

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(81) 124 final

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COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

on certain special measures to support the
market in fishery products

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I. INTRODUCTION

The Community markets in fishery products have for some time shown serious signs of weakness. Marketing has been increasingly hit by the adverse economic situation in the Community and is also feeling the influence of the unfavourable trends in world market prices.

This influence, accompanied by a substantial rise in the imports of white fish over the last three years onto the Community market, such imports benefiting from tariff concessions negotiated at multinational and bilateral level, has had serious consequences for the formation of market prices in the Community.

In these circumstances special measures must therefore be taken to support the Community market.

In view of this, and in line with the above, the Commission :

1. proposes that the Council decide upon an additional increase of 10 % for the guide price for cod, haddock, and hake for the 1981 campaign;
2. reserves the right to propose this price increase for other species which can be substituted for the above-mentioned species, after evaluating the consequences which such increases would have on the budget, on the markets for other species consumed in the Community, and on the external side;
3. intends, within the framework of the management of the common market organisation for fisheries products, to take the measures following from adoption by the Council of its proposal regarding guide prices (i.e , increase of the withdrawal and reference prices);

4. intends to adopt a Regulation allowing the export, under special conditions, of 5,000 tons of whitefish to a state-trading country;
5. - shall make use of the possibilities under Article 19 of Regulation (EEC) n° 100/76* if, having regard to the level of abnormally low import prices, difficulties occur on the market of a Member State;
 - shall immediately suspend imports of frozen cod and haddock into the United Kingdom;
 - shall implement a Community surveillance system for imports;
6. suggests to the Council that it amend the distribution of Community tariff quotas for imports of fish (lowering of the United Kingdom quota in line with an increase in the quota for Germany), with the result that the United Kingdom quota shall not exceed 1,500 tons for 1981.

II. MEASURES TO BE TAKEN

1. Price increases

The guide prices for cod, haddock and hake for the 1981 marketing year were fixed with effect from 2 February 1981 at a level 10 %, 14 % and 10 % higher respectively than the price for the previous marketing year.

To provide additional support for the market in those products, it is proposed that there should be a total increase in the guide prices compared with the 1980 marketing year of 21% for cod, 25,4 % for haddock and 21 % for hake. This implies a further 10 % increase in their guide prices with effect from 1 April (see proposal in Annex I).

The Commission, for its part, will, in due course, adopt a number of regulations regarding the withdrawal prices and the reference prices, taking account of these increases in the guide prices. It intends, when fixing the withdrawal prices, to adjust the relationships between prices for the various sizes and qualities of products in question so that there will be an average increase of 10%.

The increase in prices will certainly have some budgetary consequences and these are difficult to estimate accurately, although the other measures to support the market which are planned should help to mitigate these consequences.

As a precaution, budget appropriations should, however, be increased at this stage by 2.5 million ECU.

The Commission may propose an increase in the price of other species which can be substituted for the above-mentioned species, after evaluating the consequence that these rises would have on the markets for other species consumed in the Community, as well as externally.

2. Taking the strain off the market

Trends in market prices for white fish are at present unfavourably influenced by large stocks of frozen products, in particular of cod and haddock. To relieve the market and help prices to recover sales under special conditions of certain quantities of frozen products in stock will have to be envisaged. The Commission therefore intends, after having received the opinion of Member States in the Management Committee for Fishery Products, to adopt a regulation fixing these special conditions. (Annex II).

To prevent these exceptional sales affecting normal trade flows, it is planned that they should be limited to exports to a state trading country. The Regulation to be adopted will apply for an initial period of three months and might be prolonged if necessary. However, as soon as exports have reached about 5.000 tonnes, the regulation will be repealed.

The budgetary consequences of these measures may be estimated at about 1 million ECU.

3. Suspension of imports

In the current market situation, measures must be taken to prevent disturbances due to supplies from non-member countries at abnormal prices or under conditions which are such that they compromise the measures taken by producer organizations to stabilize the market.

As a further measure of assistance to the market, the Commission intends to suspend for the time being imports of frozen cod and haddock to the United Kingdom, the market on which the risk of disturbance due to imports at abnormally low prices is particularly serious.

In addition, the Commission will subject these imports to Community surveillance, under the conditions laid down in Regulations (EEC) nos. 925/79 and 926/79.

The regulation suspending imports of the products in question (see Annex III) will be submitted to the Management Committee for its opinion at its next meeting.

If disturbances should occur on the markets of other Member States, the Commission will make use of the provisions of Article 19 of Regulation (EEC) n° 100/76; to this end, the Commission will carefully follow the development of prices on the markets.

Distribution of tariff quotas

Having re-examined the situation, particularly with regard to the absorptive capacities of Member States' markets, the Commission proposes, by way of modification to its proposal submitted to the Council on 22 December 1980 (DOC. COM(80)905 final), a more adequate distribution of Community tariff quotas, on the lines indicated below:

	Quota art 1.1	Quotas art 1.2		Quota art 1.3
	5,000 t at 3.7%	7,000 t at 4%	9,000 t at 6%	3,000 t at 10%
Benelux	100	100	120	10
Denmark	200	330	400	10
Germany	500	1,730	1,940	2,000
Greece	10	30	10	10
France	350	870	1,000	10
Ireland	10	10	10	10
Italy	10	30	20	10
United Kingdom	500	400	500	100
Total - 1st tranche	1,680	3,500	4,000	2,160
Reserve	3,320	3,500	5,000	840
	5,000	7,000	9,000	3,000

Moreover, as the Commission does not wish to expose the United Kingdom market for fishery products (currently extremely sensitive) to pressure from additional low-duty imports, it would not oppose, as an exceptional measure and for 1981 only, a decision by the Council, within the scope of this Regulation, not to subject the United Kingdom to the procedure of drawing an Community reserves.

To that end, the following amendments should be made to the regulation in question :

1) The following text should be added to the second recital on page 3, after the words "as many times as the reserve allows" :

"whereas, taking account of the current extreme sensitivity of the United Kingdom market for fishery products, that market should not be exposed to pressure from additional low-duty imports from non-Member States; whereas, therefore, without prejudice to decisions to be made on the regime to be applied in future, that Member State should be excluded from ^{the} possibility of drawing additional shares from the reserve;"

2) The following new paragraph 5 should be added to Article 3 :

"5. Moreover, the measures laid down in the preceding paragraphs shall not apply to the United Kingdom."

III. MEDIUM-TERM MEASURES

The Commission takes this opportunity to emphasize once again the importance of a revision of the common organization of the market which has been in existence since 1970, so as to take account of the changes which have occurred since then on Community markets and in the fishing conditions following the introduction of 200-mile zones. It would point out that the European Parliament, in its resolution adopted on 13 February, also requested the Council to take a decision by the end of March.

As a guideline for the considerable amount of work which still has to be done in this sector, on the basis of the proposals already submitted by the Commission, the Council might at this stage adopt the draft resolution in Annex IV and thus enable faster implementation of the new common organization of the market which would more efficiently meet the needs of the current situation

Proposal for

COUNCIL REGULATION (EEC) No /81

amending the guide prices for certain products
listed in Annex I(A) to Regulation (EEC) No 100/76,
for the 1981 fishing year

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 100/76 of 19 January 1976 on the common organization of the market in fishery products¹, as last amended by Regulation (EEC) No 3443/80², and in particular Article 9(4) thereof,

Having regard to the proposal from the Commission,

Whereas Article 9(1) of Regulation (EEC) No 100/76 provides that for each of the products listed in Annex I(A) and (C) thereto a guide price should be fixed at a level which contributes to the stabilization of market prices without leading to the formation of structural surpluses within the Community;

Whereas the guide prices applicable until 31 December 1981 for the relevant products were fixed by Regulation (EEC) No 234/81³;

Whereas the situation in the wholesale markets or representative ports of the Community has necessitated a review which has indicated a need for additional support for cod, haddock and hake whereas the guide prices for these products for the remainder of 1981 should therefore be revised,

HAS ADOPTED THIS REGULATION:

¹OJ L 20, 28.1.1976, p. 1.

²OJ L 359, 31.12.1980, p. 13.

³OJ L 37, 10.2.1981, p. 1.

Article 1

The guide prices for cod, haddock and hake listed in Annex I (A) to Regulation (EEC) No 100/76 are amended and fixed in the Annex. These prices shall apply until 31 December 1981.

Article 2

This Regulation shall enter into force on 1 April 1981.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council

ANNEX

Species	Commercial characteristics ¹			Guide price Ecus/tonne
	Freshness category	Size	Presentation	
Cod	A	2	{Gutted fish with head	915
	or A	3		
Haddock	A	2	{Gutted fish with head	728
	or A	3		
Hake	A	2	{Gutted (with head	2 044

¹The freshness categories, sizes and presentation are defined pursuant to Article 2 of Regulation (EEC) No 100/76.

A N N E X

to Commission Regulation of
fixing the export refunds for certain fishery products

CCT heading number	Description	Rate of refund Ecus/100 kg net
03.01	<p>Fish, fresh (live or dead), chilled or frozen:</p> <p>B. Saltwater fish:</p> <p>I. Whole, headless or in pieces:</p> <p> h) Cod:</p> <p> 2. Frozen: for export to Poland</p> <p> k) Haddock:</p> <p> 2. Frozen: for export to Poland</p> <p>II. Fillets:</p> <p> b) Frozen:</p> <p> 1. Of cod: for export to Poland</p> <p> 3. Of haddock: for export to Poland</p>	<p>20</p> <p>20</p> <p>20</p> <p>20</p>

FINANCIAL STATEMENT

DATE: 12.3.1981

1. RELEVANT BUDGET CODE: Art. 881

2. TITLE OF BUDGET HEADING: Proposal for a Council Regulation amending the guide prices for certain products listed in Annex I(A) to Regulation (EEC) No 100/76 for the 1981 fishing year

3. LEGAL BASIS: Article 9 of Regulation (EEC) No 100/76

4. DESCRIPTION, OBJECTIVE(S) AND JUSTIFICATION OF THE PROJECT:

Additional support to the market

5. FINANCIAL CONSEQUENCE	FOR THE MARKETING YEAR	CURRENT FINANCIAL YEAR ()	FOLLOWING FINANCIAL YEAR ()
5.0 EXPENDITURE			
- CHARGED TO THE EC BUDGET (EXCEPT INTERVENTIONS)	2,5 m ECU	2,5 m ECU	
- GROUPS			
5.1 GROUPS			
- GROUPS			
- GROUPS			

YEAR ..1981.... YEAR YEAR

5.0.1 PLURIANNUAL PATTERN OF EXPENDITURE

5.1.1 ~~GROUPS~~

5.2 METHOD OF CALCULATION

See below "Comments"

6.0 FINANCING POSSIBLE WITH APPROPRIATIONS ENTERED IN RELEVANT CHAPTERS OF CURRENT BUDGET? /NO

6.1 FINANCING POSSIBLE BY TRANSFER BETWEEN CHAPTERS OF CURRENT BUDGET? YES/

6.2 NECESSITY FOR A SUPPLEMENTARY BUDGET? /NO

6.3 APPROPRIATIONS TO BE ENTERED IN FUTURE BUDGETS? /NO

COMMENTS: The financial effects of the increase in the guide prices cannot be calculated precisely. The price increase will undoubtedly increase EAGGF expenditure although this could be mitigated by other support measures in view. As a precaution, however, provision should be made for an increase of 2,5 million ECU in the budget appropriations.

Draft

COMMISSION REGULATION (EEC) No /81

fixing the export refunds for certain fishery products

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 100/76 of 19 January 1976 on the common organization of the market in fishery products¹, as last amended by Regulation (EEC) No 3443/80², and in particular the fourth subparagraph of Article 23(2) thereof,

Having regard to the opinion of the Monetary Committee,

Whereas Article 23 of Regulation (EEC) No 100/76 provides that, to the extent necessary to enable economically important exports of the products listed in Article 1(2) of that Regulation to be effected on the basis of prices for these products on the world market, the difference between these prices and prices within the Community may be covered by an export refund;

Whereas Article 2 of Council Regulation (EEC) No 110/76 of 19 January 1976 laying down general rules for granting export refunds on fishery products and criteria for fixing the amount of such refunds³, provides that when refunds are being fixed account must be taken on the one hand of the existing situation and the future trend with regard to prices and availabilities of fishery products on the Community market and prices on the world market on the other; whereas account must also be taken of the costs referred to in (c) of that Article and of the economic significance of the proposed exports and of the aims of the common organization of the market in fishery products;

Whereas Article 3 of Regulation (EEC) No 110/76 provides that, when prices on the Community market are being determined, account must be taken of the ruling prices which are most favourable from the exportation point of view; whereas, when prices on the world market are being determined, account must be taken of the prices indicated in paragraph 2 of that Article;

¹OJ No L 20, 28.1.1976, p. 1.

²OJ No L 359, 31.12.1980, p. 13.

³OJ No L 20, 28.1.1976, p. 48.

Whereas the world market situation or the specific requirements of certain markets may make it necessary to vary the refund according to the destination of the products in question;

Whereas products of Community origin which are landed, direct from the fishing grounds, in ports situated outside the customs territory of the Community do not qualify for refunds;

Whereas substantial quantities of frozen cod and haddock are now depressing the world market in these products; whereas, to help the markets in question to recover, steps should be taken to reduce these stocks;

Whereas economically important quantities of these products can be exported at the present time;

Whereas care must be taken to ensure that the disposal of these stocks does not affect the normal patterns of trade; whereas, therefore, it is important that the export refund should be granted only in respect of certain destination ;

Whereas it is important to restrict this operation to a given tonnage and, at the same time, to ensure that all operators in the Community can take advantage of the provisions of this Regulation; whereas, if these aims are to be achieved, operators must notify the competent authorities in the Member States of their intention to effect such exports;

whereas the Member States inform the Commission of all notifications received on this matter; whereas the Commission regularly forwards all notifications received to all Member States;

Whereas pursuant to Commission Regulation (EEC) No 686/78 of 6 April 1978 laying down additional provisions as regards the granting of export refunds on fishery products⁴, for the purposes of the export refund system, fishery products of Community origin frozen and/or processed on board a vessel registered or recorded in a third country and flying the flag of a third country shall be considered to be products which are not of Community origin;

Whereas it follows from applying these detailed rules to the present market situation and in particular to prices for fishery products in the Community and on the world market that the refunds should be as set out in the Annex hereto;

Whereas, if the refund system is to operate normally, refunds should be calculated on the following basis:

in the case of currencies which are maintained in relation to each other at any given moment within a band of 2.25%, a rate of exchange based on their effective parity;

for other currencies, an exchange rate based on the arithmetic mean of the spot market rates of each of these currencies recorded for a given period in relation to the Community currencies referred to in the previous indent;

Whereas (opinion of Management Committee)

HAD ADOPTED THIS REGULATION:

⁴OJ No L 93, 7.4.1978, p. 12

Article 1

The export refunds provided for in the Annex hereto shall be granted as stipulated in this Regulation for an overall quantity of about 5 000 tonnes.

Article 2

1. In order to qualify for the refunds provided for in this Regulation, an operator must have notified in writing the competent authority of the Member State responsible for payment of the refunds of his intention to effect exports in accordance with this Regulation, stating the quantity concerned and the period within which he intends to effect such exports.
2. No refund shall be granted unless the export operation takes place during the period of validity of this Regulation.

Article 3

1. The Member States shall inform the Commission, on receipt thereof, of each notification made in accordance with Article 2(1).
2. As soon as it is evident that the quantity referred to in Article 1 will be reached, this Regulation shall be repealed, allowing a period during which the exports notified can be effected.
3. The Commission shall inform the Member States at least once a week of the quantities notified.

Article 4

This Regulation shall enter into force on 1 April 1981.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission

FINANCIAL STATEMENT

Annex

DATE: 12.3.81

1. RELEVANT BUDGET CODE:

2. TITLE OF BUDGET HEADING: Fixing of exceptional refunds for the export of certain fishery products

3. LEGAL BASIS: Council Regulation 100/76, Art. 23

4. DESCRIPTION, OBJECTIVE(S) AND JUSTIFICATION OF THE PROJECT:

Assist the market for cod and haddock by promoting the disposal of surplus stocks

5. FINANCIAL CONSEQUENCE	FOR THE MARKETING YEAR	CURRENT FINANCIAL YEAR ()	FOLLOWING FINANCIAL YEAR ()
5.0 EXPENDITURE			
- CHANGED TO THE EC BUDGET (REVENUE/INTERVENTIONS)	-	1 000 000 ECU	-
- CHANGED TO NATIONAL AID			
- CHANGED TO OTHER NATIONAL GROUPS			
5.1 RECEIPTS			
- OWN RESOURCES OF THE EC (LEVIES/ CUSTOMS DUTIES)	-	-	-
- NET GRANT			

5.0.1 PLURIANNUAL PATTERN OF EXPENDITURE YEAR ...1981..... YEAR YEAR

1 000 000 ECU

5.1.1 PLURIANNUAL PATTERN OF RECEIPTS

5.2 METHOD OF CALCULATION Rate of refund 20 ECU/100 kg = 200 ECU/t

Overall volume of exports with refund limited to 5 000 t

5 000 x 200 = 1m ECU

6.0 FINANCING POSSIBLE WITH APPROPRIATIONS ENTERED IN RELEVANT CHAPTERS OF CURRENT BUDGET? YES/NO

6.1 FINANCING POSSIBLE BY TRANSFER BETWEEN CHAPTERS OF CURRENT BUDGET? YES

6.2 NECESSITY FOR A SUPPLEMENTARY BUDGET? NO

6.3 APPROPRIATIONS TO BE ENTERED IN FUTURE BUDGETS? YES/NO

COMMENTS: Exceptional measure, for a limited period (6 months) and a limited quantity (5 000 t).

COMMISSION REGULATION (EEC) NO.

of

suspending imports of frozen cod and haddock

THE COMMISSION OF THE EUROPEAN COMMUNITIES

Having regard to the Treaty establishing the European Economic Community,
Having regard to Council Regulation (EEC) No. 100/76 of 19 January 1976 on the common organization of the market in fishery products¹, as last amended by Regulation (EEC) No. 3443/80², and in particular the third subparagraph of Article 19(6) thereof.

Whereas Article 19(4) of Regulation (EEC) No. 100/76 provides inter alia that, where the entry price for a given product imported from any third country is lower than the reference price, then, in the case of the products listed in Annex IV(B), imports may be suspended or restricted to specified qualities, forms of presentation or end uses;

Whereas Commission Regulation (EEC) No. 279/81³ fixed among others the reference prices for frozen cod and haddock listed in Annex IV(B) to Regulation (EEC) No. 100/76 for the 1981 fishing year;

Whereas Article 19(3) of Regulation (EEC) No. 100/76 provides that, for products in respect of which a reference price is fixed, there shall be established an entry price, based on the lowest prices recorded for one and the same marketing stage on representative import markets or in representative ports of import, reduced by an amount equal to any customs duties and charges levied on these products and by the cost of transporting the product from these markets or ports to Community frontier crossing points;

Whereas in the case of frozen cod and haddock the established entry prices are below the level of the reference prices; whereas this is likely to have an adverse effect on the measures taken to stabilize the markets in these products; whereas, in order to prevent the present disturbances caused by abnormally low prices from persisting and possibly worsening, imports of the relevant products should be suspended;

Whereas at the moment these disturbances exist only on markets in the United Kingdom; whereas at present the measure of suspension of imports of the relevant products may therefore be confined to imports into the United Kingdom;

¹OJ No. L 20, 28.1.1976, p.1.

²OJ No. L 359, 31.12.1980, p. 13

³OJ No. L 30, 2.2.1981, p. 20.

Whereas (opinion of Management Committee)

HAS ADOPTED THIS REGULATION:

Article 1

1. All imports into the United Kingdom of:

- frozen cod, whole, headless or in pieces, of subheading ex 03.01 B I h 2 of the Common Customs Tariff,
 - frozen haddock, whole, headless or in pieces, of subheading ex 03.01 B I k 2 of the Common Customs Tariff,
 - frozen cod fillets of subheading 03.01 B II b 1 of the Common Customs Tariff,
 - frozen haddock fillets of subheading 03.01 B II b 3 of the Common Customs Tariff,
- shall be suspended,

2. Paragraph 1 shall not apply to imports of products which comply with the reference prices set out in the Annex hereto.

Article 2

The items to be taken into account in determining whether an import complies with the reference price as referred to in Article 1(2) shall be as follows:

- (a) the free-at-Community frontier price, before customs clearance;
- (b) unloading costs.

Article 3

This Regulation shall enter into force on

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission

ANNEX

Common Customs Tariff No	Description	Price (1) Ecus/tonne
03.01 B I h 2	Whole frozen cod: - with or without head - minced blocks - other	(719) (899) (1106)
03.01 B I k 2	Whole frozen haddock: - with or without head - minced blocks - other	(591) (739) (909)
03.01 B II b I	Frozen cod fillets: - industrial blocks with bones (standard) - industrial blocks boneless - individual fillets with skin - individual fillets without skin - blocks not weighing more than 7 kg in the immediate wrapping	(1659) (1952) (1746) (2074) (2212)
03.01 B II b 3	Frozen haddock fillets: - industrial blocks with bones (standard) - industrial blocks boneless - individual fillets with skin - individual fillets without skin - blocks not weighing more than 7 kg in the immediate wrapping	(1486) (1858) (1651) (1858) (1981)

(1) The prices indicated, applicable on 19 March 1981, shall be adjusted in accordance with any changes in reference prices.

