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EUROPEAN PARLIAMENT

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REPORT

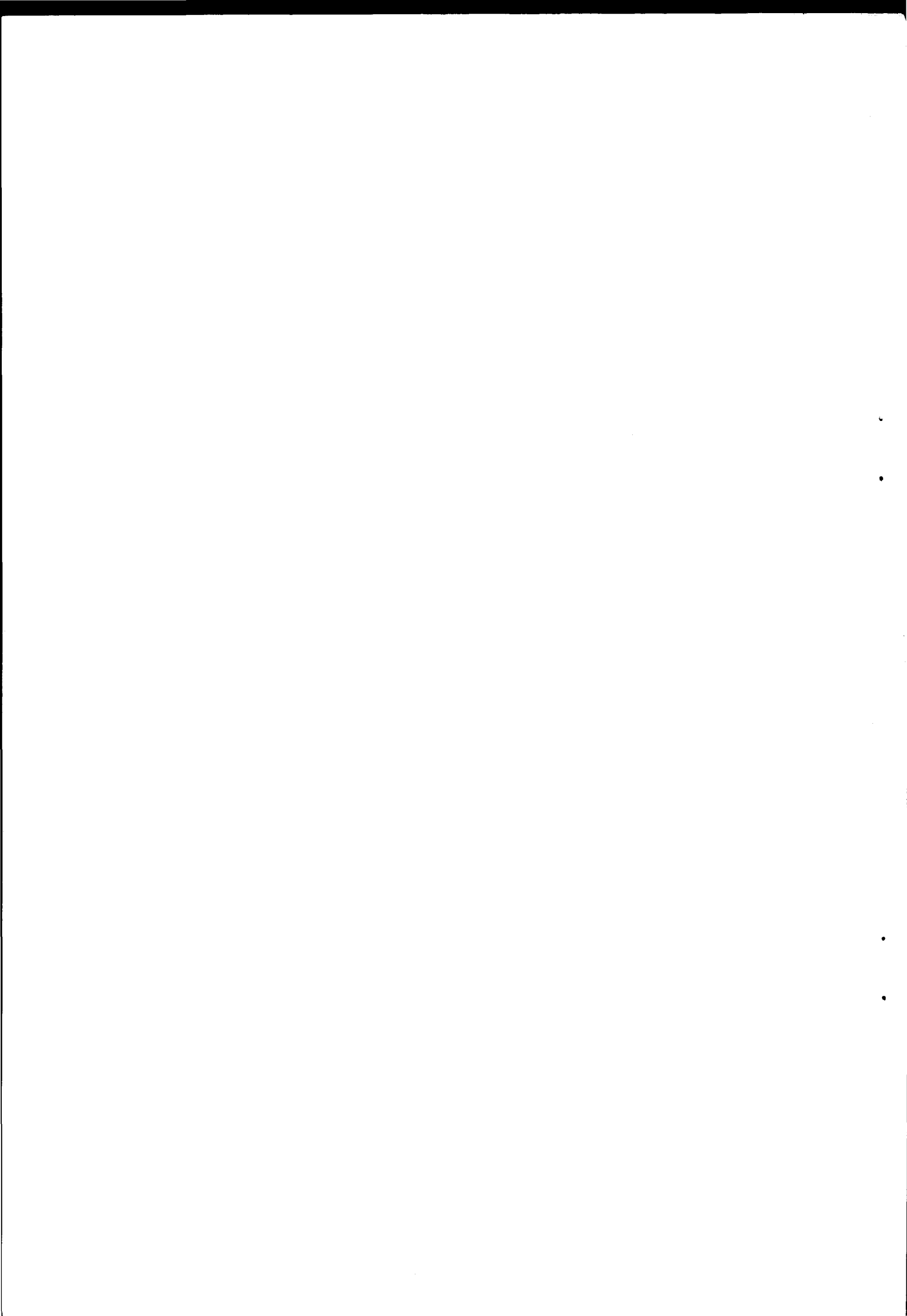
drawn up on behalf of the Committee
on Development and Cooperation

on the proposals from the Commission of
the European Communities to the Council for

- I. a regulation on the arrangements
applicable to agricultural products
and certain goods resulting from
the processing of agricultural
products originating in the African,
Caribbean and Pacific States or in
the overseas countries and territories
(Doc. 1-637/79),

- II. a regulation concerning the application
of Decision No. 1/80 of the ACP-EEC
Committee of Ambassadors applying
transitional measures until the entry
into force of the second Convention
of Lomé (Doc. 1-728/79)

Rapporteur : Mr Victor SABLE



By letter of 9 January 1980 the President of the Council of the European Communities requested the European Parliament, pursuant to Article 43 of the EEC Treaty, to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a Council Regulation (EEC) on the arrangements applicable to agricultural products and certain goods resulting from the processing of agricultural products originating in the African, Caribbean and Pacific States or in the Overseas Countries and Territories and by letter of 4 February 1980 on the proposal from the Commission of the European Communities to the Council for a regulation concerning the application of Decision No. 1/80 of the ACP-EEC Committee of Ambassadors applying transitional measures until the entry into force of the second Convention of Lomé (Doc. 1-728/79).

The President of the European Parliament referred these proposals to the Committee on Development and Cooperation as the committee responsible and to the Committee on Agriculture and the Committee on Budgets for their opinions.

On 24 January 1980 the Committee on Development and Cooperation appointed Mr Sablé rapporteur.

It considered these proposals at its meeting of 24 January and 1 February 1980 and adopted the motion for a resolution and the explanatory statement unanimously with one abstention.

Present: Mr Poniatowski, chairman; Mr Denis, vice-chairman; Mr Sablé, rapporteur; Mr Cohen, Mr Enright, Mrs Focke, Mr Habsburg (deputizing for Mr Lücker), Mr Michel, Mr Pearce, Mrs Rabbethge, Mr Sherlock (deputizing for Mr Marshall), Mr Simmonds, Mr Wawrzik and Mr Woltjer (deputizing for Mr Gline).

The opinions of the Committee on Agriculture and the Committee on Budgets are attached.

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The Committee on Development and Cooperation hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposals from the Commission of the European Communities to the Council for

- I. a regulation on the arrangements applicable to agricultural products and certain goods resulting from the processing of agricultural products originating in the African, Caribbean and Pacific States or in the overseas countries and territories
- II. a regulation concerning the application of Decision No. 1/80 of the ACP-EEC Committee of Ambassadors applying transitional measures until the entry into force of the second Convention of Lomé

The European Parliament,

- having regard to the proposals from the Commission of the European Communities to the Council ,
 - having been consulted by the Council (Doc.1-637/79 and 1-728/79),
 - having regard to Decision No. 1/80 of the ACP-EEC Committee of Ambassadors applying transitional measures until the entry into force of the second Convention of Lomé,
 - having regard to the report of the Committee on Development and Cooperation and the opinions of the Committee on Agriculture and the Committee on Budgets, (Doc. 1-732/79) ,
1. Approves the regulation, by which it is proposed to apply in advance, when the present Convention expires on 29 February 1980, certain provisions of the new Convention relating to trade in agricultural products and foodstuffs originating in the ACP States; also approves the new Decision concerning the agricultural regime with the OCT which is to come into force when the present Decision expires;
 2. Also approves the regulation for applying other transitory measures during the period between the ending of the first Convention of Lomé, and the beginning of the second Convention;

¹ COM (79) 736 final and COM(80) 22 final

3. Believes that the proposed interim measures will be beneficial to the ACP States and the OCT which will be able to take advantage of the arrangements which have been concluded without waiting for the formalities to be completed.

EXPLANATORY STATEMENTA. Regulation concerning agricultural products

1. Under the ACP-EEC Convention of Lomé, signed on 31 October 1979 by the ACP States and the Community, specific treatment is given to certain agricultural products and foodstuffs which is generally more favourable than that accorded to third countries, subject to certain conditions. The Council Decision on the association of the Overseas Countries and Territories with the European Economic Community lays down identical provisions for agricultural products and foodstuffs originating in the OCT.
2. In view of the period required for ratification of the Convention, it is proposed to apply these measures in advance, i.e. in the case of the ACP States when the present Convention expires on 29 February 1980, and in the case of the OCT when the present Decision expires.
3. The measures are therefore of an interim nature, and reflect no more and no less than what has been agreed between the negotiating parties. The benefit that will accrue to the ACP States and the OCT is that they can be applied without waiting for the formalities to be concluded.
4. The measures do not however simply consist of a prolongation of the regime of Lomé I. They reflect the increased benefits which were accorded to the ACP States (and to the OCT) in the negotiations for Lomé II. Thus, the list of products which will receive beneficial treatment has been increased, and now includes beef and veal, fruit and vegetables (such as tomatoes, onions and carrots), fruit juice and canned fruit, guava, passion fruit and arrowroot. In addition, they reflect improvements made with regard to certain products exported from the ACP to the French Overseas Departments.
5. The precise nature and extent of the changes that have been agreed will be included in the report which the Committee on Development and Cooperation is drawing up on the second Lomé Convention; the main purpose of the present regulation is to extend the provisions of Lomé I, so that there should be no vacuum; and the additional concessions are small from the Community point of view, but important to certain ACP countries. The purpose of the present report is merely to allow these measures to be put into effect without delay, and since they will clearly be of benefit

to the countries concerned (and are equally clearly not of earth-shattering importance to the Community's Common Agricultural Policy) the Committee on Development and Cooperation approves this proposal.

B. Regulation concerning the Decision of the ACP-EEC Council of Ministers on transitory measures

The Council Regulation in question concerns other measures relating to commercial cooperation, Stabex, industrial cooperation, provisions concerning payment and movement of capital, the functioning of the institutions, general and final provisions and the agreement relating to coal and steel products, all of which are to be prolonged during the transitory period. In effect, this Decision simply provides for the prolongation of Lomé I until the entry into force of Lomé II and the Committee on Development and Cooperation has no hesitation in approving this.

O P I N I O N

by the Committee on Agriculture

Draftsman: Mr N.M. DAVERN

At its meeting of 23-24 January 1980 the committee considered the draft opinion and adopted it by 11 votes to 3 with 5 abstentions.

Present: Sir Henry Plumb, chairman; Mr Früh, vice-chairman; Mr Davern, draftsman of the opinion; Miss Brookes (deputizing for Mr Howell), Mr Buchou, Mrs Castle, Mr Clinton, Mrs Cresson, Mr Curry, Mr Gatto, Mrs Herklotz, Mr Lynge, Mr Maffre-Baugé, Mr Maher, Mr Nielsen, Mr d'Ormesson, Mr Provan, Mr Tolman and Mr Wettig

1. The new Lomé Convention signed on 31 October 1979 between the African, Caribbean and Pacific States (ACP) and the Community sets out the arrangements to be applied to agricultural products originating in such States and imported into the Community. These arrangements provide, as in the preceding Convention, for exemption from customs duties for products which on importation into the Community are not subject to special protection measures such as levies or reference prices; products which are so subject are accorded treatment which is more favourable than that applied to imports from other third countries.

Special measures are also provided for exports from the ACP countries to the French overseas departments.

2. Since the old Convention expires on 29 February 1980 and the new one will only enter into force after ratification by all the Member States, this regulation is intended to bring immediately into force, i.e. as of 1 March 1980, the provisions on agricultural products. The Community has given the ACP countries an undertaking to this effect.

3. With regard to the arrangements currently in force¹, the new provisions contain the following principal modifications :

- beef and veal : the general arrangement for exemption from duties under the Common Customs Tariff for all ACP countries was already in existence, as was the reduction of the levy for the quota imported by Botswana, Kenya, Madagascar and Swaziland. The quota has, however, been increased from approximately 27,500 to 30,000 tonnes, the concession has been made permanent and no longer renewable from year to year by means of a special regulation, and the system has been made more flexible, the quantities fixed annually may, in the event of force majeure such as drought or disease, be exported the following year or be shared between the other States;
- fruit and vegetables : provision is made for a reduction in the customs duties under the Common Customs Tariff of 40 or 60% for some new products at specific times of the year : carrots (from 1 January to 31 March), onions (from 15 February to 15 May) and asparagus (from 15 August to 31 January); for tomatoes, the quota specified is increased from 1,000 to 2,000 tonnes; for carrots and onions, if an annual ceiling of 500 tonnes is exceeded, the customs duties under the Common Customs Tariff may be restored; also included are mushrooms and truffles other than those normally produced in the Community;

¹ Cf. Reg. 706/76 of 30.3.1976, OJ No. L 85 of 31.3.1976.

- tinned fruit : certain kinds of tropical fruits are also exempted from import levies;
- grape juice : certain kinds of juices are exempted from customs duties;
- as regards the French overseas departments the exemption from levies also extends to maize for home use in the overseas departments which may not be re-exported.

Other changes in the regulation cover the possibility of altering the arrangements governing access to the markets of the overseas departments for products listed in the regulation, on the basis of their economic development needs, and account is also taken of the future accession of Greece.

4. As we can see from the above, the changes contained in the new regulation as compared with that in force at present are not very substantial : the long negotiations with the ACP countries have in fact resulted in rather limited concessions.

As regards the common agricultural policy and the protection of Community products, the concessions do not seem to pose a serious threat by increasing competition. In fact, the new concessions for the more sensitive products, such as beef and veal or fruit and vegetables are accompanied by quotas or seasonal restrictions and safeguard clauses which mean that they are unlikely to pose a threat to the Community market.

Lastly, the most important product, sugar, for which the Community has undertaken to import 1,300,000 tonnes from the ACP countries, does not figure in this regulation.

5. For all the above reasons, the Committee on Agriculture has no particular objections to the Commission's proposal.

Strasbourg, 13 February 1980

Mr M.C. Poniatowski
Chairman of the Committee on
Development and Cooperation
STRASBOURG

Subject: Proposal for a regulation on the arrangements applicable to agricultural products and certain goods resulting from the processing of agricultural products originating in the African, Caribbean and Pacific States or in the overseas countries and territories (Doc. 1-637/79)

Dear Mr Chairman,

The Committee on Budgets considered the abovementioned proposal at its meeting of 12 February 1980.

It noted that the financial consequences of the proposal are considerable in that it will mean a loss of revenue of 285m EUA per year. Once again we must regret that the Commission has not submitted any overall survey of the loss in revenue resulting from the reductions in levies and external tariffs.

The Committee on Budgets otherwise approved the proposal since it fulfils obligations entered into under the Convention of Lomé and because it is not deemed to have any other adverse effects on the budget or budgetary policy.

...

(sgd) Erwin LANGE

Present: Mr Lange, chairman; Mr Notenboom and Mr Spinelli, vice-chairmen; Mr Adonnino, Mr Arndt, Mr Baillot, Mr Barbi, Mr Bonde, Mrs Hoff, Mr Hord, Lord O'Hagan, Mr Orlandi, Mr Pfennig, Mr Schön and Mr Taylor

