

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(79) 673 final

Brussels, 22 November 1979

Proposal for a
COUNCIL DECISION

concerning the maintenance until 31 December 1979 of
certain fishing rights of Community fishermen in
the territorial waters of Yugoslavia

(submitted to the Council by the Commission)

COM(79) 673 final

EXPLANATORY MEMORANDUM

1. Under the Agreement signed between Yugoslavia and Italy on 15 June 1973, fishermen who are Italian nationals were authorized to fish in certain areas of Yugoslav territorial waters, subject to financial counter-concessions from the Italian State. The Agreement expired on 31 December 1976.
2. To ensure that Italian fishermen could continue to fish in Yugoslav waters, the Council authorized Italy by its Decision of 13 December 1976, to agree with Yugoslavia on an interpretation whereby the said Agreement could be renewed until a fisheries agreement was concluded between the Community and Yugoslavia or until 31 December 1977 at the latest.
3. Following that decision the Commission has on several occasions in 1977 and 1978 invited the Yugoslav authorities to negotiate an agreement with the Community. As there was no response from the Yugoslav authorities, the Council, by its Decisions of 20 December 1977, 21 June 1978, 19 December 1978, authorized Italy to renew the arrangements agreed with Yugoslavia in 1977, in each case for six months.
4. When adopting its decision of 20 December 1977, the Council agreed upon the principle that "the amount to be paid for fishing rights would be advanced by Italy and repaid afterwards by the Community up to 220.000 u.a. (that is half the amount paid by Italy in 1977, less the part covered by reasonable fees which would be borne by the vessel owners and which would be in the order of 20% of the total cost)".
5. In adopting the abovementioned decision of 19 December 1978 the Council recorded the following statement in the minutes:

"In the event that, after the negotiations, the sum of 228 million lire (equivalent to 202.411 EUA at the rate of 1 June 1979) should prove insufficient, the Council agrees to reexamine the problem of the Community contribution."

In adopting the decision of 25 June 1979 the Council recorded this same statement in the minutes, as well as the following statement:

"In the event that Yugoslavia, while accepting a carry-over of present arrangements based on the 1973 Agreement, in addition unilaterally imposes some new technical provisions, the Council agrees to reexamine the situation as soon as possible".

6. By letter on 4 October 1979 the Permanent Representation of Italy informed the Commission of the outcome of talks which took place between the Italian and Yugoslav Governments during August and September 1979 concerning the continuation of the arrangements foreseen under the 1973 Agreement. A summary of this letter, which has been distributed at the External Fisheries Policy Group by the Italian representative, is attached.

It emerges from this letter that the Yugoslav Government has said that it is prepared to establish on an interim basis until 31 December 1979 similar arrangements to those laid down in the expired Agreement for fishing by Italian vessels in Yugoslav waters. In exchange the Yugoslav Government requests the payment by Italy of a sum which for the whole of 1979 would amount to about 800 million lire. This sum is 40% greater than the sum of 570 million lire laid down in the 1973 Agreement.

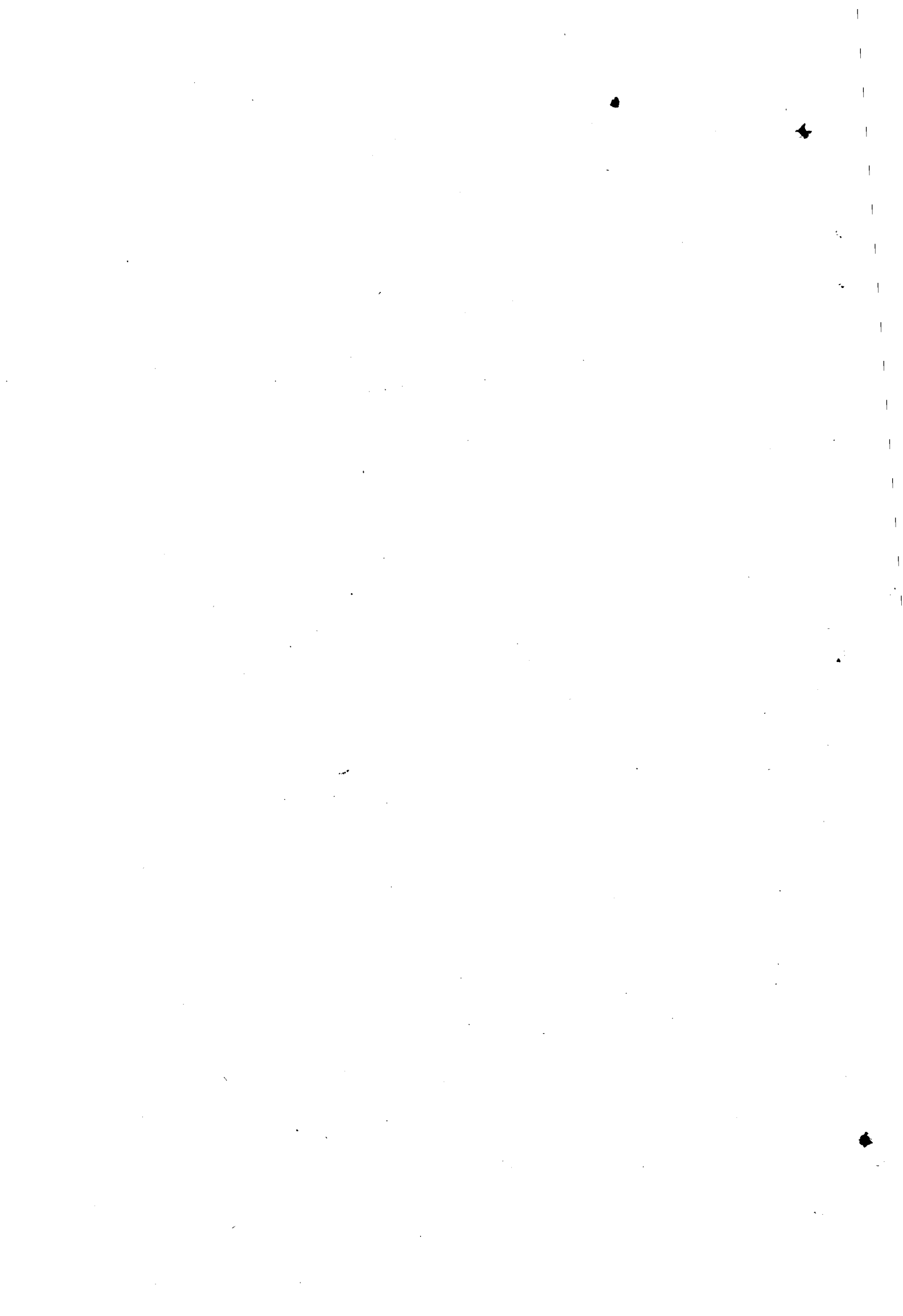
The Italian Government has reserved its final acceptance of the conclusions of its talks with the Yugoslav Government pending the outcome of the examination which the Council wishes to make of the matter.

7. In the same letter of 4 October, the Italian authorities suggest that, in order to avoid a retroactive increase in the amount payable by the Italian fishermen concerned for 1979, the amount be limited to the sum which they previously had to pay, that is, to twenty per cent of the former amount of 570 million lire (i.e. 114 million lire). The Community therefore should take over the entire increase foreseen in the financial compensations.
8. The Commission, while not having participated in the discussions in question, considers it appropriate to approve the arrangements described in the abovementioned Italian note.
9. The Commission considers, however, that if the economic profit resulting from the fishing rights in question justifies the increase in compensation negotiated by the Italian Government, it is only fair that the fishermen concerned assume the same share as has been fixed for the previous years, that is, 20%.

It is not on account of the Community that the establishment of compensation for the current year has only taken place in the month of September. The Commission does not see how this fact could justify an increase in the share of the costs assumed by the Community.

In the light of the Council statements referred to under points 4 and 5, and taking account of the fact that the arrangements in question only concern a limited period, the Commission considers that for 1979 the Community should assume responsibility for the same percentage of the compensation as that decided for the previous years, that is, 80%.

10. For the reasons given above the Commission recommends that the Council adopt the decision the draft of which is attached as an annex.



Proposal for a Council Decision concerning the maintenance until 31 December 1979 of certain fishing rights of Community fishermen in the territorial waters of Yugoslavia.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 103 thereof,

Having regard to the proposal from the Commission,

Whereas by its Resolution of 3 November 1976 the Council agreed upon the need to ensure, through appropriate Community agreements, the securing and maintenance of fishing rights for Community fishermen in the waters of non-member countries;

Whereas by its Decisions of 19 December 1978 and 25 June 1979 the Council authorized the Republic of Italy to agree with the Socialist Federal Republic of Yugoslavia upon the provisional maintenance until 30 June 1979 and 31 December 1979 of the fishing arrangements laid down in the fisheries Agreement between Italy and Yugoslavia of 1973 which expired in 1976;

Whereas the Yugoslav Government was unable to accept a prolongation without change of the arrangements laid down in the expired Agreement, but has offered the Italian Government the provisional maintenance until 31 December 1979 of certain of the fishing rights provided for under the Agreement in return for the payment by Italy of financial compensation;

Whereas Italy has reserved its final acceptance of these proposals pending the outcome of an examination of them by the Council;

Whereas the Council agreed, when adopting the abovementioned decisions, to reimburse Italy for part of the amount which it must pay as financial compensation for fishing rights granted by Yugoslavia;

HAS DECIDED AS FOLLOWS:

Article 1

The Republic of Italy is hereby authorized to agree with the Socialist Federal Republic of Yugoslavia upon the provisional maintenance until 31 December 1979 of certain of the fishing rights established under the Agreement on fisheries between Italy and Yugoslavia of 15 June 1973 in certain areas of Yugoslav territorial waters in return for the payment of financial compensation the form of which is set out in a Note Verbale, a draft of which appears in the Annex to the present Decision.

Article 2

The amount paid by the Republic of Italy as financial compensation under Article 1 shall be reimbursed by the Community, subject to a maximum of 640 million lire.

Done at Brussels,

For the Council

The President

DRAFT NOTE VERBALE

From the Italian Government to the Yugoslav Government

[The Italian Embassy] has the honour to refer to the Note Verbale dated 18 September 1979 from the Ministry of Foreign Affairs of the Socialist Federal Republic of Yugoslavia to the Italian Embassy in Belgrade which reads as follows:

"The Federal Secretariat for Foreign Affairs of the Socialist Federal Republic of Yugoslavia presents its compliments to the Embassy of the Italian Republic and with reference to the conversations between the Italian and Yugoslav delegations concerning the increase in the amount to be paid for fishing by Italian fishermen in Yugoslav waters (Antivari, Pelagosa, Isola Grossa) in the year 1979, in conformity with the letter of the Federal Secretary for Foreign Affairs of 3 August 1979, has the honour to give the following information:

During the talks of the two delegations held from 13 to 15 September 1979 it was agreed that the Italian side would pay to the Yugoslav side a sum of 800 million Italian lire for fishing by Italian fishermen in the areas of Antivari, Pelago , Isola Grossa for the year 1979. The payment will be made before 31 December 1979 into the external account in convertible lire of the National Bank of Yugoslavia at the Banco d'Italia, Rome, in favour of the Government of the Socialist Federal Republic of Yugoslavia.

The Federal secretariat for Foreign Affairs takes this opportunity to renew to the Embassy of the Italian Republic the expression of its highest consideration.

Belgrade, 18 September 1979."

[The Embassy] has the honour to inform the [Ministry] that the Italian Government has been authorized by the competent bodies of the European Economic Community, to which Italy has transferred its powers of negotiation concerning fishing rights with third countries, to pay the sum of 800 million lire in exchange for the maintenance during the year 1979 of the fishing rights for Italian fishermen in the areas referred to in the Note Verbale cited above.

(Habitual close).

FINANCIAL IMPLICATIONS

1. Under the terms of Article 17 of the fisheries agreement signed in 1973 between Yugoslavia and Italy, this Member State had to pay Lit 570 million per year in return for the fishing rights granted in 1976 to Italian fishermen in Yugoslav territorial waters. The same amount was retained for the two years 1977 and 1978 during which the arrangements foreseen under the Agreement were prolonged.
2. The arrangements under the present decision provide for the payment by Italy of a sum of 800 million lire as financial compensation. The Commission proposes that the Community contribution to this financial compensation in 1979 be fixed at 640 million lire (approximately 559.000 EUA at the rate of 1.11.79).
3. The Budget for 1979 contains a heading covering this expenditure: Article 890, Reimbursements in respect of certain financial obligations relating to fishing in the Adriatic, with a token entry. A credit of the transfer of this amount to Chapter 89 "Taking over by the Community of certain financial obligations connected with agreements on fishing rights in the waters of other countries" has already been approved. The credits covered by this transfer can therefore be used.