elbo, Fynbo, Fontal, Gouda, Havarti, Malbo, Maribo, Mimolette, Samsø, Tilsit, Tybo	12

5. Butterkäse, Esrom, Italico, Kernheim, St-Nectaire, St-Paulin, Taleggio	11
6. Cheddar and other types of cheese not mentioned above	13

3. In order that the free-at-frontier prices may be observed, the Austrian authorities shall keep the Commission of the European Communities informed of increases in the ex-dairy price of milk in Austria. On receipt of this information the Commission of the European Communities and the Austrian authorities for their own sphere of jurisdiction shall adopt appropriate measures as soon as possible to permit the simultaneous entry into force of the new free-at-frontier prices.
4. The changes in free-at-frontier prices referred to in paragraph 2 shall, however, be made in accordance with the following provisions :

The two parties undertake to initiate consultations to examine the situation and, where necessary, take appropriate action should the provisions of this exchange of letters fail to permit the harmonious development of trade in the types of cheese covered by the Agreement.

In particular, consultations shall take place if there is a reduction in normal export flows from the Community to Austria. In that event, any change in the minimum prices of all or some of the types of cheese covered by the Agreement as a result of an increase in the Austrian milk price may take place only as a result of agreement during the above consultations.

Consultations may also take place if all or some of the types of cheese covered by the Agreement are imported into Austria from the Community in such increased quantities as to cause serious disturbances on the Austrian market. In that case, an exceptional increase in the minimum prices of all or some of the types of cheese covered by the Agreement may be considered only if agreement is reached during the above consultations.

I should be grateful if you would confirm whether you are in agreement with the above.

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

On behalf of the Council
of the European Communities

Letter No 2

Sir,

I have the honour to acknowledge receipt of your letter of today's date, which reads as follows :

"I have the honour to refer to the Agreement on price observance and import arrangements annexed to the Agreement of 20 September 1977 between Austria and the European Economic Community concerning certain types of cheese negotiated under Article XXVIII of GATT, and in particular in paragraphs 4 and 5 thereof, which provide for consultations between the two parties on any question which may arise in connection with the application of the Agreement.

Accordingly, Austria and the European Economic Community have held consultations as a result of which the following provisions have been drawn up:

1. From , the free-at-Austrian-frontier price to be observed by the European Economic Community shall be fixed by common accord as follows:

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5. Butterkäse, Esrom, Italico, Kernheim, St-Nectaire, St-Paulin, Taleggio	3 793
6. Cheddar and other types of cheese not mentioned above	4 682

The above free-at-frontier prices shall replace those given in paragraph 2 of the Agreement of 20 September 1977.

2. The free-at-frontier prices given in the preceding paragraph shall be increased or reduced by a sum equal to the product of the increase or reduction in the ex-dairy price of 3.5 % fat milk in Austria expressed in schillings per 100 kg multiplied by the following coefficients for each of the types of cheese covered by the Agreement :

Description of goods	Coefficient
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6. Cheddar and other types of cheese not mentioned above	13

3. In order that the free-at-frontier prices may be observed, the Austrian authorities shall keep the Commission of the European Communities informed of increases in the ex-dairy price of milk in Austria. On receipt of this information the Commission of the European Communities and the Austrian authorities for their own sphere of jurisdiction shall adopt appropriate measures as soon as possible to permit the simultaneous entry into force of the new free-at-frontier prices.

4. The changes in free-at-frontier prices referred to in paragraph 2 shall, however, be made in accordance with the following provisions :

The two parties undertake to initiate consultations to examine the situation and, where necessary, take appropriate action should the provisions of this exchange of letters fail to permit the harmonious development of trade in the types of cheese covered by the Agreement.

In particular, consultations shall take place if there is a reduction in normal export flows from the Community to Austria. In that event, any change in the minimum prices of all or some of the types of cheese covered by the Agreement as a result of an increase in the Austrian milk price may take place only as a result of agreement during the above consultations.

Consultations may also take place if all or some of the types of cheese covered by the Agreement are imported into Austria from the Community in such increased quantities as to cause serious disturbances on the Austrian market. In that case, an exceptional increase in the minimum prices of all or some of the types of cheese covered by the Agreement may be considered only if agreement is reached during the above consultations.

I should be grateful if you would confirm whether you are in agreement with the above."

I have the honour to confirm, on behalf of Austria, my agreement with the contents of your letter.

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

On behalf of the Austrian
Government