

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

1999/0284(CNS) - 22/12/1999 - Legislative proposal

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.