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MEDITERRANEAN POLICY OF THE ENLARGED COMMUNITY:
COMMISSION PROPOSAL FOR THE MAINTENANCE OF
TRADITIONAL TRADE

The Commission has adopted a proposal for negotiating directives in order to adapt, in view of enlargement, the trade part of cooperation or association agreements between the Community and the southern Mediterranean countries (1). The fundamental principle underlying these directives is to enable traditional trade to be maintained between those countries and the Community, notably for agricultural products which at present enjoy preferential treatment (2).

This means that the commitments expressed repeatedly by the Community and confirmed on 30 March by the Council will be respected. In its statement the Council unanimously stressed the importance of the links between the Community and the Mediterranean countries and made the point that the Community intended to maintain traditional trade flows which risked being disturbed by enlargement.

This is of importance for both parties since the southern Mediterranean market represents 10% of the Community's exports, i.e. nearly half as much as the American market but three times as much as the Japanese market. The Community's largest trade surplus is on this market and it amounted to 8 000 million ECU in 1984.

The Community market is absolutely essential for the Mediterranean countries, as it accounts for 60% of Tunisia's foreign trade, 50% of Algeria's trade, and over 40% in the case of Morocco, Egypt and Syria.

Olive oil from Tunisia, for instance, is the equivalent of only 4% of the Twelve's total production but accounts for 43% of Tunisia's agricultural exports and employs 20% of the country's active population.

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(1) Morocco, Algeria, Tunisia, Egypt, Israel, Jordan, Lebanon, Syria, Cyprus, Malta, Yugoslavia.

(2) The Community already accords free access to industrial products from the Mediterranean countries.

The Commission stresses that these proposals will not involve an additional burden for European agriculture, their aim being to manage already existing preferential arrangements having regard to clearly identified trade flows.

Shortly the Commission will submit proposals to reinforce economic and also financial and technical cooperation with the Mediterranean countries.

The Commission proposes two types of measure for citrus fruit (oranges, clementines, lemons, mandarins, etc.), which constitute the bulk - some 80% - of the Mediterranean countries' farm exports :

- elimination of residual customs duties currently applied to those products once Portugal and Spain reach in a few years' time the preferential level for the Mediterranean countries. They will then be eliminated in parallel;
- for products subject at certain times of the year to reference prices which will continue to be applied, the Commission proposes aligning the conditions for calculating entry prices on the method selected for Portugal and Spain as from the fifth year of accession.

These provisions would apply within a ceiling of some 800 000 tonnes, which corresponds to average exports in recent years, account being taken of the individual supplier country involved (notably Morocco, Tunisia, Israel and Cyprus).

The same provisions would apply to fresh tomatoes, which account for some 60 000 tonnes per year and mainly concern Morocco.

Either tariff quotas or timetables will be applied to early potatoes, which amount to some 270 000 tonnes a year from Cyprus, Egypt, Israel, Malta and Morocco.

Imports of wine are to be kept at approximately 1 million hectolitres and quality wine will be favoured by modulation of the reference prices. A free-at-frontier offer price will be fixed annually for wine in bulk.

The mechanism as a whole will be reviewed with the partner countries before the end of the transitional period, i.e. 31 December 1995, in order to decide what measures should be taken to enable traditional imports to be maintained from 1 January 1996 onwards.

For olive oil, the Community will decide, in negotiation with Tunisia, on appropriate means of ensuring that the quantities traditionally exported to the Community market (46 000 tonnes a year) are maintained in the period 1986-90.

Morocco at present enjoys exemption from customs duties on all fish products except preserved tuna and preserved sardines. The Commission proposes that these arrangements be continued until the completion of negotiations for a fishery agreement between Morocco and the Twelve. These negotiations should be concluded by the end of August 1987, which is when Morocco's bilateral fishing agreements with Portugal and Spain expire.

The Commission has also adopted special negotiating directives with two countries - Cyprus and Malta - in order to implement the above provisions. Very shortly it will do the same for Yugoslavia. The contractual trade arrangements between the Community and the former two countries have expired and are at present being continued by means of unilateral measures. And so the Commission proposes opening negotiations with Cyprus on how the second stage of the accession agreement should be implemented, in conformity with the Council statement of 30 March, and opening negotiations with Malta to extend the first stage of the association agreement.