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

1999/0284(CNS) - 12/09/2000

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.