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A3-0225/90

REPORT

of the Committee on Development and Cooperation

on the Commission proposal to the Council for a regulation extending to Bolivia, Colombia and Peru the generalized tariff preferences applied to certain products originating in the least-developed countries and amending Regulations (EEC) Nos. 3896/89, 3897/89 and 3898/89 of 18 December 1989 (COM(90) 0254 final - C3-0216/90)

Rapporteur: Mr François-Xavier DE DONNEA

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Or. FR.

A Series: Reports - B Series: Motions for Resolutions, Oral Questions - C Series: Documents received from other Institutions (e.g. Consultations)



= Consultation procedure requiring a single reading



= Cooperation procedure (first reading)



= Cooperation procedure (second reading) which requires the votes of a majority of the current Members of Parliament for rejection or amendment



= Parliamentary assent which requires the votes of a majority of the current Members of Parliament

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By letter of 9 July 1990, the President of the Council consulted the European Parliament, pursuant to Article 113 of the EEC Treaty, on the Commission proposal to the Council for a regulation extending to Bolivia, Colombia and Peru of the generalized tariff preferences applied to certain products originating in the least advanced developing countries and amending Regulations (EEC) Nos. 3896/89, 3897/89 and 3898/89 of 18 December 1989.

On 13 July 1990, the President of the European Parliament referred this proposal to the Committee on Development and Cooperation, as the committee responsible and to the Committee on Budgets, the Committee on External Economic Relations and the Committee on Agriculture, Fisheries and Rural Development for their opinions.

At its meeting of 19 September 1990, the Committee on Development and Cooperation appointed Mr DE DONNEA rapporteur.

At its meeting of 19 September 1990, the committee considered the Commission's proposal and the draft report.

At the last meeting, it adopted unanimously the draft legislative resolution and called on Parliament to apply Rule 38(2) of the Rules of Procedure.

The following took part in the vote: Saby, chairman; Belo and Aulas, vice-chairmen; De Donnea, rapporteur; Christiansen (for van Putten), Daly, Laroni, Magnani Noya (for McGowan), Perschau, Pons Grau and Tindemans.

The opinion of the Committee on Budgets is attached. The Committee on External Economic Relations and the Committee on Agriculture, Fisheries and Food decided not to deliver opinions.

The report was tabled on 24 September 1990.

The deadline for tabling amendments will appear on the draft agenda for the part-session at which the report is to be considered.

A

DRAFT LEGISLATIVE RESOLUTION

embodying the opinion of the European Parliament on the Commission proposal to the Council for a regulation extending to Bolivia, Colombia and Peru the generalized tariff preferences applied to certain products originating in the least-developed countries and amending Regulations (EEC) Nos. 3896/89, 3897/89 and 3898/89 of 18 December 1989.

The European Parliament,

- having regard to the Commission proposal to the Council (COM(90) 254 final),
 - having been consulted by the Council pursuant to Article 113 of the EEC Treaty,
 - having regard to the report of the Committee on Development and Cooperation and the opinion of the Committee on Budgets (A3-0225/90),
1. Approves the Commission proposal in accordance with the vote thereon;
 2. Calls on the Council to notify Parliament should it intend to depart from the text approved by Parliament;
 3. Asks to be consulted again should the Council intend to make substantial modifications to the Commission proposal;
 4. Instructs its President to forward this opinion to the Council and Commission.

EXPLANATORY STATEMENT

This proposal for a Council regulation constitutes one aspect of the three point plan which the Commission intends to put into operation as its part in the battle against drugs in the Andean countries of Bolivia, Colombia and Peru, and in particular, as a response to Colombia's request for aid from the international community within the framework of its Special Cooperation Plan.

Given the severity of the drugs problem for these Andean countries and for the whole of the international community, and the serious economic and political crisis facing Bolivia in particular, the Commission stresses that the Community's response to this situation should be at the following three levels: increased financial support over the coming years under Articles 931 and 9490 of the budget; better coordination of aid granted to these countries by the individual Member States and by the Community, and by means of the present proposal, trade measures to promote exports from these countries to the EEC with a view to offering to them stable and sufficiently attractive outlets for alternatives to coca cultivation and for manufactured products.

The Commission proposes that the treatment accorded to the least-developed countries under the Community GSP scheme be extended to Bolivia, Colombia and Peru.

The Commission emphasizes that these three Andean countries currently receive only limited benefit from the implementation of the Community's GSP scheme.

The Commission considers that simple ad hoc adjustments would not be sufficient to transfer production activities from the illegal drugs sector to legal products. Substantial measures are therefore necessary.

Such preferential treatment, aiming to extend to these countries the GSP system applicable to the least-developed countries should, in the Commission's view, be accorded on an exceptional and temporary basis. The Commission proposes that it should be granted for the duration of the Special Cooperation Plan put forward by Colombia, i.e. four years, without prejudice to the annual nature of the Community's GSP scheme.

The Commission's proposal aims to grant to the three Andean countries the same most favourable treatment, in terms of trade, as is currently granted to developing countries by the Community within the framework of the GSP scheme.

The extension of the regime applied to least-developed countries will considerably benefit the industrial and textile sectors as well as agricultural products.

Within the industrial and textile sector, products may freely enter the EEC and duties may no longer be reintroduced. For agricultural products, there is much wider cover for products coming under the GSP scheme which will apply to a whole series of products which, as the Commission notes 'make up the bulk of their exports to the Community'. In addition, the duty is not simply reduced but totally suspended.

It should be noted that during its examination of relations between the developing countries of Asia and Latin America, and in accordance with the conclusions of the Committee on Development and Cooperation, the European Parliament adopted the following conclusion:

'Calls on the Commission to provide much greater assistance to the governments of Latin America and Asian countries with their efforts to suppress the production and traffic in narcotic drugs; points out, however, that only when profitable alternative crops and market outlets are available will there be an incentive for producers to cultivate and sell other commodities; calls, accordingly on the Commission and Council to increase the funds in the Community budget earmarked for the campaign against drug abuse and to assist projects and programmes that would provide narcotic producers with economically viable alternative means of earning their living;'¹

In these circumstances, we therefore feel that the Commission's proposal, which will, on an exceptional and temporary basis, substantially improve the export potential of these countries to the EEC, is fully in line with the concern expressed by the European Parliament.

¹ OJ No. C 309, 5.12.1988, para. 28, Report by Mrs DALY, Doc. A2-222/88

OPINION OF THE COMMITTEE ON BUDGETS

Letter from the committee chairman to Mr Saby, chairman of the Committee on Development and Cooperation

19 September 1990

Subject : Opinion of the Committee on Budgets on extending to Bolivia, Colombia and Peru the system of generalized tariff preferences (COM(90) 254 - C3-0216/90)

Dear Mr Saby,

The Committee on Budgets considered the above proposal at its meeting of 19 September 1990.

It observed that the extension of the system of generalized tariff preferences to Bolivia, Colombia and Peru would entail a loss of revenue for the Community budget.

It therefore calls on the Commission to inform the budgetary authority of the financial implications of the proposal.

Subject to these considerations, the Committee on Budgets is in favour of the Commission proposal.

Yours sincerely,

(sgd) Thomas von der VRING

The following were present: von der Vring, chairman; Lamassoure, first vice-chairman; Cochet, Colom I Naval, Goedmakers, Holzfuß, Langes, Lo Giudice, Napolitano (for Colajanni), Pasty and Zavvos.