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

1999/0284(CNS) - 21/09/2000 - Text adopted by Parliament, partial vote at 1st reading/single reading

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 needde 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 becasue of the subsidies âid 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.