

# **Re-exportation and re-dispatch of products covered by the specific supply arrangements**

2004/0051(CNS) - 09/03/2004 - Legislative proposal

CONTENT : to prevent speculative dealing in products covered by the special supply arrangements.

PROPOSED ACT : Council Regulation. CONTENT : Council Regulations 1452/2001/EC, 1453/2001/EC and 1454/2001/EC aim to adopt specific measures for applying the CAP in the outermost regions (Azores and Madeira, French overseas departments and Canary Islands). These measures are aimed at improving the conditions in which agricultural products are produced and marketed in those regions, and at mitigating the effects of their exceptional geographical situation and constraints. In particular, specific supply arrangements entailing economic advantages were introduced with a view to guaranteeing supplies and mitigating the additional costs of the remoteness, insularity and outermost location of these regions. In order to ensure that the economic advantages of the specific supply arrangements do not provoke diversions of trade in the products concerned, these Regulations prohibit the re-dispatch or re-exportation of those products from the outermost regions, with a few exceptions. Such a prohibition, and the strict conditions applicable to the exceptions, constitute constraints on the development of certain traders' economic activities. It is proposed that the dispatch or exportation of the products concerned should be authorised after the economic advantage has been reimbursed. Regulation 1453/2001/EC stipulates that the prohibition on re-dispatching and re-exporting the products concerned will not apply to trade flows between the Azores and Madeira. This provision allows trade to be conducted between the Azores and Madeira without any distinction being made between processed and unprocessed products. It has led to sugar from Madeira covered by the specific supply arrangements being the subject of speculative dealing in the Azores, where the market is facing difficulties. It is proposed that such trade in products covered by the specific arrangements for supplies from the Azores to Madeira or vice versa be restricted to processed products alone. BUDGET LINE : 05 02 11 04 : appropriations : EUR 249 million.