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Report

drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the Council (Doc. 128/74) for a regulation laying down special provisions applicable to trade in tomato concentrates between the Community as originally constituted and the new Member States

Rapporteur: Mr A. LIOGIER



The President of the Council of the European Communities requested the European Parliament, pursuant to Article 43 (2) of the EEC Treaty, to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a regulation laying down special provisions applicable to trade in tomato concentrates between the Community as originally constituted and the new Member States.

The President of the European Parliament referred this proposal to the Committee on Agriculture as the Committee responsible and the Committee on Budgets as the committee asked for its opinion.

The Committee on Agriculture appointed Mr LIOGIER rapporteur on 5/6 June 1974.

It considered this proposal at its meeting of 2 and 3 July 1974.

At the same meeting, the committee adopted the motion for a resolution and the explanatory statement by 16 votes in favour with two abstentions.

The following were present: Mr Houdet, chairman; Mr Vetrone, vice-chairman; Mr Laban, vice-chairman; Mr Liogier, rapporteur; Mr Bourdellès, Mr Della Briotta, Mr Frehsee, Mr Früh, Mr John Hill, Mr Jakobsen, Mr de Keersmaeker, Mr de Koning, Mr Liogios, Miss Lulling, Mr Jørgen Nielsen, Mr Knud Nielsen, Mrs Orth and Mr Scott-Hopkins.

The opinion of the Committee on Budgets is attached.

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The Committee on Agriculture hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement :

MOTION FOR A RESOLUTION

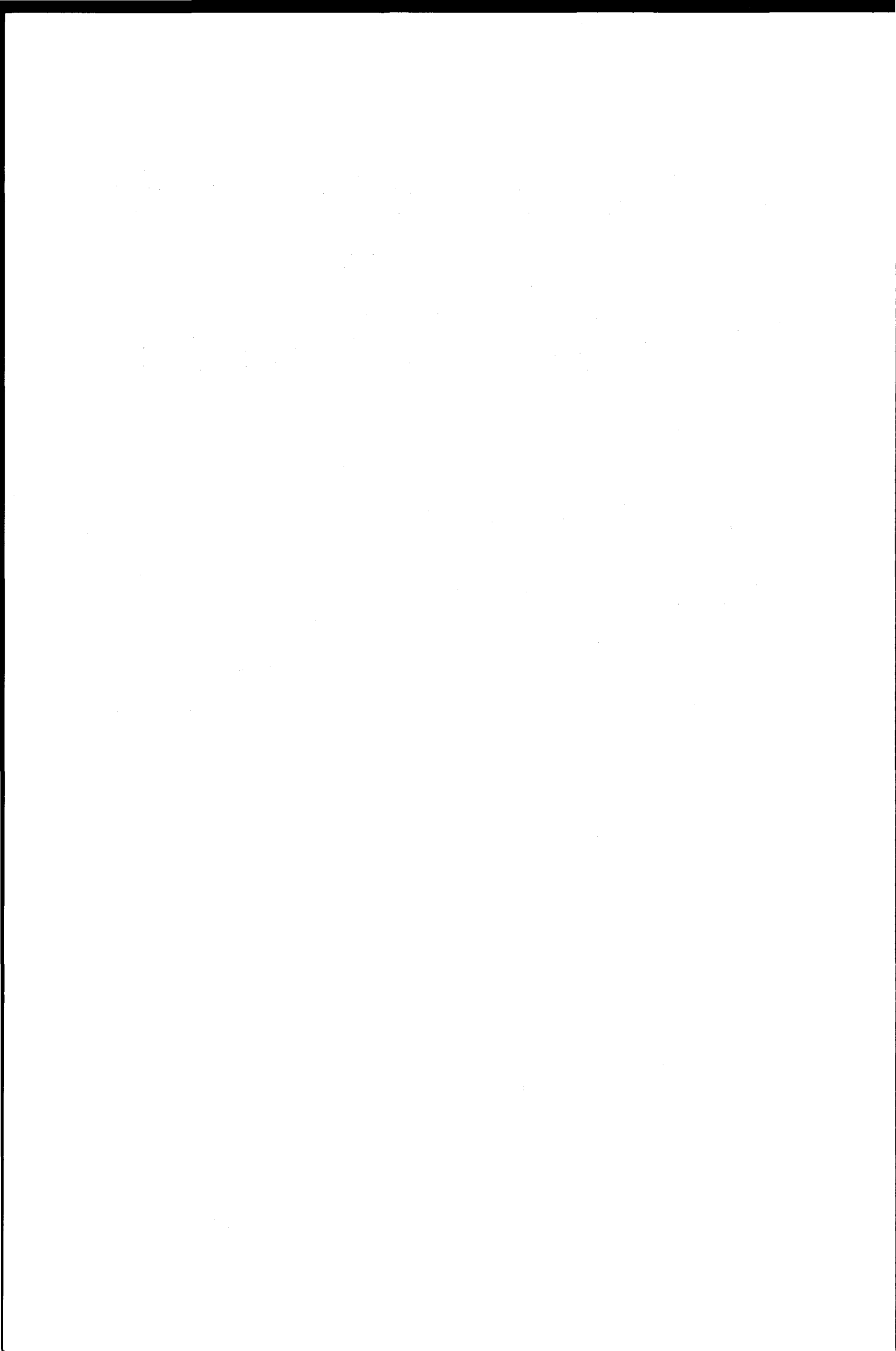
embodying the opinion of the European Parliament on a proposal from the Commission of the European Communities to the Council for a Regulation laying down special provisions applicable to trade in tomato concentrates between the Community as originally constituted and the new Member States.

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 Article 43 of the EEC Treaty (Doc. 128/74);
 - having regard to the report of the Committee on Agriculture and the opinion of the Committee on Budgets (Doc. 182 /74) ;
1. Approves the proposal of the Commission;
 2. Instructs its President to forward this resolution and the report of its committee to the Council and the Commission of the European Communities.

¹

OJ C 72, 27.6.1974, p.28



EXPLANATORY STATEMENTThe purpose of the Commission's proposal

1. The Commission proposes that a system of monetary compensation amounts be set up in order to safeguard the competitive position of producers of tomato concentrates within the original Community on the markets of the new Member States, and so maintain the unity of the Community market (at present threatened by the fact that prices of tomato concentrates in the new Member States are substantially lower than those in the original Community).

Trade in tomato concentrates

2. In the last decade, trade in transformed agricultural products has shown considerable and sustained growth, which has compensated, in part, for the moderate growth in trade of primary agricultural products.

This increase in trade has been mainly between the developed countries, and within the Community in particular.

Within this category of products, transformed tomatoes, tomato concentrates included, have an important place.

3. Tomato production in the Community should be divided for analysis into three groups of states, according to the method of production :

- (a) tomatoes grown in the open,
Italy;
- (b) mixed production,
Belgium, France and Germany;
- (c) tomatoes grown under glass,
Denmark, Ireland, the Netherlands and the United Kingdom.

4. Tomatoes grown under glass are in general unsuitable for transformation. Therefore, trade in transformed tomatoes within the Community consists mainly of exports from countries with open air or mixed production, Italy and France in particular, to those whose produce is grown under glass, Germany, the United Kingdom, the Netherlands, Denmark and Ireland.

Trade in tomato concentrates between the new and original Members of the Community

5. Consumption of processed tomatoes in the three new Member States has increased notably in the last decades¹ :

	United Kingdom	Ireland	Denmark
1955	231.7	not available	18.5
1965	342.5	15.4	23.6
1970	380.0	20.4	24.6

(1000 metric tonnes)

6. The United Kingdom is the second most important importer of tomatoes and tomato products in the world, after West Germany. British imports of processed tomatoes are approximately twice her imports of fresh tomatoes :

	Fresh tomatoes	Processed tomatoes
1964	162,200	341,000

7. Italy remains the principal source of British imports, though the Italian share of the British market has been steadily declining from 84% in 1960 to 40% at the present time.

Portugal and Bulgaria, however, have been steadily occupying more important positions on the British market, which now reach 26% and 10% respectively.

8. The position in respect of Denmark and Ireland is similar, though the importance of the market in these countries is far less, being at a level of approximately 30,000 tonnes annually. East European supplies are establishing an increasingly important position on the Danish market.

The Commission's proposals

9. Article 3 of Regulation (EEC) No 865/68² laid down that exports of products processed from fruit and vegetables shall be eligible for export refunds in respect of added sugar.

¹ OECD Production, consumption et échanges de tomates, Paris 1968.

² O.J. No L 153, 1968, p. 10; as amended by Regulation (EEC) No 2613/70, O.J. No L 281, 1970, p. 12.

10. Article 3a, paragraphs 1 and 2,¹ lay down that where required in order to permit economically important exports of the products not containing added sugar on the basis of prices for these products in international trade, the difference between these prices and Community prices may be covered by an export refund; such refunds shall be the same throughout the Community, varied according to destination.

The Commission proposes in Article 1, therefore, that where an export refund is granted on tomato concentrates pursuant to Article 3a of Regulation (EEC) No 865/68, a system of compensatory amounts shall be established to offset existing price differences in trade:

- between new Member States and the original Community;
- or between the new Member States and Third Countries.

In intra Community trade, the original Members shall, according to Article 2:

- levy compensatory amounts from the new Member States;
- grant compensatory amounts on exports to the new Member States.

The refund on exports from new Member States to Third Countries shall be equal to the difference between the refund and the compensatory amount.

Compensatory amounts shall be equal to the export refund granted to the original Members, and shall be reduced progressively as prices within the new Members align themselves with those of the 'Six', as follows:

1 July 1974	80%
" " 1975	60%
" " 1976	40%
" " 1977	20%
1 January 1978	0%

¹ Amendment laid down in Regulation (EEC) No 1425/71, O.J. No L 151, 1971; p.1.

11. It is proposed that compensatory amounts granted or levied in trade between old and new Members should be regarded as intervention to stabilize the market. Since, in practice, only exports from the old to the new Members are of importance, and assuming annual exports of 5,000 tonnes and the compensatory amounts of 9 u.a./100 kg, expenditure would amount to 450 thousand u.a. for a twelve month period, decreasing with the annual reduction of compensatory amounts. Such expenditure would represent 0.7% of appropriations charged against Chapter 68 - fruit and vegetables.

Observations

12. The purpose of this proposal is to protect the competitive position of producers in the original Member States on the markets in new Member States, so that when export refunds are granted to producers in the original Member States a corresponding monetary amount shall be granted to those producers for exports to the new Member States.

13. In view of the considerable importance of trade in tomato concentrates for certain of the original Members of the Community and the desirability of safeguarding the aims of the Common Agricultural Policy as laid down in Article 39 of the EEC Treaty, the Committee on Agriculture considers that it can approve this proposal.

Processed Tomatoes - ORIGINS OF IMPORTS

UNITED KINGDOM

(1000 mt in terms of fresh produce)

	Main countries of origin							Balance from other origins	Total from all origins
	ITALY	PORTUGAL	FRANCE	SPAIN	BULGARIA	CANADA	AUSTRALIA		
1955	229.8	-	14.2	5.2	-	2.5	10.3	14.8	276.8
1966	162.8	99.7	9.4	32.9	39.4	14.6	-	18.3	377.1
1970 (estim.)									380.0
	DENMARK								
	ITALY	PORTUGAL	BULGARIA	HUNGARY	NORTH AMERICA				
1955	2.0	1.0	-	0.6	0.1		0.3	4.0	
1966	0.9	6.6	1.9	0.1	1.1		4.2	14.8	
1970 (estim.)								17.5	

OPINION OF THE COMMITTEE ON BUDGETS

Letter from Mr AIGNER, vice-chairman of the Committee on Budgets, to Mr HOUDET, chairman of the Committee on Agriculture.

Brussels, 3 July 1974

Dear Mr Chairman,

At its meeting of 1 July 1974, the Committee on Budgets considered the proposal for a regulation laying down special provisions applicable to trade in tomato concentrates between the Community as originally constituted and the new Member States (Doc. 128/74).

This regulation provides for the protection of the competitive position of the producing countries of the Community as originally constituted on the markets of the new Member States. The relevant compensatory amounts are to be phased out by 1 July 1978, when the Common Customs Tariff is introduced in the new Member States.

It is proposed that the corresponding expenditure should be charged against Chapter 68 of the budget of the Communities; the sum involved would amount to about 0.7% of the appropriations provided for in that chapter.

In view of this, and the fact that the proposed regulation is fully in keeping with the objectives of the common agricultural policy, the Committee on Budgets recommends its acceptance by the committee responsible.

Yours sincerely,

Heinrich AIGNER.

This opinion was adopted unanimously. The following were present:

Mr AIGNER, vice-chairman and acting chairman; Mr ARTZINGER, Mr BANGEMANN (deputizing for Miss FLESCH), Mr BERTHOIN (deputizing for Mr ROSSI) Mr BOANO, Mr CONCAS, Mr FABRINI, Mr LENIHAN, Mr MAIGAARD, Mr NOTENBOOM, Mr PETRE, Mr POUNDER, Mr VERHASCHI, Mr YEATS (deputizing for Mr TERRENOIRE).