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Report

drawn up on behalf of the Committee on External Economic Relations

on the proposal from the Commission of the European Communities to the Council (Doc. 584/76) for a regulation on imports into the Community of certain agricultural products originating in Turkey

Rapporteur: Mr P.-B. COUSTÉ

By letter of 2 March 1977 the President of the Council of the European Communities requested the European Parliament pursuant to Articles 43 and 113 of the EEC Treaty, to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a regulation on imports into the Community of certain agricultural products originating in Turkey.

On the 7 March 1977 the President of the European Parliament referred this proposal to the Committee on External Economic Relations as the committee responsible and to the Committee on Agriculture for its opinion.

On 15 March 1977 the Committee on External Economic Relations appointed Mr Cousté rapporteur.

It considered Mr Cousté's draft report at its meeting of 30 March 1977, unanimously adopted the motion for a resolution and instructed the rapporteur to present the explanatory statement orally.

Present: Mr Kaspereit, chairman; Mr Scott-Hopkins, Mr Schmidt and Mr Martinelli, vice-chairmen; Mr Cousté, rapporteur; Mr Bayerl, Lord Brimelow, Mr Didier, Mr Granelli (deputizing for Mr Bersani), Sir Peter Kirk, Mr Laban, Mr Muller, Mr Nyborg, Mr Pucci and Mr Spicer.

The opinion of the Committee on Agriculture is attached.

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The Committee on External Economic Relations hereby submits to the European Parliament the following motion for a resolution:

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council (Doc. /77) for a regulation on import into the Community of certain agricultural products originating in Turkey

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council¹;
 - having been consulted by the Council pursuant to Articles 43 and 113 of the EEC Treaty (Doc. 584 /76);
 - having regard to the report of the Committee on External Economic Relations and the opinion of the Committee on Agriculture (Doc. 42 /77);
1. Points out once again that, when agricultural concessions are granted, compliance with the basic mechanisms of the Community agricultural market is essential in order to avoid disturbance of the market and detrimental effects on Community agriculture;
 2. Approves, subject to the above observation, the Commission's proposal for a regulation as a contribution to the further development of association relations between the EEC and Turkey.

¹ OJ No. C 68, 18.3.1977, p.4

OPINION OF THE COMMITTEE ON AGRICULTURE

Draftsman: Mr A. LIGIOS

On 7 March 1977 the Committee on Agriculture appointed Mr Ligios draftsman.

It considered the draft opinion at its meeting of 31 March/1 April 1977 and adopted it unanimously.

Present: Mr Houdet, chairman; Mr Laban, vice-chairman; Mr Ligios, vice-chairman and draftsman; Mr Albertini, Mr Bourdellès, Mr Brégégère, Mr Fioret (deputizing for Mr Pisoni), Mr Früh, Mr Hoffmann, Mr Howell, Mr Klinker, Mr Kofoed, Mr De Koning, Mr Martens, Mr Mitchell, Mr Pucci and Mr Schwabe.

I. Content of the proposal

1. The Commission's proposal, drawn up on the basis of agreements reached in the Association Council on 20 December 1976, consists of two parts: one concerns simply the consolidation of a number of Community legal texts on the preferential arrangements already in force with Turkey for certain agricultural products and is thus confined to presenting certain concessions already in force in a more systematic form; the second, and more important, covers the new concessions granted to Turkey pursuant to the agreements referred to.

2. The most important new concessions are the following:

- nuts: increase in the tariff quota at reduced rate of duty from 21,000 to 25,000 tonnes;
- unrefined olive oil: the special reduction of the levy, other than that corresponding to the charge on exports applied by Turkey, is increased from 4.5 to 9 u.a./100 kg; for refined olive oil, the fixed component of the levy is reduced by 80%;
- preserved sardines: 40% reduction of customs duty subject to observance of minimum prices;
- tomato concentrates: 30% reduction of customs duty, subject to the terms agreed by exchange of letters;
- apricot pulp: 30% reduction of customs duty within the limit of a quota of 90 tonnes;
- citrus fruit: reduction of the customs duty is increased from 40 to 60% for oranges and from 50 to 60% for mandarines.

Moreover, provision has been made for new reductions for agricultural products which until now have not been included in the concessions, such as melons and water melons (50% in certain months of the year), peeled tomatoes (30%) prepared asparagus (20%), beet seeds (30%), various types of fruit preserves (20-80%) and fruit juices (70%).

II. Observations

3. It should be noted in the first place that Turkish exports of the products affected by the new concessions, in particular olive oil, citrus fruit and tomato concentrate, are fairly limited in quantity and have been further reduced during the past few years. The figures are shown in the following table¹:

¹See the Eleventh Annual Report on the Activities of the EEC-Turkey Association Council for 1975, Doc. 337/76, p.54.

	1973		1974		1975	
	t	\$1000	t	\$1000	t	\$1000
citrus fruit	31,370	7,902	25,252	6,154	22,587	6,882
olive oil	38,221	40,807	5,741	8,452	169	343
tomato concen trates	10,486	4,861	6,515	5,681	4,594	2,731
fruit and vegetable juices	107	79	61	20	213	104

4. The tariff reductions granted by the Community under the present regulation will in all probability not lead to any significant increase in Turkish exports of these agricultural products to the Community. These concessions are aimed mainly at not putting Turkey at a disadvantage vis-à-vis the other Mediterranean countries, in particular Israel and the Maghreb States, by granting Turkey the same arrangements as those accorded to the other countries in trade agreements recently concluded with the Community. The same conditions as regards tariff concessions therefore now apply to Turkey as to the other countries referred to. As pointed out, however, the likelihood of Turkey winning a larger slice of the market in, for example, citrus fruit and olive oil, will certainly not depend on the present limited concessions but rather on a combination of other factors (production costs, market organization, efficiency of production and marketing structures, transport, etc.) upon which Community measures have in practice little or no influence.

5. Having thus stressed the negligible effect which the tariff concessions can, in general, be expected to have on the volume of trade, the Committee on Agriculture wishes to make two observations of a general nature which it has already made in similar circumstances.

6. The first concerns the more or less automatic extension of concessions granted to one Mediterranean country to all the other countries of that area. If, for example, a tariff reduction of 60% is granted to one country for citrus fruit, this reduction is gradually extended to cover the other countries, which otherwise, and with good reason, would feel discriminated against. The cumulative result of all this, however, is that the concessions eventually begin to represent a disturbing degree of competition for similar products from the southern regions of the Community itself. Furthermore, the financial effort the Community needs to make with a view to putting production in the Mediterranean countries onto a complementary rather than a competitive footing vis-à-vis the Community is encountering serious difficulties and is taking the form of financial aid - gifts or loans - which is quite inadequate to meet the needs which exist in the Mediterranean countries for improvement of agricultural and industrial structures. This justifies the resentment which some of these countries feel towards the Community.

7. The second observation concerns protective mechanisms such as reference prices, minimum prices, export charges, timetables and quotas. The Community must keep a close eye on these mechanisms, disregard of which in the case of a number of countries has already led on several occasions to serious disturbances on the Community market and to the application of compensatory levies, and thus to mutual dissatisfaction and reproach. If these mechanisms have on occasion failed to function adequately in the past, they will have to be improved so that they can serve their purpose to the satisfaction of both sides.

8. In conclusion, the Committee on Agriculture approves the Commission's proposal but insists that it is not through the system of tariff reductions that the economy of the Mediterranean countries can best be promoted - with a view also to their possible accession to the Community - but rather through far more radical measures in the structural field by means of financial, technical and scientific aid. Furthermore, the protective mechanisms must be fully respected if disturbances of the Community market are to be avoided.

