

Procedure file

Basic information		
CNS - Consultation procedure Regulation	1999/0284(CNS)	Procedure completed
Processed agricultural products as goods: trade arrangements, Uruguay round follow-up (amend. Regulation (EC) No 3448/93)		
Subject 3.10.03 Marketing and trade of agricultural products and livestock 6.20.01 Agreements and relations in the context of the World Trade Organization (WTO)		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	AGRI Agriculture and Rural Development		26/01/2000
		UEN SOUCHET Dominique F.C.	
	Committee for opinion	Rapporteur for opinion	Appointed
	BUDG Budgets	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	Agriculture and Fisheries	2309	20/11/2000
	Agriculture and Fisheries	2250	20/03/2000
European Commission	Commission DG	Commissioner	
	Internal Market, Industry, Entrepreneurship and SMEs		

Key events			
22/12/1999	Legislative proposal published	COM(1999)0717	Summary
01/03/2000	Committee referral announced in Parliament		
20/03/2000	Debate in Council	2250	Summary
12/09/2000	Vote in committee		Summary
12/09/2000	Committee report tabled for plenary, 1st reading/single reading	A5-0228/2000	
20/09/2000	Debate in Parliament		
21/09/2000	Decision by Parliament	T5-0400/2000	Summary
17/10/2000	Vote in committee		Summary

24/10/2000	Decision by Parliament	T5-0452/2000	Summary
20/11/2000	Act adopted by Council after consultation of Parliament		
20/11/2000	End of procedure in Parliament		
25/11/2000	Final act published in Official Journal		

Technical information

Procedure reference	1999/0284(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	EC Treaty (after Amsterdam) EC 037
Stage reached in procedure	Procedure completed
Committee dossier	AGRI/5/12561

Documentation gateway

Legislative proposal	COM(1999)0717 OJ C 089 28.03.2000, p. 0081	22/12/1999	EC	Summary
Economic and Social Committee: opinion, report	CES0241/2000 OJ C 117 26.04.2000, p. 0051	02/03/2000	ESC	
Committee report tabled for plenary, 1st reading/single reading	A5-0228/2000 OJ C 146 17.05.2001, p. 0004	12/09/2000	EP	
Text adopted by Parliament, partial vote at 1st reading/single reading	T5-0400/2000 OJ C 146 17.05.2001, p. 0019-0090	21/09/2000	EP	Summary
Text adopted by Parliament, 1st reading/single reading	T5-0452/2000 OJ C 197 12.07.2001, p. 0023-0075	24/10/2000	EP	Summary

Additional information

European Commission	EUR-Lex
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Final act

[Regulation 2000/2580](#)
[OJ L 298 25.11.2000, p. 0005](#) Summary

Processed agricultural products as goods: trade arrangements, Uruguay round follow-up (amend. Regulation (EC) No 3448/93)

PURPOSE : to amend Regulation 3448/93/EC so as to reduce the amount of payments not covered by Annex I to the Treaty. **CONTENT** : under the Uruguay Round, the agreement on agriculture limits the amount of payments in the form of refunds which can be granted to certain agricultural products exported in the form of goods not covered by Annex I to the Treaty to EUR 475 million for financial year 2000, and EUR 415 million for 2001 and subsequent years. Having regard to firstly Community prices for basic agricultural products and secondly price prospects on the world market, requirements in terms of refunds will exceed budget limits. The inward processing arrangements applied at present already relieve the pressure on spending on refunds. The present arrangements should therefore be maintained, particularly in respect of fulfilling the economic conditions. In addition, given the lack of funds available for refunds each year, a further facility should be created for exports of goods eligible for refunds each year, which would consider the economic conditions to have been fulfilled. However, in order to encourage the use of Community agricultural raw materials, it is necessary to limit this additional facility to the quantities actually required.?

Processed agricultural products as goods: trade arrangements, Uruguay round follow-up (amend. Regulation (EC) No 3448/93)

The Council has agreed the proposal concerning the IPT (inward processing traffic) subject to the amendments accepted at the meetings of the Special Committee on Agriculture on 29 February and 13 March 2000. These amendments reflect the Commission's undertaking to use this instrument with caution and flexibility, as a last resort. In this connection, the Commission has expressed support for flexible management of supply balances and the regular updating thereof, whilst also taking account of the availability of commodities for IPT. Furthermore, the Council asks the Commission, in the context of the implementing procedures, to review the threshold of 20 000 euros for small and medium-sized exporters. The Council is waiting for the European Parliament's Opinion in order to take a decision as soon as possible on this proposal. The Council requests the Commission, as it did in December 1999, to monitor closely the development of the export market for the various products exported in the form of non-Annex I goods and the relevant budgetary situation, and where necessary to take appropriate steps without delay. The Council asks the Commission to report to the Council if required before the end of June 2001.?

Processed agricultural products as goods: trade arrangements, Uruguay round follow-up (amend. Regulation (EC) No 3448/93)

The committee adopted the report (under the consultation procedure) by Dominique SOUCHET (UEN, F) amending the Commission proposal laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products. The committee feared that the EU's processed food and drink industry would be badly hit by Commission plans to cut export refunds and force manufacturers to buy raw materials on world markets. It believed industries had been unfairly targeted for the cuts of EUR 145m a year needed to comply with world trade rules and was unimpressed with the Commission's scheme to offset them with duty-free imports, from outside the EU, of ingredients needed for processed goods intended for export. The report said that the Commission's proposals could only be regarded as a temporary, emergency measure, and insisted that alternatives must be explored and a proper, long-term solution negotiated with the World Trade Organisation (WTO). MEPs felt that slashing the export refunds could destroy the competitive advantage of the EU agri-foodstuffs industry, on which 2.5 million jobs depend. They also wanted strict and clear limits on the duty-free imports, which could distort trade within the EU. The committee called for measures to cushion the impact of the cuts and provide special treatment for small exporters in particular. It wanted an exemption allowing fresh milk to be supplied from the EU market, preference to be given to EU products, such as sugar, which were sold on the world market without export refunds, export refunds to be financed from producer levies, where possible, to avoid diverting cash from the Community budget, and less red tape for small business.?

Processed agricultural products as goods: trade arrangements, Uruguay round follow-up (amend. Regulation (EC) No 3448/93)

The European Parliament adopted a number of amendments to the Commission's proposal, a number of which the Commission refused to take on board. Parliament therefore voted to defer the final vote on the legislation to the October part-session in the hope that a compromise might be reached with the Commission in the interim. Parliament believes that the competitiveness of certain EU food and drinks industries will be undermined by the cuts needed to comply with world trade rules and fears that cheap imports of raw materials will distort trade within the EU. According to the Rapporteur, Dominique SOUCHET (UEN, F), the Commission's proposals can only be a temporary, emergency measures and alternatives need to be explored in order to negotiate a proper, long-term solution with the WTO. Under WTO commitments entered into in the early 1990s, the export refunds budget - intended to compensate manufacturers for the high cost of buying raw materials in the EU compared to world prices because of the subsidies aid to farmers - must be reduced to EUR 475m in 2000 and EUR 415m in 2001. Parliament is demanding measures to cushion the impact of the cuts, particularly on small exporters, an exemption for fresh milk and preference for EU sugar. It also wants export refunds to be financed from producer levies, where possible, to avoid diverting cash from the Community budget, and less red tape for small business.?

Processed agricultural products as goods: trade arrangements, Uruguay round follow-up (amend. Regulation (EC) No 3448/93)

Following the decision at the September 2000 plenary session to defer the vote, the committee adopted a set of new, compromise amendments to the proposal which were tabled by rapporteur Dominique SOUCHET (UEN, F) following negotiations with the Commission. The compromise amendments sought to ensure that the impact of the new trade arrangements on each, individual, common market regime, especially the milk and sugar sectors, would be monitored closely with an interim report to Parliament at the end of the first year of the new system. They also stressed that the trade arrangements proposed by the Commission could only be a temporary, emergency solution and alternatives should be explored.?

Processed agricultural products as goods: trade arrangements, Uruguay round follow-up (amend. Regulation (EC) No 3448/93)

The European Parliament adopted the report drafted by Mr Dominique F.C. SOUCHET (UEN, F) on a set of new, compromise amendments to the Commission's proposals to slash export refunds to the EU's processed food and drink industry and offset the cuts with duty-free imports of ingredients bought at world market prices. The compromise amendments ensure that Parliament's concerns will be taken into account as the Commission has undertaken to monitor closely the impact of the new trade arrangements on each common market regime, especially in the

milk and sugar sectors, in an interim report to the Parliament at the end of the first year of the new system. In addition, the Parliament has specified that the Commission pay special attention to the situation of small and medium-sized companies in the processing sector, taking due account of the impact of target measures relating to savings on export funds. The amount below which small exporters may be exempted from presentation of certificates under the export refund arrangements shall be set at EUR 50 000 per year. This ceiling may well be adjusted.?

Processed agricultural products as goods: trade arrangements, Uruguay round follow-up (amend. Regulation (EC) No 3448/93)

PURPOSE : to amend Regulation 3448/93/EC laying down the trade arrangements applicable to certain goods resulting from the processing of certain agricultural products. **COMMUNITY MEASURE :** Council Regulation 2580/2000/EC. **CONTENT :** Regulation 3448/93/EC laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products provides that, on exportation of the goods, the agricultural products which have been used may qualify for refunds established pursuant to the regulations on the common organisation of the market in the sectors concerned. This Regulation should be amended to take account of the constraints arising from the agreement on agriculture concluded in the multilateral trade negotiations under the Uruguay Round. In particular, there should be checks on expenditure on the basis of commitments through the issuing of certificates. However, as regards expenditure which has not been covered by obtaining a certificate or certificates, accounting of such expenditure will continue to be carried out on a basis of refund payment, if necessary in the form of an advance. The Commission will take into consideration agricultural products processing enterprises as a whole, and in particular, the situation of SMEs, taking account of the impact of targeted measures relating to savings on export refunds. In view of their specific interests, small exporters should be exempt from submission of certificates under the export refund. Under the agreements concluded in accordance with Article 300 of the Treaty, it is possible that requirements of the processing industries in terms of agricultural raw materials may not be covered completely, under competitive conditions, by Community raw materials. Council Regulation 2913/92/EEC establishing the Community Customs Code admits good under the inward processing arrangements subject to fulfillment of the economic conditions as defined by Commission Regulation 2454/93/EEC. Having regard to the abovementioned agreements, there should also be provision for considering the economic conditions to have been fulfilled for the admission of certain quantities of certain agricultural products under the processing arrangement. In order to safeguard the interests of producers of agricultural raw materials, in successive financial years, the necessary appropriations should be made available so that goods not covered by Annex I to the Treaty may benefit fully from maximum use of the current WTO ceiling. There should also be overall checks, though the procedure laid down should be flexible, on the basis of a regularly revised forward estimate, of the quantities admitted under inward processing arrangements not subject to prior individual checks for the economic conditions (excluding those used for processing, the usual forms of handling or the manufacture of goods not eligible for refunds) and in compliance with other general conditions relating to the inward processing arrangements. Finally, account should be taken of the situation on the Community market for the commodities concerned, to ensure prudent management of the said quantities. **ENTRY INTO FORCE :** 02/12/2000.?