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MEMORNADUM FROM THE EUROPEAN COMMISSION

to the Council of Ministers

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on the changed conditions of competition in certain sectors of agriculture resulting from the new situation on the energy market

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1. The Council Resolution

1. At its 281st meeting the Council of the European Communities decided to insert the following declaration in the Council minutes:

"The Council is very concerned at distortions in competition between Member States which have become more acute as a result, in particular, of the energy crisis.

Consequently, it asks the Commission to examine the repercussions on the competitive situation in agriculture of the measures taken in the energy field by the various governments. In this respect, the study should cover not only the situation in the fisheries and horticultural sectors, which are particularly dependent on energy, but also the situation in other production sectors.

The Commission is called upon to present to the Council before 1 June 1974 a report on the results of its study and on any measures it may have taken, accompanied, where necessary, by suitable proposals, so that the Council can take a decision on these proposals if possible before 30 June 1974."

2. This report has been drawn up in response to that Council Resolution. In view of the very short deadline set and for various reasons which are explained in the report, the latter does not answer all the questions posed by the Council Resolution. The less so, in that it is neither intended, by way of extension of the framework provided by the Resolution, to give a full description of the energy situation nor to catalogue all the factors affecting the conditions of competition in agriculture.

Chapter I describes the present situation resulting from the new circumstances on the energy market. Chapter II sets out the measures which need to be taken and the proposals considered appropriate and necessary by the Commission in view of the developments on the energy market.

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CHAPTER I. THE SITUATION

2. Recent developments on the world energy market and repercussions on the Community markets

A. Development of the main aspects of energy supply[1]

1. Between 1960 and 1970 the prevalent features of the world energy market were an abundant supply and relatively low prices.

Oil, which was available at a reasonable price and in practically unlimited quantities, met most of the new requirements, particularly in the Community which benefited from a keenly competitive oil market.

Under these circumstances, it is the price of fuel oil which has served as the basis for determining the prices of the other energy products with which it competes.

Consequently, movements in the prices of the other forms of energy (coal, gas and electricity) have been strongly influenced by the prices of petroleum products.

2. Since 1970 the structure of the oil market has steadily changed under the influence of various factors, in particular more limited availabilities, considerable competition between buyers, the phenomenon of world-wide inflation, and the realization by producer countries of the political importance of oil.

This led to a voluntary limitation (reduction) in production by a number of producer countries (Kuwait, Libya), higher posted prices, generalized participation agreements and even the nationalization of a part of the production process (Iraq).

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[1] Sources: Commission Communication to the Council - The problems and resources in Community energy policy 1975-85;

The energy situation in the Community in 1973 and forecasts for 1974.

3. The recent conflict in the Middle East has speeded up these different processes. Following the OPEC Resolution No 90, the OAPEC member countries decided at their meeting in Kuwait on 16 October 1973:

- to reduce their production progressively and to place an embargo on exports to the United States and the Netherlands;
- to lay down fresh terms governing the price of crude oil; as a result, the fob. cost of crude oil extracted by the major international companies has risen 70% above the previous level.

At the end of December 1973 the producer countries in the Middle East decided on a further increase which more than doubled their posted prices.

Posted prices and tax paid costs for the major international companies
Light crude oil from Saudi Arabia - 34° API

	March 1971	1 October 1973	16 October 1973	1 January 1974
Posted prices ($ per barrel)	2.180	3.011	5.119	11.651
Tax paid costs ($ per barrel)	1.445	1.876	3.149	7.165

These new posted prices, which were initially fixed for three months, have been kept as reference prices for the first half of 1974. Beyond that date further increases in supply costs are inevitable if the present world rate of monetary erosion and economic inflation persists.

4. At the end of the first quarter of 1974 the Arab producers decided to lift most of the quantitative restrictions on production.

In this situation what at the onset of the crisis was felt mainly as shortage rapidly became critical for economic and financial equilibrium;

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higher costs caused higher prices, radically changed the terms of trade and upset - probably for a long time to come - the balance of payments of the consumer countries.

B. Movements in prices of certain energy products

5. Consumption of petroleum products in agriculture and in the food industry in the Community accounted for 3% of total Community consumption.

In 1973 more than 60% of the Community's total energy requirements were met by oil, 98% of which had to be imported.

I. Oil

6. A single market price for crude oil does not exist. The theoretical notion of the "price of crude" could be the average of the prices of the various types of crude oil held by various companies operating on the Community's markets weighted according to the various conditions under which they obtain the crude.

Broadly speaking, one may expect that the average cost of a particular type of crude oil will in future depend on cost movements and on the respective roles played by each of the following categories of crude oil: equity crude, participation crude and state crude. This breakdown represents the allocation of production from a given oil field among the companies holding concessions and the producer countries: each share is governed by special price and marketing arrangements.

Comparative fob costs for the various categories of crude oil from two sources (February 1974)

($ per barrel)	Equity crude	Participation crude	State crude
Light Arabian 34° API	7.12	10.83	(11-12)*
Libya	9.34	14.36	(14-15)*

*Supplied by producer countries on market terms.

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7. It is thus very difficult in present circumstances to determine the actual cost on the Community market. The impact of price increases will, in fact, vary from one Member State to another depending on the supply structure, the types of crude oil received and the kind of companies which supply the market in each Member State.

For instance, the average fob cost of light Arabian crude (34° API) could currently run to:

- $8.98 per barrel for an international company whose supplies are split 50-50 between equity and participation crude;
- $9.35 per barrel for an international company whose supplies are split 40-60 between equity and participation crude;
- $11-12 per barrel for an independent company supplied exclusively with state crude.

8. In addition, the repercussions of the increases on the prices of refined petroleum products depend on how the authorities concerned decide to spread them, whether evenly among petroleum products or selectively by consumer categories, taking into account industrial structure in particular.

By way of example, in 1972 the structure of the internal consumption of petroleum products in the Community was as follows:

motor spirit	13%
gas diesel oil and light fuel oil	31.5%
residual fuel oil	38.5%
other energy products	7%
products for non-energy uses	10%
	100%

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Finally, mention should be made of the method of market price formation (free market or maximum prices) and of the taxation arrangements applicable in each Member State as further factors determining the price level of petroleum products.

9. On 27 February 1974, in Member States which had already passed on the increases which occurred at the beginning of the year, selling prices, inclusive of taxes, for a number of standard products used in agriculture were as follows*:

	Motor spirit ₰ per 1000 l	Heating oil ₰ per 1000 l	Heavy fuel ₰ per metric ton
Denmark	155.84	121.05	93.96
Germany	310.47	(126.35)	70.40
France	204.72	(104.33)	53.13
Italy	205.17	113.02	55.47
Netherlands	185.74	113.95	59.72
United Kingdom	247.26	107.05	83.95

*For details see Annex I.

II. Natural gas

10. In 1973 the various other energy products represented the following proportions of the Community's total energy requirements: natural gas, 11.6%; solid fuels (coal and lignite), 22.6%; primary electrical energy, 4.4%.

In so far as movements in the prices of these products are influenced by factors other than the prices of petroleum products, it might be useful to try to distinguish the trends.

However, only the price of natural gas will be examined, as being a regular alternative to petroleum products in agriculture.

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11. In all member countries the prices of natural gas used by small consumers (households, some sectors of agriculture, etc.) are published officially, whereas special contracts are frequently concluded for large consumers (industry and power stations). In addition to price clauses, these contracts tend more and more to include conditions as to minimum offtake and a provision for the possible interruption of supplies during peak periods.

Consequently, price transparency for natural gas is very difficult to achieve; furthermore, the dividing line between official consumer prices and special prices varies from one Member State to another.

12. Generally speaking, however, movements in natural gas prices in the Community between 1960 and 1970 proved beneficial to consumers because supply exceeded demand and there was a favourable trend in fuel oil prices.

At the end of 1970, however, the trend of gas prices was reversed following the changed conditions in the supply of fuel oil in the Community.

The fact that on the whole only relatively minor fluctuations occurred in natural gas prices before 1973, was due to the long-term supply contracts for natural gas containing as a rule clauses which provide for a partial and differentiated adjustment of the price of natural gas in line with fuel oil prices.

A new commercial policy, which is probable, could henceforth give rise to natural gas prices, which are more directly dependent on the prices of petroleum products, increasing more sharply and being variously passed on according to the energy situation in each Member State.

The period which has elapsed since the higher oil prices came into effect is, in any case, too short for natural gas prices to have felt all the repercussions.

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13. The information currently available does, however, shed light on the supply conditions obtaining in various Member States (rough estimates):

Prices of natural gas produced in and imported into the Community in 1972/73

₡ per 10 000 m^3	Germany	Belgium	France	Italy	Netherlands	United Kingdom
Internal production			27.9	11.0	13.5*	11.6-20.1
Imports from:						
- the Netherlands	14.7	14.7	14.6	14.8		
- Algeria	(20.0)	(14.7)	27.7		(20.0)	
- Libya				14.3		
- USSR				12.7		
- North Sea	(26.5)					(23.4)

*Purchasing price paid by Gazunie.

2.e Summary of the Commission's recent proposals on energy

As soon as the crisis broke in October 1973, the Commission applied the relevant directive by conducting joint consultations to assess its repercussions and to concert action.

The crisis was also the subject of a special communication of the Heads of State or Government at the Copenhagen Summit meeting on 14 and 15 December 1973. The Council which met immediately afterwards called upon the Commission to draw up forthwith full reports on the energy situation in the Community as a whole and to establish an Energy Committee to apply the energy policy adopted by the Council. To this end two documents were approved and acted upon in January 1974.

Also in January the Commission forwarded to the Council a series of proposals for solving certain problems created by the oil crisis, for regulating Community trade with the outside world, for reducing consumption and for monitoring price movements. These proposals have just been withdrawn by the Commission in view of their short-term nature: they were in fact due to expire on 30 June 1974 (see also paragraph 7 of this report).

3. Measures for easing the situation on the energy market

1. The events in the Middle East created in the first instance a quantitative problem; national authorities had to take measures on the energy market (at the production, distribution and consumption stages) with a view to overcoming as far as possible the difficulties caused by the cutback in oil supplies:

- choice of priorities at the refining stage;
- designation of priority sectors in the event of a serious shortage;
- restrictions on the distribution and consumption of available supplies;
- restrictions on the use of oil (heating of premises, public lighting, traffic control, etc.).

It is not possible in this report to review all such national measures. It must, however, be pointed out that, as regards the prices of energy products, depending on the energy policies they have pursued the reactions of Member States to the stringencies of the world energy market have differed and even been contrary (for instance, fixing of maximum prices or free play of supply and demand).

4. The economic situation in agriculture, the fishing industry and the food industry in the face of the problems created by developments on the energy market

A. Agriculture (excluding the fishing and food industries)

1. Energy consumption

According to the information supplied by the Member States (Annex II), the consumption of energy products in the agricultural sector in the Community in 1972/73 totalled 18.5 million TOE[1], i.e. approximately 2% of total energy consumption in the Community.

In the Community average consumption of energy per hectare thus comes to approximately 0.19 TOE; it is particularly high in the Netherlands and Belgium but lower in France and Ireland.

Petroleum products (71% of total consumption) head the list of energy products used in agriculture followed by electricity (19%), gaseous fuels (9.6%) and coal (0.4%).

Although oil and electricity play a major role in all Member States, only in Belgium and the United Kingdom is coal used in agriculture; the use of gas in agriculture has recently become widespread in the Netherlands but is of minor importance in France and Italy and marginal importance in Denmark. The consumption of electricity in agriculture increases regularly in the Community (+ 7% in 1971 and 1972) (Annex 4.1); in the last few years, however, natural gas has begun to replace petroleum products in France, the Netherlands and Belgium with the result that the consumption of petroleum products in those countries is stationary or falling; the growth in the consumption of electricity is running at an annual rate of 2% in Germany, 3% in Denmark, 4% in Luxembourg, 6% in Italy and almost 9% in the United Kingdom.

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[1] TOE = (metric) tons oil equivalent.

Some sectors of agriculture use mainly liquid fuels (crop production), others mainly solid fuels (cultivation under glass, animal husbandry). In 1972/73 it was estimated that liquid fuels (petrol, kerosene, diesel oil) accounted for just over 50% of the total energy consumption of petroleum products in agriculture: the liquid fuels in question were used mainly for farm tractors and other machines powered by internal combustion engines.

Solid fuels, on the other hand, are of prime importance in the horticultural sector, i.e. for cultivation under glass, particularly in the northern countries. There is thus a very close correlation between the area under glass and the consumption of solid and gaseous fuels in the various Member States.

	Area under glass in 1966/67(ha)	Area under glass as percentage of horticultural UAA (vegetables and flowers)	Production under glass as a percentage of horticultural production (estimate)[1]
Germany	2 493	3.7%	30%
France	4 870	2.3%	25%
Italy	5 779	1.8%	20%
Netherlands	6 611	10.4%	60%
Belgium	2 038	9.1%	80%
Luxembourg	21	13.7%	50%
Denmark	608	5.2%	45%
Ireland			
United Kingdom	1 938	1.1%	15%
The Nine	24 358	2.8%	25%

[1] Rough estimate in which it has not been possible to take account of the breakdown of production between flowers, market-garden vegetables and open-field vegetables.

It should be noted that the area under glass expressed as a proportion of the total utilized agricultural area in the horticultural sector does not give a true indication of the importance of this type of production. Depending on the structure of horticultural production, the importance of cultivation under glass is between 6 and 12 times greater than its respective area.

2. Prices

According to available information[1], the prices of the major energy products increased as follows in the Community between October 1973 and April 1974:

petrol:	36.1%
gas oil:	35.3%
heavy fuel:	98.2%
natural gas:	87.2% .

This represents an average increase of 49.5% in energy costs for Community agriculture. This increase differed widely from one Member State to another; it was greatest in the United Kingdom, Ireland, Denmark and the Netherlands.

It should be pointed out that these price variations reflect actual market movements during the period mentioned, including the impact of national measures (maximum prices, distribution of increases, taxation), but do not take account of the differences which existed between Member States in October 1971.

In certain Member States the price increases resulting from the energy crisis were accentuated by movements in exchange rates.

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[1] These are weighted figures based on the quantities of energy used in agriculture and the price variations recorded between 15 October 1973 and 3 April 1974 (Annex 5).

Estimated increase in the prices of energy products

in the European Economic Community between mid-October 1973 and early April 1974[1]

in %

Products	Germany	France	Italy	Netherlands	Belgium	Luxembourg	Denmark	Ireland	United Kingdom	EEC[4]
Regular-grade motor spirit	16.1	43.8	41.1	23.3	17.7	21.5	39.9	38.9	50.9	36.1
Gas oil	18.6	32.3	42.1	25.1	33.4	51.3	79.6	66.9	53.5	35.3
Heavy fuel[2]	-	59.2	75.0	89.9	-	-	68.2	101.5	183.3	98.2
Natural gas	-	35.0	180.0	91.0	12.0	-	-	-	11.0	87.2
Total[3]	18.8	34.8	51.5	74.7	33.2	51.3	76.6	83.3	84.3	49.5
Light fuel between December 1973 and April 1974	94.4	44.0	50.4	23.6	10.9	12.5	37.3	79.1	71.0	-

[1] Calculated on the basis of the price series for light and heavy fuels set out in the Annexes.

[2] High sulphur content.

[3] Averages of price increases weighted according to quantities used in each country.

[4] Averages of price increases (Community averages) weighted according to quantities used in the Community.

3. Problem of fertilizers (Annex V)

The energy crisis does not appear to have created a supply shortage of nitrogenous and phosphatic fertilizers. The Community is a net exporter of both these products but depends to a large extent on supplies of natural phosphates from the United States and Morocco for the production of phosphatic fertilizers.

During the energy crisis there was, on the whole, an increase of 30-40% in the prices of nitrogenous fertilizers; the prices of phosphatic fertilizers rose by 45%.

However, the energy crisis alone does not explain the increases in fertilizer prices as these increases are part and parcel of the general upward trend in raw material prices.

The general view is that approximately one quarter of the increase in nitrogenous fertilizer prices is to be explained by the higher energy costs, which, however, account for a lower proportion (5% as regards the processing of natural phosphate) of the price increases for phosphatic fertilizers.

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4. Impact on farms (Annex III)

(i) Agriculture (without horticulture)

According to the data supplied by the Farm Accountancy Data Network for the year "1971", the direct consumption of energy products represents about 2.5% of the value of total production and about 5% of operating costs; its impact on earned income is between 4 and 9%. The costs indirectly affected by energy products (fertilizers, plant protection products, work done outside) are greater and more variable; they represent from 7 to 18% of the value of production, from 11 to 40% of operating costs and from 17 to 46% of earned income.

(ii) Horticulture

According to the same source, on horticultural holdings the average direct consumption of energy products (mainly for the heating of glasshouses) represents about 15% of the value of total production, more than 40% of operating costs and about 30% of earned income.

This average direct consumption relates to horticultural holdings which do not all operate under the same conditions and whose products are very varied; of the holdings in the selected sample, those in southern regions use no heating whilst those in northern regions mainly grow their products in heated glasshouses. There are considerable differences according to region and product grown. The costs indirectly affected by energy products represent on these holdings only half the costs affected by the direct consumption of energy, that is, 8% of the value of the production, 20% of operating costs and 16% of earned income.

It is obvious that all the figures for "1971" will have altered very considerably as a result of the new situation on the energy market.

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(iii) The sector by sector data are given in Annex IV to this Report.

5. Conclusions

Although the energy crisis does not seem to have created supply problems for agriculture in the Community as far as energy products, fertilizers, pesticides, etc. are concerned, it has nevertheless led to a considerable increase in production costs.

Taking account of the relative importance of the energy cost element in production costs, the effect of the energy crisis may be estimated at 2.5% for agriculture (without horticulture).

On the other hand, the impact is much greater on horticulture under glass (which, admittedly, represents only 25% of total horticultural production) where the rise in fuel prices is reflected in an increase of approximately 20% in production costs.

In general, the energy crisis may be estimated to have the effect of reducing earned income by 3% (15% for horticulture under glass).

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B. Fisheries

6. Energy consumption

According to the information supplied by the Member States, the consumption of petroleum products by the sea-fishing industry of the Community in 1972/73 reached a total of 2.3 million m.t. oil equivalent, i.e. about 0.2% of the total energy consumption of the Community. This consumption is mainly accounted for by gas-diesel oil; between 1970 and 1972 it increased sharply in the United Kingdom and slightly in Italy while it diminished or remained stationary in the other Member States. However, trends in internal deliveries do not necessarily reflect trends in actual consumption, since sea-going vessels also refuel at foreign ports.

7. Prices

It can be accepted that prices of gas-diesel oil increased by about 60% between October 1973 and April 1974. The increase was above this average in France (67%), Denmark (92%), Italy (96%) and Ireland (100%); it was below this average in Belgium (23%) and the Netherlands (56%).

8. Impact on the fisheries sector

To judge from the very fragmentary data available, the proportion of fuel costs to total operating costs varied in 1973 between 6 and 13% in the Netherlands and between 13 and 25% in Denmark.

9. Conclusions

Although the energy crisis does not seem to have created any persistent supply problems in the fisheries sector, it has nevertheless caused an appreciable rise in the operating costs, with an estimated average impact of approximately 10% depending on the types of fishing and fishing methods involved.

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C. Food industry

10. The impact of the new energy situation on the agricultural and food industries (AFI) of the Community has not been equally serious in each Member State. Quite apart from the role played by this sector and certain of its subdivisions in the industrial life of a country as a whole, it should be noted that the energy sources used by processors of agricultural products in one Member State are not the same as those used by processors in other Member States.

Generally speaking, the AFI are large consumers of energy (12% in the Netherlands; 10% in France) but their subdivisions show such disparity among themselves that the problems liable to spark off an energy crisis need to be approached in terms of particular data specific to certain Member States. In the first place, the industrial structure of the British firms in this sector, where 41 out of 1 325 firms account for 88% of total turnover in the country's food industry, provides a stark contrast with the dispersed pattern of the 9 500 Italian firms, the 8 000 Belgian firms and the 4 686 French firms, not to mention the 60 000 small bakery and pâtisserie firms in France.

This dispersed pattern further reduces the reliability of the data given in Annex II and is the main obstacle to an assessment of consumption by small and medium-sized firms, mostly those located in Italy and France.

Petroleum products supply the major part of the food industry's energy requirements, although significant differences exist between the Member States. Thus, while petroleum products, particularly heavy fuel oil, supply 85% of the energy used by the French industry, the Irish industry is dependent on this source of energy for only 50% of its needs and the United Kingdom industry uses a very considerable quantity of coal and electricity for the manufacture of its products.

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But it is at the level of the various subdivisions of the food industry that differences appear with regard to the types of energy sources used by the processors of agricultural products. If coal is the main form of energy used by sugar factories whether it be in France, Germany or the United Kingdom, the situation is fundamentally different for the other sectors and varies from one Member State to another.

In France industrial and agricultural distilling plants and the milk industry are large consumers of electricity whilst the bakery and biscuit industries use gas; on the other hand, in the United Kingdom the cost of electricity used by bakery firms[1] accounts for only 22% of their energy costs whereas distribution by van to consumers alone represents 43% of their energy costs. This item "distribution costs" does not exist in France, so to speak, where the consumer buys his bread from the local bakery.

11. As regards the energy cost element in the price of the finished product, it has been calculated that in France energy costs represent on average 2.2% of the value of production and 5.2% of the value added (FF 2 591 million out of an ex-factory value of FF 119 413 million). It is clear that this percentage has little significance, especially as it varies very considerably from sector to sector and from product to product.

Furthermore, it must be pointed out that energy costs are not necessarily linked to the main sources of energy used (cf. the table "Total energy cost element in the agricultural and food industries in France").

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[1] Three large groups account for about 75% of bread production.

5. State aid

In order to complete this description of the position of European agriculture faced by the problems posed by developments on the energy market, a preliminary account should be given of the aid measures whereby Member States intervene on the market.

(1) Aid existing before the events of autumn 1973[1]

In the agricultural and fisheries sectors aid towards meeting energy requirements has existed for several years. In the agricultural sector the aid takes the form of refunds or exemptions in respect of the excise duty on fuels; such aid may amount to 100% of the duty.

In the Netherlands there also exists in the case of natural gas, on the consumption of which no excise is levied, a subsidy corresponding to the amount of duty refunded on liquid fuels; this form of subsidy has been extended to farms which are small consumers of natural gas. In the Netherlands there is also a refund of the environment protection tax levied on mineral oils (Fl 120 to 150 per year and per producer).

The agricultural sectors concerned are:

- agriculture as a whole (Germany: liquid fuel; Belgium: medium oils, gas-oil; Denmark: petrol; France: paraffin, petrol, fuel oils No 1 and 2; Ireland: heavy oils; Italy: petrol, paraffin, gas-oil and solid fuels; Luxembourg: gas-oil and medium oil; Netherlands: gas-oil; United Kingdom: heavy oils);

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[1] Investment aid governed by Directive No 72/159 is not included.

- Horticulture under glass[1] (Belgium: gas-oil and heavy fuel oil; Netherlands: heavy fuel oil and natural gas; United Kingdom: fuel oils);

- The drying of agricultural products (Italy: paraffin, gas-oil and fuel oils).

In the fisheries sector total exemption from duty is granted in respect of liquid fuels except in four Member States: in Belgium total exemption is given for deep-sea fishing, but for inshore fishing the system is the same as that applied to agriculture; in Denmark there is no duty on mineral oils other than petrol; in Ireland there is only a duty on heavy oils used in road vehicles; in Italy total exemption is only granted for inshore fishing outside territorial waters and applies to gas-oil, lubricants and paraffin for lighting.

For details see Annex No VII.

(2) Position of the Commission

As regards aid relating to excise duties, the Commission has had occasion to give its opinion, in accordance with Article 93(1) of the EEC Treaty, only in respect of horticulture under glass (market gardening and non-edible products: floriculture, etc.)[2].

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[1] Market garden products, dessert grapes, certain fruits and non-edible horticultural products.

[2] Letters from the Commission to the Member States of 9 February 1972, No S/72/21.188.

The Commission considered that the refunds of and exemption from excise duty amounted to aid of a general nature and decided to examine them as such at a later date when it had finished examining existing measures of specific sectoral aid for the principal agricultural products. The Commission, however, took the occasion to ask Member States to prohibit any such aid for horticulture under glass in excess of the amount of duty paid.

(3) State aid measures related to the new energy situation

So far six Member States (Germany - the Bund and 8 Länder, Belgium, France, Italy, the Netherlands, United Kingdom) have notified the Commission either that existing aid measures have been renewed or strengthened or that new measures of aid have been introduced. The aid takes the form of duty refunds, subsidies (proportional to the quantity of mineral oils purchased), structural aid, conversion aid or a reduction in the rate of value added tax (Italy). The main sector concerned is that of horticulture under glass (Germany - the Bund and 7 Länder, Belgium, France, the Netherlands and the United Kingdom); the other sectors are fishing (deep-sea and inshore) (Germany, France, Italy and the Netherlands), mushroom-growing (United Kingdom), fodder crop and potato dehydration (Germany), stock farming and poultry hatcheries (Germany).

Apart from refunds of excise duty it would seem that the amount of aid recently introduced by national authorities is not only less than the amount by which the price of mineral oils has increased but is indeed no more than 25 or 50% of the increase.

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The total aid provided for in each Member State amounts to:

Germany and the Länder	DM 67 152 000
Belgium	Bfrs 40 000 000
France	FF 67 500 000
Italy	Lit 6 000 000 000 (without the VAT reduction)
The Netherlands	Fl 24 500 000
United Kingdom	£7 000 000

For details see Annex VIII.

The position taken by the Commission with regard to such aid is set out in paragraph 12 of this report.

6. New distortions of competition

The description of the agricultural situation resulting from the events of autumn 1973, particularly the changed conditions on energy markets, allows the following conclusions to be drawn:

(1) The sectors most affected by the increase in prices

The impact of the energy market situation on agriculture in the Community varies from one sector to another. It is particularly marked in those sectors:

- which have relatively high transport costs; this mainly affects the fisheries sector but it also for example affects the milk sector (milk collection and distribution costs);
- which have high heating costs; this is the case with 25% of total horticultural production, i.e. horticulture under glass (particularly the growing of tomatoes, cucumbers, winter salad and flowers).

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- which involve drying processes (particularly dehydrated fodder, powdered milk and tobacco, but also maize and hops).

(2) Increase in energy prices

As with other economic sectors which are major consumers of energy, these agricultural sectors have experienced in recent months, or are perhaps about to experience, the direct or indirect consequences of the increase in energy prices which nobody could have foreseen at the beginning of the last crop year.

The increase in energy prices is not to be looked upon as a temporary or short-term phenomenon, but that the Community's economy (both in the agricultural sector and elsewhere) will have to adapt to energy costs which are permanently higher than those known in the past.

(3) The adaptation to this new situation will be less difficult for undertakings where the market increases for energy products can be passed on down the line. However, there is no doubt that, in the long run, the end user will have to bear the consequences of the inflationary trend resulting from the increase in energy prices.

In order to judge the effect on any agricultural sector of the increase in energy prices, one would, therefore, also have to take into account the movement of market prices for the agricultural produce.

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The factors influencing the latter prices are however so numerous that it would be premature to draw conclusions at the moment on the influence of energy prices on farm prices. Any study of the correlation between the two categories of price would have to take the following factors into account:

- changes in the prices of other factors of agricultural production, e.g. the increased price of raw materials, particularly fodder; it is difficult to determine the extent to which the change in price of a given agricultural product is influenced either by the rise in energy prices or by the rise in raw materials prices (soya, cereals, fish meal);
- climatic conditions changing from one year to the next; the particularly mild winter has certainly enabled some reduction to be made in the amount of energy consumed and has thus mitigated the effect of the energy crisis on the growing of certain agricultural products (especially under glass);
- the elasticity of demand, related in part to seasonal factors, is dependent mainly on the existence of substitute products. If the production of the latter has been less seriously affected by the increase in energy prices it will be that much more difficult, in the short term, to pass on down the market the increased costs borne by the agricultural product in question. On the other hand there

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have been cases where the increase in the price of substitute products has eased the situation of a particular agricultural product (e.g. the price of ethylene, a by-product of the cracking of petroleum and the corresponding rise in the price of synthetic alcohol obtained from ethylene; cf. also the rise in the price of fodder for reasons other than energy prices and the influence of energy prices on dehydrated fodder);

- the distinction between long-term and short-term trends; for it may prove to be the case that the increase in energy prices will not be passed on at the same rate in all agricultural product markets; in the long run, however, it is to be expected that the situation will be more stable than it seems now only a few months after the changes which have occurred in the energy market.

(4) Disparity of energy prices

Agriculture in the Community is not only suffering from the effects of the rise in the prices of energy products, but also from the disparities in the price of energy products from one Member State to another. It should be noted that, although such disparities already existed before the events of autumn 1973, they seem in some cases to have been widened by these events.

For details see the tables in Annex I.

(5) Widening of price disparities

As regards this widening of price disparities between the Member States, the Commission considers it premature to draw definite conclusions at this stage, for the differences noted in the energy policy measures taken by Member States and in the pricing policy of the large oil companies and other undertakings inevitably mean that increases in the price of crude oil affect the prices of refined petroleum products in accordance with varying time-scales.

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It is possible that the latter prices will react to the increase in crude petroleum prices more rapidly in one Member State than in another. It is also possible that the prices of different energy products are more closely linked with each other in one Member State than in other Member States where the effects of the rise in crude petroleum prices on the price of natural gas, for example, are felt only after a certain time lag. However this may be, the Commission is of the opinion that the period which has elapsed since the events of last autumn is as yet too short to enable definite conclusions to be drawn on the question of whether and to what extent the disparities now existing in the agricultural sector in respect of energy prices have widened permanently.

Moreover it should be noted that the differing inflation rates in the Member States also influence movements in the prices of energy products. In order to determine how far disparities in energy prices have widened, therefore, it will scarcely be feasible to evaluate what share of this is due to the energy crisis and what share is due to general inflation in the economy of one country or another.

(6) Distortions of a general nature

In order to interpret the disparities in the cost of energy products which exist between one Member State and another, one must first ascertain whether or not this is a distortion of a general nature, affecting the whole national economy and not just one sector or another whether in agriculture or not. Where such distortions result from differences between the laws, regulations or administrative provisions of the various Member States, the machinery for the approximation of legislations laid down by the Treaty (Articles 100, 101 and 102) provides instruments which can be used to deal with national provisons causing distortions of a general nature.

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(7) Overall distortion between the economies of the various Member States

If all such distortions of a general nature have the effect that the entire economy of a Member State (i.e. all the undertakings in that country) experiences an overall distortion in relation to the entire economies of other Member States, i.e. in relation to all their competitors, the current Community provisions on monetary matters, particularly Chapter II of the EEC Treaty on the balance of payments, should be applied.

(8) Differences in production costs

Voices are indeed being raised here and there in favour of such an intervention, arguing from the premise that such distortions of a general nature would increase the differences in production costs which exist between the different farms in the Community.

The following points may be made in reply to this argument:

(a) It would be arbitrary to single out in any one Member State such and such a general operating factor (e.g. fuel prices) which handicaps producers in one country by comparison with their competitors in the other Member States, while overlooking some other general operating advantage (e.g. social security contribution, taxation, salary costs, credit conditions, etc.) which producers in the same country have over these same competitors.

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(b) Moreover, it is not possible to take the view that the common market involves total equality of production costs from one Member State to another. As it is, the disparities between the various farmers within a single Member State are enormous. Not only the geographic and economic situation (Standort) of an undertaking but also the efficiency of management of that undertaking can also create within a common market disparities which may even exist within a single member country or a single region. Such disparities cannot be considered as distortions of competition.

At the same time, the common policy on agricultural structures has at its disposal certain instruments which might help to lessen the adverse effects which the new situation on the energy market may have for any given agricultural holding.

These instruments will be mentioned in paragraph 11 of this report.

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It is a question here of structural policy and perhaps also of future regional policy. Even if these policies were fully successful, there would still be differences in production costs between one farmer and another and between one region and another. Consequently, it is clear that there will always be some farmers who will be harder hit by an increase in the price of the means of production than others who produce more profitably. Moreover, intensive farming will be worse hit than farming where fewer means of production are employed (given equal productivity).

(9) Risk of a free-for-all on aid

The situation outlined above has caused various Member States to try to fight the effects of the rise in price of energy products by granting aid to offset that rise to some extent or the disadvantage at which an economic sector in that country may be put vis-à-vis the same sector in another country (see paragraph 5 of this report).

The absence of any coordination of these national policies on aid brings with it the risk of a free-for-all and the creation of new specific distortions between the farmers of the Member States. The Commission regrets that it has not yet found it possible to establish common criteria for certain agricultural aid measures. It is now engaged in preparing the basis for a new general approach to this question. At this stage the Commission is confining itself to trying to prevent any extension of the national differences in respect of aid measures connected with the events mentioned above. The Community measures taken by the Commission are described in paragraph 12 of this report.

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(10) Problems arising from the incomplete integration of the agricultural sector

In conclusion, the Commission refers to its "Memorandum on the adjustment of the common agricultural policy" (particularly paragraph 77 onwards). The common agricultural policy is a sectoral policy and continue to constitute a pace-setting policy within the whole process of European integration. Its more markedly European character exposes this policy to effects which have their origin in other spheres and other policies which have not yet reached the same stage of integration. The common agricultural policy alone cannot solve all the economic, social and competition problems with which agriculture is confronted. The problems dealt with in this report are to a very great extent the result of the difficulties encountered in formulating a Community policy on energy.

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CHAPTER II. COMMISSION MEASURES AND PROPOSALS

7. "New strategy on energy policy"

The Commission adopted on 29 May 1974 a communication to the Council concerning a new strategy for a Community energy policy.

This communication aims at reinforcing the Community's security of supply by reducing the part played by oil through a considered policy of rationalization of energy consumption. It includes also a proposal for a common system for imports and exports of crude oil and natural gas.

8. Enquiry based upon Articles 85 and 86 of the Treaty

As this report shows, enormous differences have become apparent between the energy market situation of the various Member States. In examining the disparate measures which have been taken it is particularly important to distinguish between what is being done by governments and what is being done by private industry.

In a press statement on 21 December 1973 the Commission made known its intention of monitoring the major oil companies for observance of the rules on competition laid down in the Treaty. This enquiry, which will cover all the Member States of the Community, is based on Articles 85 and 86 of the Treaty and on Council Regulation No 17, which provides for a procedure which is often lengthy. This procedure produces Commission decisions which are subject to the jurisprudence of the Court of Justice in Luxembourg.

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Monitoring has begun on several companies in the various countries.

Given the complexity of the market in petroleum products which is influenced by the actions of companies and Governments alike, it is impossible at the present moment to draw conclusions from these enquiries.

Before it can act, the Commission must establish with absolute certainty, either that the oil companies have made agreements or concerted their practices with the aim of preventing, restricting or distorting competition, or that they have individually or collectively abused the dominant position which present circumstances have given them.

In either case the oil companies would infringe the rules of competition laid down in the Treaty and the Commission would have the duty to take the necessary measures.

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9. Harmonization of excise systems

Part of the variation in energy prices between Member States can be ascribed to different excise systems applied to the fuels on which Community agriculture depends (see Annex No VI).

On 9 August 1973 the Commission submitted a proposal for a directive to the Council on the harmonization of excise duties on mineral oils[1]. This first directive permits Member States (Article 10) to maintain temporarily the excise exemptions and reductions which they apply, at the date when this directive enters into force, to mineral oils used for inshore fishing and agriculture.

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[1] OJ C 92 of 31 October 1973.

This directive, which has not yet been adopted, provides in Article 19 for the Commission to submit to the Council before 1 July 1974 proposals for a common excise system to be applied to mineral oils used in agriculture. Indeed, the existence of a common agricultural policy, one of the consequences of which is the fixing of common prices within the Community, appears to be an important reason for harmonizing, as quickly as possible, the excise duties on mineral oils which agriculture needs. The Commission proposes to table such proposals as soon as possible.

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10. Instruments of market organizations

As regards the agricultural policy prices for the various products which are subject to a market organization are fixed annually in the light of the movement of costs.

Indeed, as the Commission pointed out in its memorandum on the adjustment of the common agricultural policy and as was confirmed in the proposals concerning the fixing of farm prices for 1974/75, proposals have been developed which

- favour a steady move towards a general price level based on modernized farming, bearing in mind firstly the need for an adequate return on invested capital and secondly productivity and the increase in production costs, including energy;

- take into account, for the prices of the different products, the supply and demand situation in each of the markets[1].

It should be pointed out that in two sectors particularly sensitive to changes in energy prices, measures have been taken which are not, admittedly, directly connected with such changes but have nevertheless helped to bring about some improvement in the situation in these sectors.

Moreover, with regard to tomatoes grown under glass, the unit ceiling to be respected by producers' organizations when fixing the withdrawal price was raised by the Commission, before changes on the energy market intervened, with a view to ensuring better support for the market in tomatoes grown under glass (Commission Regulation (EEC) No 1624/73 of 18 June 1973).

Furthermore, at its 283rd meeting the Council adopted a market organization in dehydrated fodder. Articles 3 and following of this Regulation provide in particular for production aid for these agricultural products.

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[1] See COM(74) final of 16 January 1974.

11. Common measures on structural policy

The common structural policy, in particular Council Directives 72/159/EEC and 72/160/EEC, can also be of assistance to hard-hit farms to overcome their difficulties. Indeed, the development plan of the modern farm, as provided for in Articles 2 and 4 of Council Directive 72/159/EEC can and must, in each case, take due account of the energy situation by, for example, providing for installations which save energy. The Community financing of the investments mentioned in Article 8, which is provided for by Article 19 of the Directive, will of course extend to such investments if they form part of the development plan and provide a structural basis for improvements in income, working conditions and productivity. It should be noted, however, that isolated and specific measures for restructuring energy consumption on farms do not fall within the scope of the Directive.

In addition, Council Directive 72/160/EEC provides in Article 2 for

- the grant of an annuity to farmers aged between 55 and 65;
- the grant of a premium, calculated by reference to the utilized agricultural area released, to farmers remaining in farming.

The annuity can also be granted to permanent hired or family farm workers.

Farmers who, as a result of the new situation on the energy market, intend to give up farming can take advantage of the measures provided for by this directive in the same way as other farmers. Moreover, Member States can encourage such farmers to give up farming by added inducements.

Lastly, reference should be made to Article 10 of Regulation No 2141/70 which provides for possible joint action on the structures in the fishing industry.

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It appears therefore that the common measures already taken can partially offset certain effects of the new energy situation; such measures are, however, implemented selectively and thus assist the adaptation that must be made to the new production cost conditions. On the other hand, the Commission did not consider it useful to propose to the Council further common measures whereby energy consumption in certain agricultural sectors would be subsidized. Since the price increases on energy products vary from one Member State to another, common measures which provided for uniform amounts and did not take these variations into account would improve neither conditions of competition nor the structural situation in the sectors concerned. If, on the other hand, common measures of this kind took these variations into account by providing for different amounts from one Member State to another, there would be the risk of EAGGF financing the consequences of uncoordinated national energy policies. In order to avoid such undesirable consequences the Commission has limited itself in the first instance to examining the aid measures introduced by Member States and then to making an attempt to harmonize them (see paragraphs 12 and 13 of this report).

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12. The Commission's position with regard to national aid measures

With regard to aid measures introduced by Member States to offset part of the rise in fuel costs (see paragraph 5 above), the Commission has not raised objection to most of those examined so far, considering that it was a question here of facilitating the adaptation of certain structures to new operating conditions. The present situation in the oil market has brought about a substantial increase in production costs which, though it is to a certain extent permanent should not be exaggerated, and the Community economy will, on any assumption, have to adapt itself thereto. It is in the common interest that firms which are major consumers of energy should adapt by turning to production processes which require less of those forms of energy for which prices are rising or that they should re-examine their activities if the inevitable price rises due to the increased cost of petroleum products are not acceptable to the consumer. Consequently, in order to preserve the incentives to adjustment and to prevent permanent operational aids from being granted the Commission has employed the assessment criteria set out in paragraph 13 below.

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13. Communication from the Commission to Member States

The Commission has addressed a communication to the Member States on the guide lines to be followed in the granting of any national aid to allow horticulture under glass and inshore fisheries to adapt to developments on the energy market:

1. Fuel market developments in the European Community, as a result first of shortages and then of increased prices for petroleum products, have given rise to a particularly difficult situation for many users.

2. As far as agriculture and fisheries are concerned, the considerable rise in fuel prices affects primarily those undertakings which are major consumers of energy: particularly cultivation under glass and the fishing industry.

3. As a result of the new situation on the energy market, several Member States have been led to introduce State aid measures to enable those sectors of agriculture which are most affected, and the fishing industry, to meet the situation. For the most part these aid measures have not been linked with restructuring or the better use of energy products.

   The Commission has examined these measures. It draws particular attention to the fact that uncoordinated aid policies of this kind run the risk of a "free-for-all", creating new distortions of competition between the farmers in the Member States. It is for this reason that the Commission proposes to the Member States that in future they should be guided by certain criteria, in particular those set out below. The Commission regards the adoption of these criteria as practical measures which are necessary for the smooth functioning of the agricultural common market. These criteria have guided the position which the Commission has taken on the national aid measures notified so far and they will continue to be the basis of the Commission's opinions or decisions under Article 93 of the Treaty.

4. It appears that agriculture also will have to adjust to energy costs which will continue to be higher than in the past. It is in the common interest that undertakings which are major consumers of energy should adjust by turning to production processes which economise energy, or that they give way to other

activities if inevitable price rises due to the increased energy costs are not acceptable to consumers.

It would indeed be contrary to the common interest to encourage, by means of permanent aid measures, the continuation of activities which have in some cases developed on the basis of low energy prices and which make wasteful use of a raw material, supplies of which have become more difficult to obtain.

5. In consequence, long-term aid cannot be contemplated. Short-term aid to offset the effect of increased energy costs should only be contemplated when an undertaking fulfils the following conditions:

- the energy cost element of the operating costs of the activity has risen to such a level that the existence of the undertaking is threatened, either because of the elasticity (shrinkage) of demand or because of competition from alternative products:
- the closing down of these undertakings would cause serious social and regional problems.

6. Even if a sector of agriculture satisfies the two criteria under 5 above, the Commission would regard as being compatible with the common market only aid measures proposed by Member States which are of strictly limited duration and which are to be abolished at the beginning of the next farm year and at latest by 30 June 1975. The total amount of aid may not, however, exceed 50% of the increase in fuel prices (between 1 September 1973 and the moment when the measure is decided) reckoned for a quantity of energy products not exceeding the recipient's normal consumption in one growing season. Consumers may benefit from these measures at the retail price stage.

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7. This Communication relates only to State aid measures to offset part of the rise in energy prices, which are decided before 1 October 1974. Aid measures which are not connected with this increase but which are aimed at achieving more efficient use of energy will not be subject to the above criteria but will be examined on their merits, in the context of the Community provisions applying thereto.

8. Finally, it should be recalled that under the common agricultural policy it should be possible to have recourse to an even greater extent to measures which can mitigate the adverse effects on agriculture of the new situation on the energy market, as for example on the occasion of the implementation of the socio-structural directives.

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14. Measures to encourage efficient use of energy

The new awareness of the shortage of raw materials, including certain energy resources, and their frequent misuse has led the Commission in the past two years to study the question of a more efficient use of energy (cf. "Need for the development of a Community energy policy" of 13 October 1972, communication and proposals from the Commission to the Council, "Towards a new Community strategy on energy policy" of 29 May 1974, in particular Annex IV).

The problem should be approached from two practical angles. Firstly, it is necessary to improve the specific energy yield from known techniques: improvement of the processes employed, adjustment of the pattern of consumption. Secondly, wasteful energy consumption must be cut out by better control of consumption processes.

New processes or systems must be found before the end of June 1974 to reduce the energy loss inherent in present techniques: this is a matter for Research and Development. The Commission will submit a communication to the Council on this matter before the end of June 1974.

The public authorities of the Member States will come to develop and implement measures for the more efficient use of energy, either by way of regulations, or by imposing technical standards. If each Member State (or even in certain cases regions which have autonomy in this respect) institute disparate measures, these, regardless of their specific merits, will lead inevitably to a walling-off of markets and to distortions which are contrary to the principles of the common market and are prejudicial to its operation.

For these reasons it is indispensable that the public authorities of the Member States should coordinate action to achieve harmonization throughout the Community, particularly whenever the measures envisaged could affect the free circulation of goods or competition between undertakings in the Common Market. It is only in this way that efforts to make better use of the Community's energy resources will really succeed.

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The fields which a Community programme should cover in the first instance are:

the domestic, agricultural, commercial and administrative sectors:

conversion of existing buildings and construction of new buildings in order to minimize heat loss, particulary by better insulation; improved yield from appliances (including furnaces); heat recovery;

the industrial sector: control of combustion; heat recovery; recycling of materials; continuous processes; improved durability of products; energy content of products;

the transport sector: existing means of transport (engine capacity, improved fuel consumption, control of internal combustion etc.); transport structures (electric propulsion etc; urban planning);

the energy sector: recovery of residual heat; combined heat/power production.

Such a programme can only be carried out in close collaboration with the institutions of the Member States. The Commission proposes to set up three working groups for the fields listed above. These groups will be composed of experts from the national governments assisted by specialists on the subjects to be studied. Their terms of reference will be as follows:

1. To define the priorities to be laid down in each sector for the development of an action programme;
2. To determine ways and means and propose a time table for such action;
3. To indicate what kind of results (economic evaluations) can be expected from the proposed action, bearing in mind the time required for its completion;
4. The working groups are to report on the above three points very shortly.

The Commission will draw up proposals in the light of these studies.

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As regards techniques and methods peculiar to agriculture, certain research which has been or is now being carried out at national level may provide pointers either on how to reduce energy consumption or how to use biological sources of energy.

A systematic inventory of such research and its results will enable its applicability to foreseeable economic conditions to be judged. Such a study will prepare the way for measures of coordination, including any necessary redirection or reinforcement of current research projects in order to achieve these objectives.

In the coordination of agricultural research, special attention will also be paid to the "energy economy" parameter in all proposed research programmes.

The efforts made in the agricultural sector will necessarily be closely linked with the research policy and the general energy policy worked out by the Commission at Community level.

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III. Conclusions

1. The repercussions on the economies of the Member States of the new situation on the world oil market vary in particular according to the differences between Member States in their supply structure for energy products and their energy policies.

2. The impact of these changes on Community agriculture is therefore largely determined by economic and political factors which differ from one Member State to another.

3. The new factors which characterize the energy markets have direct and indirect effects on agricultural production. The direct effects are most obvious in the fisheries sector, in parts of the horticultural sector (production under glass) and also in certain production processes whereby the product has to be dried.

4. The Community economy (agricultural and otherwise) will have to adjust to energy costs which will be permanently higher than in the past.

5. Any State aid prompted by increased energy costs and designed to ease the adjustment of some agricultural sector or other to the effects of this increase should therefore be no more than temporary.

6. In the long term, more efficient use must be made of energy. The total volume of energy requirements can be reduced by making the best possible use of available energy, both by increasing specific yields and by limiting or eliminating wasteful use.

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7. The common agricultural policy has at its disposal a certain number of instruments which can mitigate the effects on agriculture of the new situation in the energy market. These instruments are to be found particularly in the market, the socio-structural directives and in the application of the rules on competition contained in the Treaty.

8. But agriculture in the Community is suffering not only from the effects of an increase in energy prices but also from the effects of energy cost disparities between Member States.

9. These disparities are primarily due to the varying energy policies of Member States. Insufficient time has elapsed since the events of Autumn 1973 to enable definite conclusions to be drawn on whether and to what extent disparities in the price of energy consumed in agriculture will be durably increased as a result of these events.

10. The distortions of competition which result from these price disparities are reflected in national economies as a whole and not only in one sector or another, whether agricultural or not. It follows that neither within the framework of the agricultural policy nor by applying the rules on competition contained in the Treaty (Articles 85 - 94) is it possible to find measures adequate to deal with the consequences of such general distortion. Other sectoral policies, as well as economic and monetary policy must contribute to the solution of these general problems.

MEMORANDUM FROM THE COMMISSION

to the Council

Changes in the conditions of competition in certain sectors of agriculture resulting from the new situation on the energy market

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ANNEXES

LIST OF ANNEXES

ANNEX I

MOVEMENT OF CERTAIN ENERGY PRICES

The series of prices tabulated on the following pages are to be considered simply as orders of magnitude and should be treated with caution.

For the Member States where the system of maximum prices exists, these are the prices given (Netherlands, Belgium, Italy, France, Luxembourg). For other Member States, the prices reflect the market situation.

Lastly, the series of prices shown do not take into account rebates, special conditions, etc., particularly rebates which may be granted to agriculture or to certain sectors of farm production.

Number of the tables

ANNEX I

SELLING PRICE OF MOTOR FUELS IN THE NINE COUNTRIES OF THE COMMUNITY

Prices on 3 December 1973 in $

(1 000 litres)

	Super grade petrol			Ordinary grade petrol			Gas-diesel oil		
	Selling price	Taxes	Before Taxes	Selling price	Taxes	Before Taxes	Selling price	Taxes	Before Taxes
Belgium	295.72	205.04	90.68	281.11	202.77	78.34	164.99	89.42	75.57
Denmark	276.63	178.24	98.39	266.92	176.98	89.94	118.09	18.21	99.88
Germany****	298.93/ 329.40	195.35	103.58/ 134.05	272.27/ 295.12	195.35	76.92/ 99.77	276.06/ 287.51	183.55	92.53/ 103.96
France	299.73	200.33	99.40	277.53	188.61	88.92	192.05	115.23	76.82
Ireland	203.58	121.68	81.90	189.54	119.34	70.20	182.52	102.96	79.56
Italy	329.49	226.44	103.05	313.01	220.79	92.22	186.16	102.65	83.51
Luxembourg	239.04	146.09	92.95	228.71	145.59	83.12	112.85	34.26	78.59
Netherlands	296.87	194.28	102.59	286.79	192.87	93.92	168.76	67.61	101.15
United Kingdom	198.20 *	115.83	82.37	187.90**	115.83	72.07	195.62***	115.83	79.79

Rates of exchange on 3 December 1973: $ 1 = Bfrs 39.7 - Lit. 607 - FF 4.504 - Dkr. 6.1815 - Fl. 2.779 - DM 2.626 - $ 2.34 = £ 1.

*97 octane
**91 octane
***retail price
****approximation

ANNEX I

SELLING PRICE OF MOTOR FUELS IN THE NINE COUNTRIES OF THE COMMUNITY

Prices on 11 January 1974 in $

(1 000 litres)

	Super grade petrol			Ordinary grade petrol			Gas-diesel oil		
	Selling price	Taxes	Before Taxes	Selling price	Taxes	Before Taxes	Selling price	Taxes	Before Taxes
Belgium	277.03	192.08	84.95	263.35	189.96	73.39	154.56	83.77	70.79
Denmark	272.29	166.98	105.31	263.32	165.83	97.49	119.69	18.22	101.47
Germany****	283.29/ 312.16	185.13	98.16/ 127.03	258.03/ 279.68	185.13	72.90/ 94.55	261.64/ 272.46	173.94	67.70 98.52
France	359.34	197.37	161.97	332.65	185.48	147.17	215.61	111.91	103.70
Ireland	195.58	116.90	78.68	182.09	114.65	67.44	175.34	98.91	76.43
Italy	318.22	218.70	99.52	302.31	213.24	89.07	179.79	99.14	80.65
Luxembourg	223.94	136.87	87.07	214.26	136.39	77.87	105.72	32.09	73.63
Netherlands	302.20	202.27	99.93	292.56	200.90	91.66	167.82	70.61	97.21
United Kingdom	190.41 [1]	111.28	79.13	180.51 [2]	111.27	69.24	187.93 [3]	111.28	76.65

Rates of exchange on 11 January 1974

$ = DM 2.771 - FF 4.87 - Lit 628.5 - Fl 2.902 - Bfrs 42.3775 - Dkr. 6.684 (on 9 January 1974). $ 2.248 = £ 1.

[1] 97 octane

[2] 91 octane

[3] retail price

[4] approximation

ANNEX I

SELLING PRICE OF MOTOR FUELS IN THE NINE COUNTRIES OF THE COMMUNITY

Prices on 15 February 1974 in $

(1 000 litres)

	Super grade petrol			Ordinary grade oetrol			Gas-diesel oil		
	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes
Belgium	279.32	193.67	85.65	265.52	191.53	73.99	155.84	84.45	71.39
Denmark	310.18	173.43	136.75	301.10	172.25	128.85	155.84	22.95	132.89
Germany	324.91	191.34	133.57	299.64	188.81	110.83	310.47	182.67	127.80
France	344.49	189.17	155.32	316.93	177.64	139.29	204.72	107.20	97.52
Ireland	208.25	117.55	90.70	197.85	116.89	80.96	192.56	101.40	91.16
Italy	303.95	208.89	95.06	288.75	203.68	85.07	171.73	94.70	77.03
Luxembourg	225.79	138.-	87.79	216.04	137.52	78.52	106.59	32.36	74.23
Netherlands	305.04	204.17	100.87	295.30	202.78	92.52	169.39	71.27	98.12
United Kingdom	249.76	112.42	137.34	242.27	112.42	129.85	247.26	112.42	134.84

Exchange rate on 1 February 1974

$ 1 = Bfrs 42.03 - Dkr. 6.609 - DM 2.77 - FF 5.08 - Lit 658 - Fl 2.875

£ 1 = $ 2.271

ANNEX I

SELLING PRICE OF MOTOR FUELS IN THE NINE COUNTRIES OF THE COMMUNITY

Prices on 3 April 1974 in $

(1 000 litres)

	Super grade petrol			Ordinary grade petrol			Gas-diesel oil		
	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes
Belgium	335.70	204.31	131.39	321.01	202.02	118.99	204.05	88.10	115.95
Denmark	354.84	189.87	164.97	345.16	188.16	157.-	156.45	24.61	131.84
Germany	352.94	207.84	145.10	325.49	205.10	120.39	337.25	198.43	138.82
France	364.53	200.21	164.37	335.37	188.-	147.42	216.67	113.46	103.21
Ireland	264,92	126.28	138.64	254.09	125.59	128.50	242.69	108.84	133.85
Italy	410.74	257.06	153.68	390.20	247.66	142.54	213.27	101.20	112.07
Luxembourg	277.98	148.61	129.37	267.34	148.10	119.24	147.85	36.20	111.65
Netherlands	362.96	223.70	139.26	352.59	222.22	130.37	197.78	76.82	120.96
United Kingdom	287.98	143.99	143.99	280.13	143.25	136.88	285.36	143.73	141.63

Rates of exchange

$ 1 = DM 2.55 - FF 4.80 - Lit 633 - Bfrs 39.50 - Fl 2.70 - Dkr 6.20

£ 1 = $ 2.38

ANNEX I

SELLING PRICE OF MOTOR FUELS IN THE NINE COUNTRIES OF THE COMMUNITY

Situation in mid-October 1973 - in national currencies

(1 000 litres)

	Super grade oil			Ordinary grade oil			Gas-diesel oil		
	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes
Belgium (Bfrs) (Antwerp)	11 350	808	327	10 770	7 990	2 780	6 040	3 470	2 570
Denmark (Kr) (single price)	1 590	1 038.30	551.70	1 530	1 031.20	498.80	540	80.5	459.5
Germany (DM) (average prices)	765/ 805	504.90 531.30	260.10 273.70	695/ 715	502.5/ 516.9	192.50/ 198.10	695/ 725	472.60/ 493.0	222.4/ 232.0
France (FF)* (Le Havre)	1 230	883.10	346.90	1 120	828.80	291.20	736.0	509.30	276.70
Ireland (£)	82.50	45.70	36.80	76.90	45.70	31.20	61.10**	39.0	22.10
Italy (Lit) (single price)	185 000	135 790	49 210	175 000	132 470	42 530	95 000	60 420	34 580
Luxembourg (Bfrs) (single price)	9 100	5 770	3 330	8 690	5 750	2 940	3 860	1 330	2 530
Netherlands (Fl) (Amsterdam)	800.-	534.40	265.60	772.0	531.10	240.90	427.00	185.70	241.30
United Kingdom (£) London	81.70	49.50	32.20	78.0	49.50	28.50	78.10	49.50	28.60
*as from 27 October	1 350	901.30	448.70	1 250.-	848.50	401.50	865.0	518.50	346.50

**per minimum delivery of 300 gallons

Sources: Bulletin mensuel du Comité Professionnel du Pétrole - September 1973, - Petroleum Times, 5 October 1973.

ANNEX I

SELLING PRICE OF MOTOR FUELS IN THE NINE COUNTRIES OF THE COMMUNITY

Prices on 3 December 1973 - in national currency

(1 000 litres)

	Super grade oil			Ordinary grade oil			Gas-diesel oil		
	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes
Belgium (Bfrs)	11 740	8 140	3 600	11 160	8 050	3 110	6.550	3 550	3 000
Denmark (Dkr)	1 710	1 101.80	608.20	1 650	1 094	556	730	112.60	617.40
Germany (DM)****	785/ 865	513	272/ 352	715/ 775	513	202/ 262	725/ 755	482	243/ 273
France (FF)	1 350	902.3	447.7	1 250	849.5	400.5	865	519	346
Ireland (£)	87.-	52.-	35.-	81.-	51.-	30.-	78.-	44.-	34.-
Italy (Lit)	200 000	137 450	62 550	190 000	134 020	55 980	113 000	62 310	50 690
Luxembourg (Bfrs)	9 490	5 800	3 690	9 080	5 780	3 300	4 480	1 360	3 120
Netherlands (Fl)	825.-	539.9	285.1	797.-	536.-	261.-	469.-	187.9	281.1
United Kingdom (£)	84.70*	49.50	35.20	80.30**	49.50	30.80	83.66***	49.50	34.16

*97 octane

**91 octane

***retail price

****approximation

ANNEX I

Selling price of motor fuels in the nine countries of the Community

(1 000 litres)

	Super grade petrol			Ordinary grade petrol			Gas oil		
	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes
Belgium (Bfrs)	11 740	8 140	3 600	11 160	8 050	3 110	6 550	3 550	3 000
Denmark (Dkr)	1 820	1 116.10	703.90	1 760	1 108.4	651.60	800	121.80	678.2
Germany (DM)[4]	785/ 865	513	272/ 352	715/ 775	513	202/ 262	725/ 755	482	243/ 273
France (FF)	1 750	961.20	788.80	1 620	903.30	716.70	1 050	545	505
Ireland (£)	87	52	35	81	51	30	78	44	34
Italy (Lit)	200 000	137 450	62 550	190 000	134 020	55 980	113 000	62 310	50 690
Luxembourg (Bfrs)	9 490	5 800	3 690	9 080	5 780	3 300	4 480	1 360	3 120
Netherlands (Fl)	877	587	290	849	583	266	487	204.9	282.1
United Kingdom(£)	84.70[1]	49.50	35.20	80.30[2]	49.50	30.80	83.60[3]	49.50	34.10

[1] 97 octane

[2] 91 octane

[3] Retail price

[4] Approximation

ANNEX I

SELLING PRICE OF MOTOR FUELS IN THE NINE COUNTRIES OF THE COMMUNITY

Prices on 15 February 1974 - in national currencies

(1 000 litres)

	Super grade oil			Ordinary grade oil			Gas-diesel oil		
	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes
Belgium (Bfrs)	11 740	8 140	3 600	11 160	8 050	3 110	6 550	3 550	3 000
Denmark (Dkr)	2 050	1 146,2	903,8	1 190	1 138,4	851,6	1 030	151,7	878,3
Germany (DM)	900	530	370	830	523	307	860	506	354
France (FF)	1 750	961	789	1 610	902,4	707,6	1 040	544,6	495,4
Ireland (£)	91,70	51,76	39,94	87,12	51,47	35,65	84,79	44,65	40,14
Italy (Lit)	200 000	137 450	62 550	190 000	134 200	55 980	113 000	62 310	50 690
Luxembourg	9 490	5 800	3 690	9 080	5 780	3 300	4 480	1 360	4 120
Netherlands (Fl)	877	587	290	849	583	266	487	204,9	282,1
United Kingdom	109,98	49,50	60,48	106,68	49,50	57,18	108,88	49,50	59,38

Selling price of motor fuels in the nine countries of the Community

Prices on 3 April 1974 - in national currency

	Selling price	Taxes	Before taxes	Selling price	Taxes	Before	Selling price	Taxes	Before taxes
Belgium (Bfrs)	13 260	8 070	5 190	12 680	7 980	4 700	8 060	3 480	4 580
Denmark (Dkr)	2 200	1 177.2	1 022.8	2 140	1 166.6	973.4	970	152.6	817.4
Germany (DM)	900	530	370	830	523	307	860	506	354
France (FF)	1 750	961	789	1 610	902.4	707.6	1 040	544.6	495.4
Ireland (£)	111.31	53.06	58.25	106.76	52.77	53.99	101.97	45.73	56.24
Italy (Lit)	260 000	162 720	97 280	247 000	156 770	90 230	135 000	64 060	70 940
Luxembourg (Bfrs)	10 980	5 870	5 110	10 560	5 850	4 710	5 840	1 430	4 410
Netherlands (Fl)	980	604	376	952	600	352	534	207.4	326.6
United Kingdom (£)	121	60.50	60.50	117.70	60.19	57.51	119.90	60.39	59.51

Rates of exchange

$1 = DM 2.55 - FF 4.80 - Lit 633 - Bfrs 39.50 - Fl 2.70 - Dkr 6.20
£1 = $ 2.38

ANNEX I

Selling price of fuel oils in the nine countries of the Community
Prices on 3 December 1973 in dollars

	Domestic fuel oil (1000 l)			Heavy fuel oil with high sulphur content (t)			Heavy fuel oil with low sulphur content (t)		
	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes
Belgium gas oil	89.92	22.42	67.50	41.31	7.56	33.75			
light fuel oil	85.89	21,91	63.98						
Denmark gas oil	95.45 [7]	15.27	80.18	40.93 [5]	6.96	33.97	–	–	–
light fuel oil	61.10 [7]	9.47	51,63	–	–	–	–	–	–
Germany	64.74/ 68.54	3,16	61.58/ 65.38	–	–	–	–	–	–
France	81.71	16.81	64.90	35.32	0.05	35.27	38.44 [1]	0.05	38.39
Ireland [3] gas oil	56.16	2.34 [4]	53.82	41.87 [8]	2.46	39.41	–	–	–
light fuel oil	44.46	2.34	42.12	–	–	–	–	–	–
Italy	63.66 [2]	0.69	62.97	32.95	1.32	31.63	41,19	0.08	41.11
Luxembourg									
gas oil	84.63	13,60	71.03	(13)			(13)		
light fuel oil	76.70	9.95	66.75	–	–	–	–	–	–
Netherlands	95.36	11.95	83.41	32.53 [6]	5.24	27.29	–	–	–
United Kingdom									
light fuel oil	52.42 [9]	5.15	47.27	33.27 [11]	5.38	27.89	–	–	–
gas/diesel	69.03 [10]	5.15	63.88	30.82 [12]	5.38	25.44	–	–	–

Rates of exchange on 3 December 1973
$1 = Bfrs 39.7 - Lit 607 - FF 4.504 - Dkr 6.1815 - Fl 2.779 - DM 2.626
£ 2.34 = £ 1

ANNEX I

Selling price of fuel oils in the nine countries of the Community

Prices on 11 January 1974 in dollars

	Domestic fuel oil (1000 l)			Heavy fuel oil with high sulphur content (t)			Heavy fuel oil with low sulphur content (t)		
	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes
Belgium gas oil	84,24	21,-	63,24	38,70	7,08	31,62	-	-	-
light fuel oil	80,47	20,53	59,94						
Denmark gas oil	98,74 7)	15,48	83,26	56,78 5)	8,90	47,88	-	-	-
light fuel oil	78,78 7)	11,66	67,12						
Germany	61,35/ 64,96	3,-	58,35/ 61,96	-	-	-	-	-	-
France	108,62	20,29	88,33	54,-	0,05	53,95	-	-	-
Ireland[3] gas oil	53,93	2,25 4)	51,70	40,22 8)	2,36	37,86	-	-	-
light fuel oil	42,71	2,25	40,46						
Italy	61,48 2)	0,67	60,81	31,82	1,27	30,55	39,78	0,08	39,70
Luxembourg gas oil	79,29	12,74	66,55	(13)	-	-	(13)	-	-
light fuel oil	71,85	9,32	62,53						
Netherlands	91,32	11,34	79,88	31,15 6)	5,01	26,14	-	-	-
United Kingdom light fuel oil	50,36 9)	4,95	45,41	31,97 11)	5,17	26,80			
gas/diesel	66,32 10)	4,95	61,37	29,61 12)	5,17	24,44			

Rates of exchange on 11 January 1974

$1 = DM 2.771 - FF 4.87 - Lit 628.5 - Fl 2.902 - Bfrs 42.3775 - Dkr 6.684 (on 9 January 1974)

£1 = $ 2.248

ANNEX I

Selling price of fuel oils in the nine countries of the Community

Prices to consumers in dollars on 15 February 1974 (cf. appendix 1)

	Domestic fuel oil (1000 l)			Heavy fuel oil with high sulphur content (t)			Heavy fuel oil with low sulphur content (t)		
	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes
Belgium									
gas oil	84,94	21,18	63,76	39,02	7,14	31,88	-	-	-
light fuel oil	81,13	20,70	60,43						
Denmark									
gas oil	134,66	20,20	114,46	93,96	13,77	80,19			
light fuel oil	113,47	16,20	97,27						
Germany gas oil	115,52/	14,44/	101,08/	68,59/70,40	5,42	63,17/64,98	-	-	-
light fuel oil	126,35	15,52	110,83	69,31/70,40		63,89/64,98			
France	104,33	19,59	84,74	53,13	0,05	53,08	-	-	-
Ireland gas oil	77,69	4,91	72,78	54,98	3,47	51,51	-	-	-
light fuel oil	57,62	3,63	53,99						
Italy	69,91	0,76	69,15	30,40	1,22	29,18	37,99	0,07	37,92
Luxembourg									
gas oil	74,94	12,85	67,09	-	-	-	-	-	-
light fuel oil	72,45	9,40	63,05						
Netherlands	92,17	11,55	80,62	31,44	5,06	26,38	-	-	-
				33,05	5,06	28,-			
United Kingdom									
light fuel oil	85,66		80,66						
	88,90	5,-	83,90	83,20	5,22	77,98	-	-	-
gas/diesel	104,55	5,-	99,55	83,95	5,22	78,73	-	-	-
	107,05		102,05						

Rates of exchange on 1 February 1974

$1 = Bfrs 42.03 - Dkr 6.609 (31 January 1974) - DM 2.77 - FF 5.08 - Lit 658 - Fl 2.875

£1 = $ 2.271

ANNEX I

Notes

1. 2 at 1% S
2. Gas oil for heating purposes - Density 0.84
3. Gas oil
4. VAT only
5. Heavy fuel oil (it was not specified whether the sulphur content was high or low)
6. Per lighter 300 t 3 500 sec. 3.5% S
7. Density 0.925
8. Density 0.95
9. 3.2% sulphur - delivery per 1 000 litres
10. Delivery per 1 000 litres
11. 3.5% Sulphur - 3 500 sec. - delivery 500 t
12. 3.5% S - 3 500 sec. - delivery 5 000 t
13. Free market

ANNEX I

Selling price of fuel oils in the nine countries of the Community

Price to consumers in dollars on 3 April 1974 (cf. appendix 1)

	Domestic fuel oil (1000 l)			Heavy fuel oil with high sulphur content (t)			Heavy fuel oil with low sulphur content (t)		
	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes
Belgium									
gas oil	100.25	22.02	78.23	86.08	13.17	72.91			
light fuel oil	96.20	21.52	74.68						
Denmark									
gas oil	130.64	21.25	109.39	102.94	17.46	85.48			
light fuel oil									
Germany	125.49/	15.69/	109.80/	74.50/76.47	5.88	68.62/70.59			
	137.25	16.86	120.39	75.29/76.47		69.41/70.59			
France	110.42	20.73	89.69	56.23	0.05	56.18			
Ireland									
gas oil	115.10	7.28	107.82	85.80	5.43	80.37			
light fuel oil	93.08	5.90	87.18						
Italy	91.78	0.65	91.13	55.29	1.26	54.03	67.93	0.08	67.85
Luxembourg									
gas oil	95.70	14.18	81.52	83.47	6.51	76.96			
light fuel oil									
Netherlands	121.33	19.-	102.33	63.59	5.81	57.78			
United Kingdom									
light fuel oil	109.58/	5.24	104.34/	85.77/	5.47	80.30/			
	120.07		114.83	95.86		90.39			
gas/diesel									

Rates of exchange

$1 = DM 2.55 - FF 4.80 - Lit 633 Bfrs 39.50 - Fl 2.70 - Dkr 6.20
£1 = $ 2.38

ANNEX I

Selling price of fuel oils in the nine countries of the Community
Prices on 7 December 1973 in national currency

	Domestic fuel oil (1000 l)			Heavy fuel oil with high sulphur content (t)			Heavy fuel oil with low sulphur content (t)		
	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes
Belgium									
gas oil	3.570	890	2 680	–	–	–	–	–	–
light fuel oil	3.410	870	2.540	1 640	300	1.340	–	–	–
Denmark									
gas oil	590	94.36	495.64	253 [5]	43,-	210,-	–	–	–
light fuel oil	377,68 [7]	58.55	319.13	–	–	–	–	–	–
Germany	170/180	8.3	167.7/171.7	–	–	–	–	–	–
France	368	75.7	292.3	159,10	0,25	158,85	173.13 [1]	0.25	172.88
Ireland									
gas oil	24,-	1.- [4]	23.-	17.89 [8]	1.05	16,84	–	–	–
light fuel oil	19.-	1,-	18,-	–	–	–	–	–	–
Italy	38 640 [2]	420	38.220	20 000	800	19 200	25 000	50	24 950
Luxembourg									
gas oil	3 360	540	2.820	(13)			(13)		
light fuel oil	3 045	395	2.650	–	–	–	–	–	–
Netherlands	265	33.2	231,8	90.40 [6]	14.55	75.85			
United Kingdom									
light fuel oil	22.40 [9]	2.20	20.20	14.22 [11]	2.30	11,92	–	–	–
gas/diesel	29.50 [10]	2.20	27,30	13.17 [12]	2.30	10,87	–	–	–

Selling price of fuel oils in the nine countries of the Community

Prices on 11 January 1974 in national currency

	Domestic fuel oil (1000 l)			Heavy fuel oil with high sulphur content (t)			Heavy fuel oil with low sulphur cont (t)		
	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes
Belgium									
gas oil	3 570	890	2 680	–	–	–	–	–	–
light fuel oil	3 410	870	2 540	1 640	300	1 340	–	–	–
Denmark									
gas oil	660	103.49	556.51	379.50 [5]	59.50	320	–	–	–
light fuel oil	525,56 [7]	77.93	448.63	–	–	–	–	–	–
Germany	170/180	8,3	161.7/171.7	[illegible]	–	–	–	–	–
France	529	98.8	430.2	263	0.25	262.75	–	–	–
Ireland									
gas oil	24.–	1,– [4]	23.–	17.89 [8]	1.05	16.84	–	–	–
light fuel oil	19.–	1.–	18.–						
Italy	38 640	420	38 220	20 000	800	19 200	25 000	50	24 950
Luxembourg									
gas oil	3 360	540	2 820	(13)			(13)		
light fuel oil	3 045	395	2 650						
Netherlands	265,–	33.2	231.8	90.40 [6]	14.55	75.85	–	–	–
United Kingdom									
light fuel oil	22.40 [9]	2.20	20.20	14.22 [11]	2.30	11.92	–	–	–
gas/diesel	29.50 [10]	2.20	27.30	13.17 [12]	2.30	10,87	–	–	–

ANNEX I

Selling price of fuel oils in the nine countries of the Community

Prices on 15 February 1974 in national currency

	Domestic fuel oil (1000 l)			Heavy fuel oil with high sulphur content (t)			Heavy fuel oil with low sulphur cont. (t)		
	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes
Belgium									
gas oil	3 570	890	2 680	1 640	300	1 340	-	-	-
light fuel oil	3 410	870	2 540						
Denmark									
gas oil	890	133.49	756.51	621.-	91.-	530.-			
light fuel oil	749.94	107.07	642.87						
Germany	320/350	40/43	280/307	190/195	15.-	175/180			
				192/195		177/180			
France	530.-	99.5	430.5	269.9	0.25	269.65			
Ireland									
gas oil	34,21	2,16	32,05	24,21	1.53	22,68	-	-	-
light fuel oil	25,37	1,60	23,77						
Italy	46 000	500	45 500	20 000	800	19 200	25.000	50	24 950
Luxembourg									
gas oil	3 360	540	2 820	-	-	-	-	-	-
light fuel oil	3 045	395	2 650						
Netherlands	265.-	33.2	231.8	90.40	14.55	75.85	-	-	-
				95.05	14.55	80.50			
United Kingdom									
light fuel oil	37.72	2,20	35.52	36.64	2.30	34.34	-	-	-
	39.15		36.95						
	46.04	2.20	43.84	36.97	2.30	34.67			
gas/diesel	47.14		44.94						

ANNEX I

Selling price of fuel oils in the nine countries of the Community

Prices on 7 April 1974 in national currency

	Domestic fuel oil (1000 l)			Heavy fuel oil with high sulphur content (t)			Heavy fuel oil with low sulphur content (t)		
	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes	Selling price	Taxes	Before taxes
Belgium									
gas oil	3 960	870	3 090	3 400	520	2 880	-	-	-
light fuel oil	3 800	850	2 950						
Denmark									
gas oil	810	131.75	678.25	638.25	108.25	530	-	-	-
light fuel oil									
Germany	320/350	40/43	280/307	190/195 192/195	15	175/180 177/180	-	-	-
France	530	99.5	430.5	269.9	0,25	269.65	-	-	-
Ireland									
gas oil	48.36	3.06	45.30	36.05	2,28	33.77	-	-	-
light fuel oil	39.11	2.48	36.63						
Italy	58 100	415	57 685	35 000	800	34 200	43 000	50	42 950
Luxembourg									
gas oil	3 780	560	3 220	3 297	257	3 040	-	-	-
light fuel oil									
Netherlands	327.6	51.3	276.3	171.70	15.68	155.02	-	-	-
United Kingdom									
light fuel oil	46.04	2.20	43.84/48.25	36.04/40.28	2.30	33.74/37.98	-	-	-
gas/diesel	50.45								

COMMISSION OF THE EUROPEAN COMMUNITIES

SEC(74) 2200 final

Brussels, 5 August 1974

Annex II

MEMORANDUM FROM THE EUROPEAN COMMISSION
to the Council of Ministers

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on the changed conditions of competition in certain sectors of agriculture resulting from the new situation on the energy market

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ANNEX II

End use of Energy in Agriculture and the Food Industries

NOMENCLATURE OF ENERGY PRODUCTS

This nomenclature is used by the Statistical Office of the European Communities for the collection of basic statistics, for use in drawing up energy balances by energy sources and overall energy balances. It covers all physical sources of energy which play a part in the economic activity of the countries of the European Community. This nomenclature is arranged in accordance with a classification system termed " Classification for the drawing up of energy balances" (BILEN).

BILEN Code	
	1 — SOLID FUELS
11	PRIMARY SOURCES
111	Hard coal
111.1	anthracite and low-volatile hard coal
2	low volatile dry hard coal
3	low and medium volatile coking-steam and coking hard coal
4	high volatile coking-gas industrial hard coal
5	by-products
112	Lignite
112.1	black lignite
2	brown coal
3	Hartbraunkohle
113	Peat
12	DERIVATED PRODUCTS
121	Coal briquettes
121.1	briquettes and ovoids
2	smokeless briquettes
122	Coke derivated from coal
122.1	coke oven coke (including coke for the manufacture of electrodes)
2	char (semi-coke)
3	gas works coke
123	Brown coal briquettes,
123.1	brown coal briquettes
2	brown coal breeze
3	dried brown coal
124	Coke and char derivated from brown coal
124.1	brown coal coke
2	brown coal char (semi-coke)
125	Peat briquettes
126	Peat coke
	2 — LIQUID FUELS
21	PRIMARY SOURCES
211	Crude petroleum or bituminous mineral oils
212	Feedstocks (semi-refined petroleum)
213	Natural gasoline
22 + 23	NON-GASEOUS DERIVATED PETROLEUM PRODUCTS
221	Motor gasoline
221.1	regular-grade motor gasoline
2	premium-grade motor gasoline
222	Aviation fuels
222.1	aviation gasoline
2	gasoline-type jet fuel
3	kerosene-type jet fuel
223	Kerosene
223.1	burning oil
2	tractor vaporising oil
224	Naphtas
225	Gas-diesel oils
225.1	gas-diesel oil
2	gas-oil for heating purposes
3	light fuel oil
226	Residual fuel oil
231	White spirit and special boiling point spirits
231.1	white spirit
2	special boiling point spirits (SBP)
232	Lubricants
233	Bitumen
234	Petroleum coke
238	Other products
239	Products obtained from the distillation of hard coal or lignite tars intended for use as fuels
	3 — GASEOUS FUELS
31	PRIMARY SOURCES
311	Natural gas
311.1	natural gas in the gaseous state
2	liquefied natural gas
3	methane
312	Primary LPG (propane and butane produced on extraction of natural gas)
32	DERIVATED PRODUCTS AND BY-PRODUCTS
321	Coke oven gas
322	Blast furnace gas
323	Gasworks gas
324	LPG (propane and butane from refining)
325	Refinery gas (other than that consumed as fuel in the refinery)
	4 — ELECTRICAL ENERGY
41	PRIMARY SOURCES
411	Hydro-electric energy produced from natural flow
412	Geothermal electrical energy
413	Nuclear electrical energy
413.1	from natural uranium reactors
2	from enriched uranium and plutonium reactors
3	from breeder reactors
42	DERIVATED PRODUCTS
421	Hydro-electric energy produced from pumped-storage water
422	Electrical energy from conventional thermal power plants
422.1	from hard coal and derivated products
2	from brown coal
3	from non-gaseous petroleum products
4	from natural gas
5	from derivated gases
9	from other fuels
	5 — HEAT
52	DERIVATED PRODUCTS
521	Steam and hot water supplied commercially by electrical power plants
522	Steam and hot water from heat producing plants

ANNEX II

End use of energy: agriculture

(000 t)

	Statistical code Energy product	BR Germany 1972/73	France 1972	Italy 1972	1972/73 Estim.	Belgium 1972	Luxembourg 1973	Denmark 1972	Ireland 1973 Estim.	United Kingdom 1972/73
111	Horticulture					66				57.912
	Other (e.g., drying, heating, lighting)									
221	Agriculture	159.5	185	105	7.35		1.5			262.128
	Horticulture				14.7					
	Crop sector					0.522		60		
	Other									18.288
223	Agriculture		1	87						46.736
	Horticulture				242.475					
	Livestock sector				83.475					
	Crop sector					3.536				
225	Agriculture		2,183	1,155			18,2		278	
	Horticulture							500		
	Livestock sector							15		
	Crop sector							227		

Source : Member States

(000 t)

Statistical code	Energy product	DR Germany 1972/73	France 1972	Italy 1972	1972/73 Estim.	Belgium 1972	Luxembourg 1973	Denmark 1972	Ireland 1973 Estim.	United Kingdom 1972/73
225.1	Agriculture	1114.717			132.8					889
	Horticulture				16.6					28.448
	Crop sector					146.921				
	Livestock sector				240.7					
225.2	Agriculture	450								
	Horticulture	1,050								159.512
	Livestock sector					15.180				140.208
	Crop sector					0.950				
225.3	Horticulture				156.325	140.568				85.344
	Livestock sector					24.865				10.160
	Other									
225	Agriculture	100	156	400						
	Horticulture				1,020	325.4			50	270.256
	Livestock sector								182	
	Crop sector					7.500				
	Other								21	

Source : Member States

(000 t)

	Statistical code Energy product	BR Germany 1972/73	France 1972	Italy 1973	1972/73 Estim.	Belgium 1972	Luxembourg 1973	Denmark 1972	Ireland 1973 Estim.	United Kingdom 1972/73
232	Agriculture + Horti-culture	38 million litres							1.7	76.2
	Other						0.3			
311	Agriculture			1,676						
	Horticulture				1,539					
312	Livestock sector				60			5		
	Crop sector							8		
	Other		92							
324	Other			25						48.768
411	Agriculture (in million kWh)			1,161						
422	Livestock sector (in million kWh)					581.6		700		
	Other (in million kWh)	4,898			2,620		42			3,924
	Horticulture (in million kWh)					8.4				

Source : Member States

ANNEX II

Fisheries

(000 t)

Statistical code Energy product	ER Germany 1973	France 1972	Italy 1973	Nederland 1972/73 Estim.	Belgium 1972	Luxembourg 1973	Denmark 1972	Ireland 1973 Estim.	United Kingdom 1972/73
221			3.6						1.3
223			2.1				0.56		
224			2.8						
225		417.5 (+ 65.8 intern.bunk)	250		50,4			68	
225.1	282.1						145.831		641
225.2				227.85			9.96		
225.3							0.17		
226	17								167
232			3.2	2.5			1.6 (in 000 m3)	0.6	43
311.2							1.6 (in 000 m3)		

Source : Member States

ANNEX II

Consumption of energy by group of energy product - agriculture

	Unit	Germany (72 - 73)	France (72)	Italy (72)	Netherlands (72 - 73)	Belgium (72)	Luxembourg (72)	Denmark (72)	Ireland (73)	United Kingdom (72 - 73)	EEC	Notes
Coal	000 T	•	-	-	-	66	-	-	-	57.9	123.9	Only Belgium and UK
	000 TOE	•	-	-	-	46.1	-	-	-	40.5	86.6	
Petroleum products	000 T	2874	2525	1747	1914.5	665.4	20	802	532.7	1967.8	13048.4	
	000 TOE	2874	2525	1747	1914.5	665.4	20	802	532.7	1967.8	13048.4	
Gaseous fuels	000 T	•	92	26.7	1599.5	•	-	13	-	48.8	1779.5	
	000 TOE	•	92	26.7	1599.5	•	-	13	-	48.8	1779.5	
Electricity	million kWh	4898	1020	1161	2620	590	42	700	•	3924	14955	without Ireland
	000 TOE	1141	225	256	598	139	14	146	•	1028	3547	
								Fisheries				
		(73)	(72)	(73)	(73)	(73)		(72)	(73)	(73)		
Petroleum products	000 T	299	417.5	258.5	230.3	50.4	-	156.5	68.6	852.3	2333	
	000 TOE	299	417.5 + 66.8 (intern. bunk)	258.5	230.3	50.4	-	156.5 + 1600 m3 lubricants and 1600 m3 liquefied gas	68.6	852.3	2333	

Source : Member States

ANNEX II

Consumption of energy by energy product - agriculture

		Unit	Germany (72 - 73)	France (72)	Italy (72)	Netherlands (72 - 73)	Belgium (72)	Luxemb. (73)	Denmark (72)	Ireland (73)	UK (72 - 73)	EEC	Notes
111	Hard coal	000 T 000 TOE					66 46.1				57.9 40.5	123.9 86.6	Only Belgium and UK
221	Motor gasoline	000 TOE	159.5	185	105	22	0.5	1.5	60		262.1	795.6	
223	Kerosene	000 TOE		1	87	325.9	3.5				46.7	417.4	
225	Gas-diesel oils	000 TOE		2183	1155			18,2	742	278		4376.2	
225.1	Gas-diesel oil	000 TOE	1114.7			390.1	146.9				917.4	2569.1	
225.2	Gas-oil for heating	000 TOE	1500				16.1				299.7	1815.8	
225.3	Light fuel oil	000 TOE				156.3	165.4				95.5	417.2	
T O T A L 225		000 TOE	2614.7	2183	1155	546.4	328.4	18.2	742	278	1312.6	9178.3	
226	Residual fuel oil	000 TOE	100	156	400	1020	332.9			253	270.2	2532.1	
232	Lubricants	000 TOE	38 million litres					0,3		1.7	76.2	78.2	+ 38 million not incl. in EEC Total
311	Natural gas	000 TOE			1.7	1539						1540.7	
312	Primary LPG	000 TOE		92		60			13			165	
324	Refined LPG	000 TOE			25						48.8	73.8	
4	Electrical energy	million kWh 000 TOE	4898 1141	1020 225	1161 256	2620 598	590 139	42 14	700 146	. .	3924 1028	14955 3547	Without Ireland

Source: Member States

ANNEX II

Consumption of energy by energy product - fisheries

	Unit	Germany (73)	France (72)	Italy (73)	Netherlands (73)	Belgium (73)	Luxemb.	Denmark (72)	Ireland (73)	UK (73)	EEC
221 Motor gasoline	000 TOE			3.6						1.3	4.9
223 Kerosene	000 TOE			2.1				0.6			2.7
224 Naphtas	000 TOE			2.8							2.8
225 Gas-diesel oils	000 TOE		417.5 (+66.8 intern. bunk)	250		50.4			68		785.9
225.1 Gas-diesel oil	000 TOE	282.1			}			145.8		641	1068.9
225.2 Gas-oil for heating	000 TOE				} 227.8			10.0			237.8
225.3 Light fuel oil	000 TOE							0.2			0.2
T O T A L 22	000 TOE	282.1	417.5	250	227.8	50.4		156	68	641	2092.8
226 Residual fuel oil	000 TOE	17								167	184
232 Lubricants	000 TOE			3.2	2.5			1,6 (en 000 m3)	0.6	43	49.3
311.2 Liquefied natural gas	000 m^3							1,6			1.6 (000 m3

Source: Member States

ANNEX II

Development of energy consumption in the Community for petroleum products, gas and electricity

Agriculture	Index 1970	Petroleum products		Gaseous fuels		Electricity	
		1971	1972	1971	1972	1971 = 100	1972
Germany	100	102.18	103.82	•	•	100	107.35
France	100	88.21	94.63	•	•	100	115.78
Italy	100	109.21	113.29	125.00	100.00	100	100.26
Netherlands	100	87.30	88.93	225.00	225.00	•	•
Belgium	100	92.84	93.90	100.00	125.00	•	•
Luxembourg	100	100.00	109.09	•	•	100	109.52
Denmark	100	100.26	106.42	86.36	77.27	•	•
Ireland	100	120.44	•	•	•	•	•
United Kingdom	100	108.10	118.92	•	•	100	103.39
EEC "9"	100	99.05	•	•	•	•	•

Source: Statistical Office of the European Communities

ANNEX II

Development of energy consumption in the Community for petroleum products and gas

Fisheries	Index 100	Petroleum products		Gaseous fuels	
		1971	1972	1971	1972
Germany	100	99.21	83.73	.	.
France	100	94.40	94.40	.	.
Italy	100	98.45	116.06	.	.
Netherlands	100	100.00	100.00	.	.
Belgium	100	91.67	77.08	.	.
Luxembourg	-	-	-	-	-
Denmark	100	83.57	77.09	.	.
Ireland	100	100.00	.	.	.
United Kingdom	100	125.19	141.48	.	.
EEC "9"	100	93.93	.	.	.

Source: Statistical Office of the European Communities

ANNEX II (Cont'd)

CONSUMPTION OF ENERGY BY THE AGRICULTURAL AND FOOD INDUSTRIES

1. According to the statistical data supplied by the national federations of agricultural and food industries, the total energy consumption by the food, drink and tobacco industries of the Community of Six in 1971 was 20 300 000 TCE[1], that is, 6.7% of the energy consumption of all industrial sectors.

Ref. year	Member State	Consumption of energy by the agricultural and food industries	Consumption of energy by industry	Consumption by agricultural and food industries as a percentage of industrial consumption
1968	France	6 341	69 597	9.11
1970	Germany	6 568	115 462	6.56
1970	Italy	3 631	66 506	5.47
1970	Netherlands	2 475	19 658	12.59
1971	Belgium	1 228	24 210	5.07
1971	Luxembourg	15	5 186	0.28

In the United Kingdom in 1968 the food industry paid £ 70.2 million for the energy which it used; this is equivalent to 1.9% of the total amount paid for energy consumption in this Member State. It is estimated that in 1973 the United Kingdom food industries paid £ 88.8 million for their energy supply.

2. Situation in certain Member States

(a) Belgium

The quantities of energy consumed by the agricultural and food industries in 1972 are as follows:

- electricity: 1 138 million kWh, i.e. 5.5% of total consumption
- gas-diesel oil: approx. 600 000 m.t., i.e. 2.4% of total consumption
- coal: approx. 25 000 m.t., i.e. 0.1% of total consumption
- gas: 49 100 000 m^3, i.e. 0.9% of total consumption.

[1] Partly estimated.

(b) Ireland

In 1970 the Irish food industry was dependent on petroleum products for 49.83% of its energy needs whilst the figure for the drink and tobacco industries was 51.42%.

The various petroleum broken down according to type of undertaking are as follows:

in %

Products	Number of workers		
	1 - 100	100 - 500	+ 500
Gas-diesel oils	65.8	24.1	26.4
Light fuel oil	28.1	9 7	8.8
Medium fuel oil	-	23.6	15.4
Heavy fuel oil	9.4	30.8	45.4
Other	1.7	3.5	2.8

(c) Germany

Consumption of energy from September 1972 to August 1973

	Coal	Fuel oil (extra light and light)	Fuel oil (medium, heavy and extra heavy)	Manufactured gas	Natural gas	Electricity
	TCE	tonnes	tonnes	1 000 m3	1 000 m3	1 000 kWh
Total for food industries	568 116	883 121	1 900 857	97 400	814 480	5 123 118
Sugar industry	279 350	23 405	623 127	60	63 683	934 096
Milk and cheese industries	10 028	121 568	235 340	3 996	42 697	447 817
Flour milling	1 153	10 457	15 770	29	3 000	335 517
Confectionery	14 768	47 702	51 058	14 613	63 683	519 665
Meat-processing	15 016	56 028	34 211	4 345	37 245	288 573
Brewing	115 707	173 704	334 087	29 865	88 655	934 096

Breakdown by main fuel category of the consumption by the various sectors, expressed as percentages of total agricultural and food industries consumption

	Coal	Fuel oil (extra light and light)	Fuel oil (medium, heavy and extra heavy)	Manufactured gas	Natural gas	Electricity
Total for food industries	100	100	100	100	100	100
Sugar industry	49.1	2.6	32.7		7.8	18.2
Milk and cheese industries	1.7	13.7	12.3	4.1	5.2	8.7
Flour milling		1.1	0.8			6.5
Confectionery	2.5	5.4	2.6	15.0	7.8	10.1
Meat-processing	2.6	6.3	1.7	4.4	4.5	5.6
Brewing	20.3	19.6	17.5	30.6	10.8	18.2

The sugar industry and brewing are the two largest energy consumers for together they use nearly 70% of the coal and 36% of the electricity used in one year by the German food industries.

The increased use of petroleum products instead of coal by the 1 700 operational German breweries should also be noted[1].

Year	Production of beer (1 000 hl)	Coal TCE		Petroleum products (metric t)		Electricity 1 000 kwh		Gas 1 000 m³
			kg/hl		kg/hl		kwh/hl	
1960	53 739	485 438	10.2	149 155	3.2	455 983	9.6	
1965	73 178	354 625	5.2	399 595	5.0	672 899	9.9	
1968	79 126	238 446	3.2	419 742	5.7	776 183	10.5	
1972	91 044	131 787	1.5	439 921	5.7	913 281	10.0	105 418

[1] Statistischer Bericht des deutschen Bräuer-Bundes, 1973. Bonn. Bad Godesberg.

(d) France*

The overall consumption of energy by sector of the agricultural and food industries for the years 1971 and 1972 was as follows:

	Unit	1971	1972
- Solid mineral fuels	10^3 t	372	322
- Electricity	10^6 kWh	4 265	4 588
- Gas	10^6 Th	1 647	1 636
- Heavy fuel oil	10^3 t	2 165	2 600
- Light fuel oil	10^3 t	unknown	unknown

Breakdown by main fuel categories of the consumption by the various sectors expressed as percentages of total consumption by the agricultural and food industries.

1971

	Coal	Fuel oil	Gas	All fuels, liquid, solid and gas	Electricity
Total for the agricultural and food industries	391 000 t	1 743 000 t	434 Tcal	22 950 Th x 10^6	1 930 kWh x 10^6
Processing of grain and flours	2.4	7.5	1.2	6.6	15.0
Biscuits and bakery industries		0.5	23.9	1.4	0.4
Industrial and agricultural distilling	4.1	2.6		2.6	26.6
Sugar processing and refining	41.8	39.6	27.6	42.0	10.8
Yeasts, brewing, malting, special wines	11.4	7.7	18.3	8.7	8.5
Spirits, liqueurs, aperitifs, fruit juices		2.1		1.9	0.6
Milk industry	9.7	30.9	6.6	27.3	22.3
Canning industry	1.1	2.5	6.6	2.6	4.3
Various industries (chocolate, confectionery, coffee, broths, condiments, meat-based products)	3.9	6.4	15.7	6.5	8.4
Refrigeration plants		0.2		0.2	3.1

*These data relate only to the use of energy for industrial purposes and do not cover transport.

Breakdown of the total energy costs of the agricultural and food industries in 1972[1]

(inoluding bakery and confectionery firms)

Gas	FF 69 million	2.6%
Electricity	FF 1 269 million	48.9%
Petroleum products	FF 1 067 million	41.1%
Coal	FF 188 million	7.2%

Breakdown by main fuel catefory of the consumption by the various sectors expressed as a percentage of total consumption by agricultural and food industries

	Coal x 1 000 tonnes	Fuel oil and petrol x 1 000 gallons[2]	Other liquid fuels x 1 000 Therm[3]	Gas x 1 000 Therm[3]	Electri-city x 1 000 Therm[3]
Milling industry	3.1	4.0	2.5	4.6	12.5
Bakery and patisserie firms		35.5	15.9	44.0	12.9
Biscuit industry	1.9	4.4	1.7	25.1	5.5
Meat and fish processing	3.5	11.8	5.7	9.5	10.4
Milk products	10.6	14.9	18.5	1.5	12.6
Sugar Industry	48.8	0.6	8.1	0.6	1.3
Cocoa and chocolate	12.5	3.9	4.6	5.2	10.5
Fruit and vegetables	5.4	4.2	12.5	4.1	7.1
Cattle and poultry feeds	2.8	6.7	5.5	1.6	11.6
Animal and vegetable fats	1.6	2.0	10.1	0.5	3.6
Margarine and cooking fats	8.0	2.7	1.3		
Starches	8.0	2.7	10.0	2.0	8.4
Soft drinks		8.8	2.8	0.6	2.1
	100%	100%	100%	100%	100%
Total for food industries	1 378.4	65 986	324 672	59 647	3 849 922

[1] National accountancy data

[2] One British gallon: 4.5461 litres

[3] One British therm: 100 000 Btu (British thermal unit)
= 25 200 calories
= 25.2 thermies
= 29.3 kilowatt/hours

ANNEX III

THE IMPORTANCE OF ENERGY PRODUCTS FOR THE ECONOMY OF THE VARIOUS TYPES OF FARMS

The following tables give some idea of the part played by energy products in the operating costs (inputs) of various types of farm. The data given in these tables are the average results from the returning holdings participating in the Farm Accountancy Data Network of the EEC (accounting year "1971").

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Table 1

DIRECT ENERGY COSTS OF THE RETURNING HOLDINGS PARTICIPATING IN THE FARM ACCOUNTANCY DATA NETWORK OF THE EEC ACCORDING TO TYPE OF FARM

Accounting year "1972".

Type of farm	Number of returning holdings	Utilized agricultural land per holding (ha)	Motor fuels and lubricants per holding (ua)	Electricity, water, heating fuels per holding (ua)	Total cost of energy per products				
					per holding (ua)	per annual work unit (ua)	as a percentage of production costs	as a percentage of operating costs	as a percentage of earned income
General agriculture	622	52.35	458	192	650	305	2.3	5.2	6.0
Arable land/herbivores	634	40.08	367	210	577	225	2.5	5.1	8.1
Herbivores/arable land	1 370	27.98	29	186	415	189	2.5	4.8	7.7
Cattle	2 419	24.80	188	191	379	190	2.3	4.9	6.3
Herbivores-Granivores	890	19.34	179	256	435	243	2.5	4.1	9.0
Granivores-Herbivores	399	18.38	193	291	484	273	2.2	3.5	8.4
Fruit growing	649	7.04	151	63	214	114	2.1	6.9	4.1
Viticulture	729	9.78	148	58	206	105	1.8	6.5	3.6
Horticulture	406	1.75	118	2 425	2 543	1 115	15.6	42.4	31.8

COSTS PARTIALLY DEPENDENT ON THE PRICE OF ENERGY PRODUCTS ON THE RETURNING HOLDINGS PARTICIPATING IN THE FARM ACCOUNTANCY DATA NETWORK OF THE EEC, ACCORDING TO TYPE OF FARM

Accounting year "1971".

TYPE OF FARM	Fertilizers and land improvement per holding (ua)	Plant production products per holding (ua)	Outside work parties per holding (ua)	Total for fertilizers, plant protection products and outside work				
				per holding (ua)	per annual work unit (ua)	as a percentage of production costs (%)	as a percentage of operating costs (%)	as a percentage of earned income
General agriculture	3 085	933	996	5 015	2 354	17.9	39.9	46.
Arable land/herbivores	2 069	506	534	3 109	1 214	13.6	27.4	43.
Herbivores/arable land	1 136	201	336	1 673	760	10.2	19.5	31.
Cattle	836	62	290	1 188	594	7.3	15.5	19.
Herbivores-Granivores	1 003	114	283	1 400	782	7.9	13.3	28.
Granivores-Herbivores	1 055	115	376	1 546	873	7.0	11.1	26.
Fruit growing	426	460	232	1 118	595	11.0	35.8	21.
Viticulture	332	419	248	999	510	8.8	31.4	17.
Horticulture	686	318	251	1 255	550	7.7	20.9	15.

ANNEX IV

REPERCUSSIONS OF ENERGY MARKET DEVELOPMENTS ON CERTAIN AGRICULTURAL MARKETS

REPERCUSSIONS OF ENERGY MARKET DEVELOPMENTS ON CERTAIN AGRICULTURAL MARKETS

Information currently available reveals the following situations:

Cereals

In the cereals sector developments on the energy market seem particularly to affect maize production because of the large quantities of fuel required for drying harvested maize. However, the effects on production and marketing cannot, for the moment, be assessed with any precision.

Sugar

In the sugar sector three products in particular have been hit by the higher energy prices: sugar, dried pulp and sugar beet.

Approximately 23 kg of fuel are required to produce 100 kg of sugar[1]. With the average price for fuel in 1973 standing at around 18 u.a. per metric ton, the cost of the energy required to produce 100 kg of sugar comes to 0.41 u.a.

The increase in the manufacturing margin proposed by the Commission and adopted by the Council for the 1974/75 sugar year is 0.91 u.a./quintal, of which 0.55 u.a./quintal allowed for an increase in the cost of fuel over 1973 of approximately 135% (the fuel price taken was 42 u.a. compared with 18 u.a.). Furthermore, it is to be noted that the current market price for sugar and that announced for the new sugar year are considerably higher than the intervention price fixed.

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[1] According to the ECSM, there are very considerable regional differences: for instance, 17 kg in Denmark and 47 kg in Italy.

ANNEX IV

Approximately 20 kg of fuel, i.e. 0.36 u.a. (in 1973), are required to produce 100 kg of dried pulp. The 135% increase in the price of fuel has meant a rise in the production cost of approximately 0.49 u.a.

With the price of dried pulp standing at around 7 u.a./100 kg, the increase in energy costs represents approximately 7% of the price of the finished product. Dried pulp is not, however, subject to price rules under the common organization of the market in sugar and, consequently, its price is formed freely on the Community market in competition with supplies from non-member countries. Now, the ever-increasing volume of imports of competing products from the United States probably rules out the possibility of a higher market price in the near future. In these circumstances the increased energy costs mean an additional loss in earnings for sugar manufacturers of about 0.40 u.a. per 100 kg of sugar produced (1.5% of the intervention price for sugar).

As with many other types of farming, the increase in energy costs has brought about an appreciable rise in the production cost of beet.

Ignoring the price increases for fertilizers and for diesel oil, the production cost for beet of approximately 400 u.a./ha is thought already to have risen by some 30 u.a./ha, i.e. 7 1/2%.

This increase corresponds to a rise in the price of beet of approximately 3.5%. The price of beet for 1974/75 has been increased by 5.5%.

ANNEX IV

Dehydrated fodder

Price movements on the energy market have particularly affected the production of dehydrated fodder. Between November 1973 and February 1974 prime costs rose by approximately 55%. The increase in question concerns mainly the drying operations, which are major consumers of energy.

Vegetable oils

Hexane, the cost of which has a minimal effect on their prime cost, is used in the refining of these oils.

Meat

It has not yet proved possible to assess the extent to which the higher energy price have affected the different meat sectors. It does not, however, appear that these price changes have created distortions in competition between Member States; energy needs in the meat sector are, in fact, relatively small.

As regards meat production (beef, veal and pigmeat), the consumption of energy is mainly indirect through the use of fertilizers and animal feed (dehydrated fodder, compound feeding-stuffs) etc.

The slaughtering process, however, represents a direct consumption of energy (cleaning, cutting up, refrigeration line).

During recent months meat prices have been considerably influenced by short-term factors which have tended to obscure any effects which higher energy prices may have had on meat prices.

ANNEX IV

Milk and milk products

The increase in energy costs has affected the entire sector, from milk collection to milk processing in the dairy.

The cost of collecting milk from the farm is borne by milk producers; fuel costs account for approximately 20% of collecting costs, which, however, vary considerably within the Community depending on the distance between farms and their size. As a result of the higher fuel prices collecting costs have risen by approximately 10%.

Dairy production costs as a proportion of energy costs vary from product to product.

They are relatively low in the manufacture of butter (approximately 7% of total costs) but very high in the manufacture of milk powder (± 25%). It should, however, be remembered that the production costs for both these products account for only 9.5% and 15% respectively of their value.

Furthermore, to pass on the increased costs to the consumer is a difficult matter and it can only be done by stages. Only in respect of skimmed milk are dairies able to recover the entire increase in costs by way of deductions from their monthly payments for milk production.

When fixing the intervention prices for butter and skimmed milk powder for the 1974/75 farm year, the Council took into account the increase in processing costs and, more particularly, the increase in energy costs: the cost margin for the processing of butter and skimmed milk powder was raised by 13.1% and 18.3% respectively in order to take into account all the factors responsible for the increased costs.

ANNEX IV

Poultry farming

Hitherto price movements on the energy markets do not appear to have led to distortions in competition between Member States; energy is widely used in this sector, but requirements are not substantial.

In the various stages of egg production, for instance, energy is needed: for heating of incubators and chick-rearers; for operating egg graders and for packaging which is manufactured from petroleum-based products and finally, there are industrial uses (refrigeration, freezing, drying and cold-storage of products).

Energy is also widely used in the various stages of meat poultry production: for heating incubators and chick-rearers; for slaughtering and refrigeration lines; for packagings (petroleum-based products).

Furthermore, the entire production process for both eggs for the market and meat poultry will be faced with higher feed costs as a result of the higher energy prices (production and transport).

The effects of the energy crisis on this sector have been accentuated by a more serious crisis on the raw materials market (fishmeat, soya beans, cereals), so that it is not possible to assess the respective effects of the price increases. In addition, poultry prices are determined to a large extent by short-term economic factors (production) and seasonal factors (consumption).

However, if account is taken of contractual agreements, which distort market assessments, the price increases may, overall, add between 1% and 2% to production costs. In the incubating and processing sectors this percentage may be higher.

Fruit and vegetables, fresh and processed

The effects which events on the energy market may have on this sector are difficult to ascertain. However, crops grown under glass, such as tomatoes and cucumbers, are the ones mainly affected by the price increases.

This incidence of energy costs on the prime cost of crops grown under glass varies from one Member State to another depending on existing differences in energy prices, the energy sources used and the climatic conditions.

Furthermore, given the lack of information on the structure of operating costs, it is difficult to assess the impact of the higher energy prices.

What is more, selling prices in the horticultural sector are determined by the laws of supply and demand. Market fluctuations are, therefore, influenced by various factors including imports.

It is not possible at the present moment to determine the extent to which the price increases for energy products have affected price movements in this sector since September 1973.

However, the authorities in the Netherlands, where there is much cultivation under glass, have supplied us with the following information:

- Expressed as an average for the farm year, the cost of heating one m^2 of cucumbers under glass was Fl 4.73 in 1973, Fl 7.93 in 1974 and is expected to run to Fl 10.62 in 1975.

ANNEX IV

- As regards tomatoes, the cost of heating per m^2 was Fl 5.40 in 1973, Fl 9.75 in 1974 and is expected to reach Fl 12.45 in 1975.

Wine and agricultural alcohol

It is estimated that energy costs account for between 3% and 6% of the total cost of production and distribution of wine; any increase in the cost of fuel will be reflected directly in that figure.

Direct and indirect effects of the energy crisis are also visible on the market in agricultural alcohol. The indirect effects are the higher costs of the raw materials for distillation. At the same time, there is the direct effect on the cost of the product of the increase in the prices of the fuels used in distilling.

Energy costs are generally estimated to account for 5-10% of total distilling costs, which would be affected directly and proportionately by any increase in fuel prices. Attention should also be drawn to the appreciable rise in the price of ethylene (a by-product of petroleum cracking) and the corresponding rise in the cost of synthetic alcohol manufactured from ethylene, both of which have upset the conditions of competition between agricultural and non-agricultural alcohol. For a number of uses, molasses alcohol (the cheapest of the agricultural alcohols) looks to be a possible substitute for synthetic alcohol.

Fishing industry

In the fishing industry the increase in energy prices, particularly fuel prices, has adversely affected the economic position of a number of fleets whose profitability has been hit to a varying extent according to thetype of fishing.

ANNEX IV

In the sea-fishing industry, where a fisherman's wage is dependent on the size of the catch, the increased fuel costs have had a direct effect on wage levels. Similarly, fleet renewal programmes have also been affected: the shrinking of gross profits, which has not been matched by a sufficient increase in the price of products landed, has reduced considerably the cash flow and, consequently, the already limited means of self-financing available to fishing companies.

Generally speaking, all products in the sea-fishing sector have been affected by the increased price of fuel. Salt-water and salt-lagoon fish farming appear to be the only activities spared the adverse effects of this increase as the boats used in this sector consume little fuel.

In 1973 the fall in production was mainly due to a reduction in the number of tides worked (in order to save fuel), particularly in the small-scale fishing sector (Germany, Netherlands and Italy).

This resulted in higher landed prices which reflected, as far as possible, certain increases in fixed costs including fuel costs.

That trend, in spite of the usual end-year price increases, may, in the light of the prices recorded between 16 and 30 November and between 16 and 31 December 1973, be seen as typical. At the same time, there was a fall in consumption as consumers turned towards lower-cost substitutes.

Energy costs (fuel) as a proportion of operating costs and turnover vary from one Member State to another depending on the structural differences in the various fishing sectors. Furthermore, given the lack of information on the structure of operating costs, particularly in the small-scale fishing sector, it is difficult to assess the impact of the higher fuel prices.

ANNEX IV

The information available is very fragmentary and sometimes based on hypotheses or unrepresentative samples. It is, however, reasonable to assume that the effects are felt less in the inshore fisheries than in the deeap-sea fishing sector.

Member States	Fuel costs as a percentage of operating costs		Fuel costs as a percentage of turnover	
	1972	1973	1972	1973
Belgium	8-11	16-20	9	14
Denmark	15	25	-	-
France	5-9	9-16	4	14
Italy	7-8	18-20	6	17
Ireland	6-7	15	6	14
Netherlands	6	15	-	-

ANNEX IV

Tobacco and hops

Although the overall effects of the higher energy prices cannot yet be judged, it does appear that a number of products such as raw tobacco and hops could be affected. The production, processing and packaging of tobacco, particularly flue-cured varieties (Bright and Virgin SCR), require large quantities of petroleum products: one should allow for 200 l of heating oil for every 100 kg of Virgin SCR tobacco to be dried.

According to the information supplied by the Member States, the index of total production costs (1971 = 100) rose to 110 in 1972 and to 122 in 1973.

As for hops, the higher petroleum prices particularly affect drying operations and land preparation.

In Germany the costs of petroleum products accounted for 9.9% in 1971, 10.0% in 1972, 10.1% in 1973 and an estimated 15.2% in 1974 of revenue calculated on the basis of contract sales.

ANNEX U

EFFECTS OF THE CHANGES IN THE PRICES OF ENERGY PRODUCTS ON THE MARKET IN PHOSPHATIC AND NITROGENOUS FERTILIZERS

ANNEX V

EFFECT OF THE CHANGES IN THE PRICES OF ENERGY PRODUCTS ON THE MARKET IN PHOSPHATIC AND NITROGENOUS FERTILIZERS[1]

Phosphatic fertilizers are produced from natural phosphates: the percentage of phosphate (P_2O_5) in the raw material is between 30 and 40%. Phosphates are, thus, imported in bulk and are generally processed in the importing country before use. Three countries account for 80% of the total world production of natural phosphate: the United States (43%), USSR (22%) and Morocco (15%).

1. The consumption of phosphatic fertilizers in the Nine totalled approximately 4.5 million metric tons in 1971/72 of P_2O_5.

Consumption of phosphatic fertilizers in the EEC

'000 metric tons of P_2O_5

Year	EEC 9	EEC 6	Germany	France	Italy	Nether-lands	Belgium	Luxem-bourg	United Kingdom	Ireland	Denmark
1965/66	3 462	2 806	833	1 286	453	115	151	6.1	429	107	120
1969/70	4 078	3 312	857	1 710	486	108	145	6.6	472	167	127
1970/71	4 393	3 527	913	1 836	518	110	143	7.0	558	180	127
1971/72p	4 559	3 728	935	1 961	575	101	149	7.5	522	176	133

Source: FAO

The consumption of phosphatic fertilizers per hectare varies less from one Member State to another than does the consumption of nitrogenous fertilizers, the extreme values being 28 kg/ha UAA in the United Kingdom and 95 kg/ha UAA in Belgium for the former compared with 20kg/ha in Ireland and 176 kg/ha in the Netherlands for the latter.

Consumption of phosphatic fertilizers per hectare in the EEC

kg/ha of P_2O_5

Year	EEC 9	EEC 6	Germany	France	Italy	Nether-lands	Belgium	Luxem-bourg	United Kingdom	Ireland	Denmark
1965/66	35	39	60	38	23	51	69	45	22	22	40
1969/70	41	48	63	52	25	49	91	49	25	34	44
1970/71	46	52	68	56	29	51	90	52	30	37	44
1971/72p	48	55	69	60	33	48	95	56	28	36	46

Source: SOEC

[1] Source: OECD: Agriculture and the Energy Crisis (5 April 1974 - AGR(74)5).

2. 4.9 million metric tons of phosphatic fertilizers were produced in the EEC in 1971/72[1]. The breakdown of production in 1971/72 is as follows:

'000 metric tons P_2O_5

	Germany	France	Italy	Nether-lands	Bel-gium	Luxem-bourg	United Kingdom	Ire-land	Den-mark	EEC 9	
Single super-phosphate	49	190	193	60	32	-	44	.	74	642	
Concentrated superphosphate	-	269	18	69	208	-	49	.	-	613	+ 118 Ire-land
Basic slag	339	342	-	-	206	143	77	.	-	1 197	
Ammonium phosphate	-	-	-	86	-	-	-	.	-	86	
Other	555	686	293	80	290	-	292	..	23	2 219	
Total	943	1 577	504	295	736	143	462	118	97	4 875	

Source: FAO

The substitution of the production sources for phosphatic fertilizers is an indication of the variety of production processes in the EEC, which is essentially a processor of raw materials. Hence the complexity of the problem, with the EEC importing natural phosphates and reexporting phosphatic fertilizers whilst also producing phosphatic fertilizer from sources other than imported natural phosphates.

3. As regards supplies it is difficult to draw up a net balance sheet of external trade since the FAO does not possess statistics on intra-Community trade. If the trade of all Member States is aggregated, it emerges that in 1971/72 they imported a total of 960 000 metric tons and exported 1 210 000 metric tons of phosphatic fertilizers.

Of the 1.21 million metric tons exported 0.4 million was accounted for by basic slag of which 145 000 metric tons were produced in Luxembourg.

4. Prices of phosphatic fertilizers: a rapid analysis of the economic situation described above reveals that price formation in respect of phosphatic fertilizers is an extremely complex matter and that it is a serious miscalculation to consider that the higher prices of phosphatic fertilizers are merely a direct and proportional result of the increased energy costs:

(a) Since natural phosphates are imported into the EEC, the higher prices may be due to two main causes which cannot be entirely explained by the energy crisis.

- the increase in shipping charges: between early 1972 and early 1974 freight rates per metric ton from Tampa to Belgium rose by $ 3 to $ 12.50. During the same period the rate per metric ton from Casablanca to Belgium rose by $ 2.80 to $ 8. It cannot, therefore, be said that the energy crisis alone is responsible for the quadrupling of rates within two years.

- the increase in raw material prices: in the late Sixties and early Seventies prices of natural phosphates have stagnated and even fallen back, a matter of much concern for producers, in particular the developing countries (request for consultation within UNCTAD). The reduction in phosphate prices was a result of excess production capacity caused by an excessive production reaction to demand and by the consequent accumulation of stocks.

There has now been a reversal of the situation with the major producers not only operating at full capacity but running down stocks, if they still have any, to satisfy the increasing demand. The supply situation was tight in 1972 and in 1973 it has been impossible to meet demand, this imbalance having deteriorated further as a result of the withdrawal of US tonnage available to the world market, in order to enable their own new capacity for the production of phosphoric acid (contracts signed with the USSR) and of fertilizers (increase in areas under cultivation) to be supplied. This situation should continue in 1974.

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In these circumstances it is not surprising that Morocco, which is the world's third largest producer of natural phosphate and is capable of supplying the market with additional large quantities, increased prices spectacularly (plus 200%) as of 1 January 1974. Morocco has been followed in this to differing degrees by the other producer countries. (This could also be seen as an indirect result of the oil crisis (an attempt to restore the balance of payments upset by the oil crisis); however, the margin of appreciation is very wide because, according to the economic calculation alone, energy costs account for only 5% of the costs of processing natural phosphate.)

The increase in the price of another raw material, namely sulphur, which has risen considerably in price recently, has also had repercussions on the prices of phosphatic fertilizers.

By way of conclusion, it can be said that the phosphatic fertilizer industry is an extremely complex sector, that the energy crisis has been one of the causes of the increase in the prices of phosphatic fertilizers, but that the main cause is to be found in the increase in the prices of the raw materials used in the production of these fertilizers, particularly natural phosphates and sulphur.

ANNEX V

EFFECTS OF THE CHANGES IN THE PRICES OF ENERGY PRODUCTS ON THE MARKET IN NITROGENOUS FERTILIZERS[1]

Here energy is used for the fixation of atmospheric nitrogen either by reduction in order to produce ammonia or by oxydation to produce a nitrate. Hydrocarbons are also used as raw materials for the manufacture of ammonia.

For instance, in 1969/70 and 1970/71 47% of the primary synthetic ammonia produced in France was obtained from petroleum products, 40% from gas, 12% from coal and 1% by electrolysis. In the Netherlands and the United Kingdom 100% and 90% respectively of the synthetic ammonia produced comes from natural gas.

1. The total consumption of nitrogenous fertilizers in the Nine was 5.2 million metric tons of nitrogen in 1971/72 and must have been just under 5.5 million metric tons in 1972/73.

Consumption of nitrogenous fertilizers in the EEC ('000 metric tons of nitrogen)

Year	EEC 9	EEC 6	Germany	France	Italy	Netherlands	Belgium	Luxembourg	United Kingdom	Ireland	Denmark
1965/66	3 582	2 668	874	867	462	312	147	6.8	690	32	192
1969/70	4 436	3 445	1 085	1 230	550	387	182	10.4	650	70	271
1970/71	4 912	3 737	1 131	1 428	595	405	167	10.5	800	86	289
1971/72p	5 119	3 784	1 131	1 475	625	374	167	12.2	930	97	308

The consumption of nitrogenous fertilizers per hectare varies very considerably from one Member State to another (20kg/ha in Ireland and 176 kg/ha in the Netherlands).

Consumption of nitrogenous fertilizers in the EEC (kg of nitrogen per ha)

Year	EEC 9	EEC 6	Germany	France	Italy	Netherlands	Belgium	Luxembourg	United Kingdom	Ireland	Denmark
1965/66	36	38	63	26	24	138	89	51	35	7	64
1969/70	46	49	80	37	28	176	114	77	35	15	91
1970/71	52	55	84	44	34	189	205	79	42	18	98
1971/72p	54	56	84	45	36	176	206	92	50	20	104

[1] Source: OECD - Agriculture and the Energy Crisis (5 April 1974 - AGR(74)5).

ANNEX V

2. The production of nitrogenous fertilizers in the EEC in 1971/72 was 6.4 million metric tons and is estimated at 6.8 million metric tons in 1972/73. According to the OECD's Development Centre, approximately 7.7 million metric tons of ammonia would be needed to produce 6.4 million metric tons of nitrogen. Now, two-thirds of a metric ton of naphta and half a ton of fuel oil are needed to produce one metric ton of ammonia. If approximately one-third of the total production of nitrogenous fertilizers is manufactured from naphta, the EEC needed 1.7 million metric tons of naphta and 1.3 million metric tons of fuel oil.

Assuming that half of the total production of nitrogenous fertilizers is produced from natural gas (Netherlands 100%; France 40%) and that to produce one metric ton of ammonia requires 1 500 m^3 of natural gas, 5 800 million m^3 of natural gas were needed in 1971/72.

3. Supply, therefore, presents a priori no quantitative problems since the the EEC is a net exporter of nitrogenous fertilizers. It is difficult to draw up the net balance sheet of foreign trade since the FAO does not possess statistics on intra-Community trade. If the trade of all Member States is aggregated, it emerges that their total production exceeds their consumption by 1.2 million metric tons. It is clear that this situation could deteriorate (effect on the balance of payments) if EEC production was reserved only for producers in the EEC.

4. Price of nitrogenous fertilizers: according to the OECD, the cost of naphta and natural gas accounts in Europe for slightly less than half of total production costs in a normal period, i.e., before the energy crisis. The price of crude oil represents only slightly more than 50% of the cost of refined products. Thus an increase of x% in the price of crude oil will result only in a proportional increase of 25% of x, other things being equal.

However, it is true that naphta prices have not fluctuated to the extent that prices of crude have. Between mid-1972 and late 1973 naphta prices rose by a factor of 4 and even 5. During the energy crisis there were considerable increases in the prices of nitrogenous fertilizers, generally between 30% and 40%.

ANNEX VI

EXCISE DUTIES ON PETROLEUM PRODUCTS USED IN AGRICULTURE

ANNEX VI

Excise duties and VAT on petroleum energy products and natural gas on 1 January 1974

Taxes		B	G	DK	F	GB	Irl.	I	L	N
		FB/hl	DM/hl	Dkr/hl	FF/hl	L/hl	L/hl	Lit/hl	FL/hl	Fl/hl
Ordinary petrol	Duty	635 1	44	86.88	64.52	4.95	4.56	11 367 15 679/100kg	535	46
	VAT	18 %	11 %	15 %	17.6 %	0 %	6.75 %	12 %	5 %	16 %
Super	Duty	635 1	44	86.88	68.22	4.95	4.56	11 503 15 679/100kg	535	46
	VAT	18 %	11 %	15 %	17.6 %	0 %	6.75 %	12 %	5 %	16 %
Motor oil	Duty	255 2	41.15 49.65/100kg	0	37.90	4.95	3.90	5.021 5 976/100kg	115	18.46
	VAT	18 %	11 %	15 %	17.6 %	0 %	6.75 %	12 %	5 %	4 %
Heating oil	Duty	45 3	0.828 1/100kg	0	1.83	0.22	0	41.5 50/100kg	38	3.26
	VAT	14 %	11 %	15 %	17.6 %	0 %	6.75 %	12 %	5 %	4 %
Light fuel-oil	Duty	45	0.828 1/100kg	0	0	0.22	0	41.5 50/100kg	25	3.26
	VAT	14 %	11 %	15 %	17.6 %	0 %	6.75 %	12 %	5 %	4 %
Heavy fuel-oil	Duty	10/100kg	1.5/100kg	0	0	0.24/100kg	0	80/100kg 4	10/100kg	1.40/100kg
	VAT	14 %	11 %	15 %	17.6 %	0 %	6.75 %	12 %	5 %	4 %
Natural gas	VAT	6 %	11 %	15 %	17.6 %	0 %	6.75 %	6 % ou 12 % (5)	5 %	4 %

1. Reduced tax at Bfrs 605/hl until 30 April 1974
2. " " Bfrs 225/hl " " "
3. " " Bfrs 38/hl " " "
4. For oils containing a maximum of 1% sulphur: 5 lit/100 kg
   For domestic use: 6%
5. In most Member States and for most products the rate of duty is determined in hl. Where a Member State has fixed it in quintals this is shown below the conversion which has been made into national currency/hl.

ANNEX VI

TAX SITUATION OF MINERAL OILS USED IN AGRICULTURE

COUNTRY	EXCISE DUTIES					VAT
	Gas-diesel fuel oil	Gas-oil for heating	Heavy fuel oil	Petrol	Others	Rate
BELGIUM	Bfrs 45/hl instead of Bfrs 255/hl	Subsidy Bfrs 0.2/kg	Subsidy Bfrs 0.1/kg	○	○	14 %
DENMARK	Exempt ◐ Zero rated	Exempt ◐ Zero rated	Exempt ◐ Zero rated	◐ Exemption	◐ Zero rated lubricating oils	15 %
GERMANY	◐ Subsidy DM 49.65/kg	◐* Subsidy to horticulture	◐*	◐	○	11 %
FRANCE	Fuel oils Nos 1+2 FF 1.83/hl instead of FF 37.90/hl		◐* Zero rated	Petrol FF 23.08/hl instead of FF 64.52/hl	Lighting oil FF 9.82/hl instead of FF 33.20/hl	17,6 %
IRELAND	◐ Zero rated	◐* Zero rated	◐* Zero rated	○	○	6,75 %
ITALY	◐ Exemption	◐ Exemption	◐ Exemption	◐ Exemption	◐ Exemption	6 %
LUXEMBOURG	Lfrs 45/hl instead of Lfrs 115/hl	○	◐*	○	○	5 %
NETHERLANDS	Fl 3.26/hl instead of Fl 18.46/hl	Competition subsidy of 75% of duty for heating		○	○	4 %
UNITED KINGDOM	◐	◐* Horticulture ○	◐* Horticulture ○	○	Kerosene ○	0

◐ Total exemption

◐ Reduced rate

○ Normal rate

* General scheme

ANNEX VII

NATIONAL AID MEASURES EXISTING IN THE AUTUMN OF 1973[1]

[1] Only aid measures subject to EEC Treaty rules of competition are listed.

ANNEX VII

AID GRANTED FOR THE USE OF FUEL IN THE AGRICULTURAL AND FISHING SECTORS

MEMBER STATE (1)	AGRICULTURE (2)	FISHING (3)
GERMANY	Diesel oil: repayment of the total amount of the excise duty levied on motor fuel used in tractors and other machines used in agriculture	Exemption from excise duties when used in boats
BELGIUM	(1) Heating for cultivation under glass (horticulture or viticulture) Diesel oil : subsidy of BFrs 0.20/l Heavy fuel oil : (Paid for and supplied between 1 January 1973 and 31 December 1973) : BFrs 0.10/kg Extra heavy fuel oil (paid for and supplied between 1 January 1973 and 31 December 1973) : BFrs 0.10/kg (2) Medium-grade oils: authorization to use medium-grade oils in tractors and in engines in agricultural machines (reduced rate of excise duty = BFrs 15/hl) (3) Diesel oil : reduced rate)BFrs 45/hl instead of BFrs 255/hl).	Inshore fishing : Diesel oil : reduced rate as for agriculture (see point 3) Deep sea fishing : exemption from excise duties (regarded as export)
DENMARK	Petrol : excise duty is levied only on petrol; total exemption for agricultural machines and tractors	See agriculture
FRANCE	Paraffin oil and petroleum spirit :for tractors and equipment used for cultivation, harvesting and milking : restricted allocation of these products with a reduced rate of duty FF 9.82/hl for paraffin oil and FF 23.03/hl for petroleum spirit. Fuel oils Nos 1 and 2 :reduced rate of excise duty (FF 1.83/hl) (normal rate FF 37.90/hl) for use in engines of agricultural machines.	Exemption from excise duties

SOURCE : national legislation on which the Commission has information.

ANNEX VII

BER STATE (1)	AGRICULTURE (2)	FISHING (3)
LAND	Heavy oils : total exemption from excise duties, such duties being levied only on fuel oils used in road vehicles (except for agricultural tractors).	See column (2) opposite
LY	Petrol : total exemption from excise duties or equipment producing electric power, tractors and engines of agricultural machines not exceeding 40 h.p. (in the case of combine-harvesters the engine power must not be any higher). Paraffin oil, Diesel oil and fuel oils : total exemption from excise duties of equipment producing electric power, tractors and agricultural machines and for the heating of equipment for drying agricultural products.	Total exemption from excise duties on : 1) the use of mineral oils for inshore fishing outside the customs territory; 2) the use of mineral oils kept as reserve supplies on board fishing boats (lubricating Diesel oil); 3) the use of paraffin oil for lighting (e.g. the use of lights to attract fish).
EMBOURG	Medium-grade oil : authorization to use medium-grade oils in tractors and engines of agricultural machines (reduced rate of excise duty = LFrs 45/hl). Diesel oil : reduction of the rate of excise duty to LFrs 38/hl (full rate Lfrs 115/hl) for engines in agricultural machines and tractors.	
HERLANDS	(1) Horticultural sector : Mineral oils : refund of 75% of excise duties (as from 1 January 1974 a subsidy replaces the refunds). Natural gas : subsidy corresponding to the 75% refund on fuels (there is an agreement in the Netherlands whereby the price of natural gas is adjusted to correspond to the price of mineral oils on the Netherlands market).	Total exemption from excise duties (regarded as export).

ANNEX VII

MEMBER STATE (1)	AGRICULTURE (2)	FISHING (3)
NETHERLANDS (continued)	(2) Cultivation under glass natural gas : repayment of the environmental protection tax levied on mineral oils (Fl 120 to 150 per year and per producer). natural gas : as from 1 January 1974 provision is made for a reduction of 2 cents/m3 for smallholders (3) Agriculture : Diesel oil : authorization to use this product in agricultural tractors and machines at a reduced rate of excise duty (F 3.26/hl instead of Fl 16.87/hl as in the case of Diesel oil for cars).	
UNITED KINGDOM	Heavy oils : authorization to use this product at a reduced rate of excise duty for agricultural tractors and machines under certain circumstances. Fuel oils : repayment of the total excise duty when used as fuel in the horticultural sector.	Exemption form excise duties

ANNEX VIII

NEW NATIONAL AID MEASURES TO DEAL WITH THE NEW SITUATION

ANNEX VIII

LIST OF NATIONAL AID MEASURES ADOPTED FOR AGRICULTURE AND FISHERIES TO DEAL WITH ON THE ENERGY PRODUCTS MARKET[1]

Date of notification	Member State	Sector	Amount of aid	
7 Dec. 1973	Belgium	Horticulture (under glass)	Bfrs 40 million	
7 Jan. 1974	Netherlands	" " "	max. Fl 1 million	
14 Jan. 1974	Germany	" " "	DM 15 million	
8 Feb. 1974	Germany (Berlin)	" " "	DM 2 million	
4 Mar 1974	Germany (North Rhine/Westphalia)	" " "	DM 3 million	
13 Mar. 1974	Germany (Hamburg)	" " "	DM 500 000	
18 Mar. 1974	Germany (Bremen)	" " "	DM 572 000	
22 Mar. 1974	Germany (Baden-Württemberg)	" " "	DM 3.5 million	
28 Mar. 1974	Germany (Hesse)	" " "	max. DM 1.9 million	
28 Mar. 1974	Germany	a. horticulture (under glass)	approx. DM 23 million	
		b. dehydration of fodder	approx. DM 5 million	
		c. fishing in cutters	approx. DM 6.5 million	
		d. reconversion aid	approx. DM 10 million	
2 Apr. 1974	Italy	Sea-fishing(aid for motor fuel)	Lit 6 000 000 000	
3 Apr. 1974	Germany (Bavaria)	Horticulture (under glass)	approx. DM 2 million	

[1] Situation on 8 May 1974

ANNEX VIII

Date of notification	Member State	Sector	Amount of aid	
4 Apr. 1974	Netherlands	(a) Horticulture (under glass):		
		- conversion to natural gas	approx. Fl 7 million	
		- destruction of glasshouses	approx. Fl 10 million	
		- aid for fuels (bank guarantee and interest rate subsidies)	approx. Fl 26 million	
		(b) Fishing - cutter fleet:		
		- breaking up or withdrawal from fishing	approx. Fl 2.5 million	
		- aid for motor fuels (bank guarantee and interest subsidies)	approx. Fl 13 million	
		(c) Research	approx. Fl 3 million	
17 Apr. 1974	Germany (Baden-Württemberg)	Poultry farming (aid for motor fuels)	DM 350 000	
19 Apr. 1974	United Kingdom	Horticulture (under glass and mushroom growing)	£ 7 million	
29 Apr. 1974	France	(a) Fishing	FF 20 million	
		(b) Horticulture (under glass)	FF 47.5 million	
3 May 1974	Germany (Saar)	Horticulture (under glass)	DM 350 000	