

Acapulco, 21-24 June 1982

STATEMENT

by the representative of the European
Community, Mr. P. Dalsager, Member
of the Commission of the European Communities

Mr. Chairman, your Excellencies, Delegates and Observers,
Ladies and Gentlemen,

Thank you, Mr. Chairman, for allowing me to put the viewpoint
on food security of the European Community which, as you know,
has clearly defined responsibilities not only in the field of
trade policy but also very substantially in development matters.

It is an honour for me to be able to address this distinguished
Assembly determined to find solutions to the dramatic problem
of hunger in the world.

Let me first of all say to you that the European Community is
determined to make every effort to play a full part in the fight,

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The improvement in the food situation in the developing countries cannot be truly effective or be of lasting effect unless there is an increase in food production and improved distribution systems in those countries. This is why the European Community has, for many years, attached growing importance to fuller cooperation with developing countries in the agricultural field.

In order to reinforce these efforts, the Council of the European Communities approved last November a plan of action to combat world hunger consisting of four parts.

The first part aims at mitigating hunger problems in the short term by an exceptional food aid action, costing 40 million US dollars, to help the least developed countries. This action, which is currently being implemented, has enabled the International Emergency Food Reserve to achieve its target of 500,000 tonnes and has increased direct food aid supplied by the European Community by the equivalent of 130,000 tonnes of cereals.

The second part concerns the European Community's help in implementing food strategies in developing countries.

It is evident that the involvement of the European Community and its Member States must fall within the guidelines defined by these countries themselves in their basic development plans and in the strategies arising from these plans.

The type of cooperation envisaged supposes that the countries concerned, as well as the European Community and the Member States, are prepared to participate in a process of permanent consultation during its realisation.

This procedure is demanding, not only for the country implementing the strategy, but also for the European Community and the Member States who will always have to be ready to find suitable response to the concrete questions which arise at each stage of implementation of the food strategy.

Last week the European Community's Council of Ministers for Development underlined the continuing nature of the process in which the European Community is engaged and stressed that it has to be open to further developments in the light of experience acquired.

The Council announced that three countries, Mali, Kenya and Zambia, had asked for European Community participation in new development cooperation action. The Council agreed to reply positively to this demand, indicating that exploratory contacts with other countries should continue and that it will examine any other requests at its next session.

The Council also agreed that other donor countries interested in following the same course of action are invited to join the European Community and its Member States in this exercise.

Moreover, discussions are proceeding within the European Community on a sizeable supplementary programme, costing 184 million US dollars, involving new types of action aimed systematically at improving the basic living conditions of rural populations. This would also constitute a start to the implementation of the third part of the European Community's plan, which concerns regional operations with a specific theme. Proposals for further implementation of this part are presently being prepared.

The fourth part concerns external aspects. The European Community has always considered the external aspects of food security in developing countries as a matter of crucial importance. This is why it has insisted on many occasions, and takes the opportunity to do so again today before this Eighth Ministerial session of the World Food Council, on the need for a new international agreement on cereals.

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Unfortunately, the efforts made within the framework of the International Wheat Council to reach a new agreement have so far come to nothing. This lack of progress increases the risks for the food security of the developing countries, particularly the poorest among them.

The European Community considers that the international community cannot remain inactive before this urgent problem.

It is for this reason, Mr. Chairman, that the European Community congratulates the Executive Director on the initiative he has taken in drawing up a proposal for the constitution of reserves of cereals purchased by the low income countries and held, if possible, on their territory.

The European Community fully shares the objectives which are behind this proposal and is of the opinion that it deserves serious examination.

To put these objectives into practice, it is essential that negotiations be opened. The European Community is ready to participate actively in the appropriate forum.

While we are in favour of the objectives of the proposal, there nevertheless remain a number of questions to be resolved, and among these we include in particular the following:

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- a) the system of storage should be integrated with the food and agricultural development of the importing countries so as not to disturb their production policies and the development of their internal markets;
- b) we understand that it would be possible to finance the building of the stocks by using IMF buffer stock facility. In that case the agreements to be concluded would have to contribute to market stability. However, with respect to the stabilizing effects as well as with respect to the IMF financing many questions remain and an in-depth study would be necessary. Furthermore, in some cases there will be problems of storage capacity. Coordination will therefore be required to solve such difficulties.
- c) insofar as it might be necessary to seek finance additional to that which already exists, it is obvious that the amounts required would need to be known and evaluated in the light of requirements.

A satisfactory response to these questions would facilitate the preparation of the negotiations. The European Community can at any rate confirm its open attitude to the further examination of this question, an examination which could be expected to re-launch international discussion of problems related to food security and the stabilisation of the market, and which would constitute an important element of the North-South dialogue.

Let me now comment briefly on point 2 IV of our agenda dealing with international trade, and particularly the trade in agricultural products of the developing countries. The recommendations of the Secretariat (Doc. WFC/8213) are that the developed countries should adjust their agricultural sectors to allow international trade in general and the exports of the Third World in particular to continue to develop.

At the preparatory meeting held in Rome from 10 to 13 May the developing countries indicated that they were apprehensive about the rise of protectionism and the considerable drop in basic product prices, which had dealt a serious blow to their balances of payment.

In this connection, your Organisation is planning to draw up a full report on international trade to be referred to the 9th Session of the Council in 1983.

Allow me to make the following points.

If the European Community is under the spotlight as far as international trade is concerned this is obviously because it offers the largest market for agricultural products in the world.

It is the first importer of agricultural products and it is at the same time second exporter - though here it is a long way behind the USA. In 1980, its trading deficit in agricultural products was almost 32,000 million US dollars

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The European Community is a very important customer of the developing countries since 46% of its total agricultural imports come from those countries.

As far as imports are concerned, protection is very limited.

There are only few products exported by developing countries which are in direct competition with the type of products mainly produced in the Community. About 90 per cent of imports from developing countries come in without duties (55 per cent) or with low duties (36 per cent).

For exports direct competition between Community exports and exports of a certain number of developing countries is to be found in two main sectors: beef and sugar. The Community is adapting the management of its policy in the beef sector and has modified substantially its sugar policy in the interests of the world market. It is prepared to discuss and cooperate with regard to the problems of the world market for these products.

As far as the prices of basic products are concerned, the Community is convinced that a large number of the present difficulties could be resolved by means of improved international agreements with appropriate economic provisions designed to help stabilize the international markets.

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The European Community has always considered that it was necessary to enlarge the agricultural debate, which should not be seen solely in terms of view of competition between developed exporting countries. Also the interests of exporters and especially importers among the developing countries must fully be taken into consideration in the international debate.

As a contribution to the Secretariat's work I should like to hand over to you, Mr. President, a document that the Commission of the European Communities has prepared at the request of the European Parliament entitled: "The Common Agricultural Policy and the European Community's agricultural trade relations - Impact on developing countries".

There are problems to be solved. We are looking forward to a fair analysis of these problems in the report the Secretariat will prepare for the next session. I am convinced that confrontation is not the way to solve problems, it is cooperation !

To resume: The Community is willing to continue to take its part in the common responsibility to combat hunger in the world.

We know that our part has to be rather substantial. We are willing to translate into our policy the consensus emerging from this World Food Council.