

European Communities

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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. 1-450/79) for a regulation on the opening, allocation and administration of a Community tariff quota for frozen beef and veal falling within subheading No 02.01 A II b) of the Common Customs Tariff (1980)

Rapporteur: Mr V. GIUMMARRA

By letter of 26 October 1979 the President of the Council of the European Communities consulted the European Parliament, pursuant to Article 43 of the EEC Treaty, on the proposal from the Commission of the European Communities to the Council for a Council regulation (EEC) on the opening, allocation and administration of a Community tariff quota for frozen beef and veal falling within subheading No. 02.01 A II b) of the Common Customs Tariff (1980).

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 and the Committee on Budgets for their opinions.

The Committee on External Economic Relations appointed Mr Giummarra rapporteur on 22 November 1979.

It discussed the proposal at its meeting of 29 November 1979 and adopted the motion for a resolution and explanatory statement unanimously.

Present: Sir Fred Catherwood, chairman, Mrs Wieczorek-Zeul, Mr van Aerssen and Mr Seal, vice-chairmen, Mr Giummarra, rapporteur, Mrs Agnelli, Mr Almirante, Mrs Caretoni Romagnoli, Mr Cohen (deputizing for Mr Ripa di Meana), Mr de Courcy Ling, Mr Galluzzi, Mr Jonker, Mr Kellett-Bowman, Mrs Lenz, Mr Louwes, Mr Majonica, Mr Martinet, Mrs Moreau, Mr Pannella, Mrs Poirier, Mr Prout (deputizing for Sir John Stewart-Clark), Mrs Rabbethge (deputizing for Mr Lemmer), Mr Schmitt and Mr Seeler.

The opinions of the Committee on Agriculture and the Committee on Budgets are attached.

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The Committee on External Economic Relations 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 the proposal from the Commission of the European Communities to the Council for a regulation on the opening, allocation and administration of a Community tariff quota for frozen beef and veal falling within subheading No. 02.01 A II b) of the Common Customs Tariff (1980)

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council (COM(79) 531/final),
- having been consulted by the Council, pursuant to Article 43 of the Treaty establishing the EEC (Doc. 1-450/79),
- having regard to the report of the Committee on External Economic Relations and the opinions of the Committee on Agriculture and the Committee on Budgets (Doc. 1-569/79),

approves the Commission's proposal.

EXPLANATORY STATEMENT

1. Within the framework of the GATT multilateral negotiations, the European Economic Community undertook to open an annual Community tariff quota of 50,000 tonnes of frozen beef and veal at 20% duty.
2. In view of the fact that this concession is still subject to formal conclusion by the contracting parties, the Commission reserves the right to amend its proposal during the procedure, in order to adapt it, if necessary, to the final outcome of the negotiations.
3. To meet the Community's obligations, it is necessary to adopt, in the form of a regulation, before 1 January 1980, provisions for the opening, allocation and administration of the Community tariff quota concerned.
4. It should be noted in this connection that, because of the possibility of applying the system of monetary compensatory amounts to a volume of 16,500 tonnes, the Commission found it necessary, in its proposal, to divide the total quota of 50,000 tonnes in two parts, one of 33,500 tonnes, the other of 16,500 tonnes, to be allocated separately among all the Member States.
5. As regards the pattern of allocation of this quota among the Member States, the Commission proposes to maintain the scale which was applied in 1979 to the volume of 38,500 tonnes, with the exception that Ireland would be allocated 0.01% in order to preserve the 'Community' nature of the quota. For the further volume of 11,500 tonnes resulting from the MTN, an allocation scheme based on the estimated needs of each of the Member States during the quota period concerned will be used.
6. As usual, to provide for individual cases, the Commission proposes the creation of Community reserves which, even if no higher than 10% of each of the quota volumes, will help to ensure equal access for all importers and to prevent situations in which customs preference is no longer applied in one or more Member States while it is still applied in others.

7. Having regard to the Community's international obligations arising from the negotiations in GATT, the Committee on External Economic Relations recommends that the present proposal be approved.

OPINION OF THE COMMITTEE ON AGRICULTURE

Draftsman: Mrs L. HERKLOTZ

The Committee on Agriculture appointed Mrs HERKLOTZ draftsman of an opinion at its meeting of 19 and 20 November 1979.

At its meeting of 28 and 29 November 1979 the Committee on Agriculture considered the draft opinion and adopted it unanimously.

Present: Sir Henry Plumb, chairman and deputizing for the draftsman of the opinion; Miss Barbarella, Mr Battersby, Mr Bocklet, Mr Curry, Mr Delatte, Mr Howell, Mr Louwes (deputizing for Mr Jürgens), Mr Maffre-Baugé, Mr Maher, Miss Quin, Mr Skovmand, Mr Sutra, Mr Tolman, Mr Vernimmen and Mr Woltjer.

The draft Regulation provides for the opening, allocation and administration of a Community tariff quota for frozen beef and veal, thus honouring a commitment made by the Community in the context of the GATT multilateral trade negotiations. The tariff quota to be opened for 1980 concerns a quantity of 50,000 tonnes. The quota has been divided into two parts, of 33,500 tonnes and 16,500 tonnes respectively, each quantity to be allocated separately to the Member States in accordance with a scale laid down in the draft Regulation. To allow for fluctuations in exchange rates, compensatory levies will be applied to the quantity of 16,500 tonnes. The two parts will in turn each be divided into two further parts, of 30,000 and 3,500 (Community reserve) and 15,000 and 1,500 (Community reserve) tonnes respectively. Distribution among the Member States will be based on an assessment of the Member States' import requirements in 1980.

In its draft Regulation, the Commission has included statistics on the development of beef and veal imports into the Community from third countries over the last three years. However, since it has proved difficult to make any precise assessment of the Member States' import requirements in 1980, the Commission proposes that the same scale as that applied this year be applied to the amount of 38,500 tonnes, except in the case of Ireland, which would be allocated a percentage of 0.01, and to the remaining 11,500 tonnes a scale based on the requirements of the Member States over the year in question. Furthermore, a Community reserve would be formed from which the Member States could draw if they used up their initial allocations.

The Commission states that, pending a final decision, this concession still needs to be formally concluded so that it must remain possible to amend the proposal in the light of the final outcome of the negotiations.

The question arises as to what the situation will be regarding this quota if the Contracting Parties fail to approve the outcome of the GATT negotiations for 1980 in time. For the Community, a unanimous Council decision is required.

The Committee on Agriculture points out that this proposal represents a practical result of the international commitments entered into by the Community in the context of the GATT negotiations and is consequently able to give it its approval pending final approval of the outcome of the GATT negotiations.

OPINION OF THE COMMITTEE ON BUDGETS

Letter from the acting chairman of the committee to Sir Fred CATHERWOOD,
chairman of the Committee on External Economic Relations.

Brussels, 6 December 1979

Dear Sir Fred,

At its meeting of 27 November 1979, the Committee on Budgets considered¹ the proposal from the Commission of the European Communities to the Council (COM(79) 531 final) for a Council regulation (EEC) on the opening, allocation and administration of a Community tariff quota for frozen beef and veal falling within subheading No. 02.01 A II b) of the Common Customs Tariff (1980).

The Committee on Budgets stressed that the loss of levy as a result of opening tariff quotas had a considerable effect on Community budgetary revenue. The Committee asked the Commission, (which declared itself willing), to supply for the beginning of 1980 a summary of the budgetary effects of all the tariff quotas applied in 1979 and to update this subsequently for every new proposal to open a tariff quota.

It is important to note that in the financial statement the loss of levy is not shown accurately. It should be calculated as follows:

65,000 tonnes (bone-in quantity) x 720 EUA (bone-in levy).

The Commission of the European Communities reserves the right to modify its proposal so as to adapt it to the final outcome of the negotiations; nevertheless it must consult Parliament again if it intends to make substantial modifications to its proposal.

On these terms the Committee on Budgets delivered a favourable opinion on the proposal from the Commission.

Yours sincerely,

Harry NOTENBOOM,
acting chairman,
first vice-chairman

¹Present: Mr Lange, chairman; Mr Adonnino, Mr Arndt, Mr Balfe, Mr Barbi, Mrs Boserup, Mr Flanagan, Mr Forth, Mr Gouthier, Mrs Gredal, Mrs Hoff, Mr Hord, Mr Langes, Mr Nord, Lord O'Hagan, Mr Konrad Schön, Mrs Scrivener, Mr Simonnet and Mr J.M. Taylor