

COMMISSION OF THE EUROPEAN COMMUNITIES

COM (80) 376 final

Brussels, 2 July 1980

**COMMUNICATION FROM THE COMMISSION TO THE COUNCIL CONCERNING THE
NEGOTIATION OF A PROTOCOL OF ADAPTATION AND TRANSITION TO THE ACP-
EEC CONVENTION TO TAKE ACCOUNT OF GREEK ACCESSION TO THE
COMMUNITIES**

AND

**RECOMMENDATION FOR A COUNCIL DECISION TO OPEN NEGOTIATIONS WITH
THE ACP COUNTRIES**

(submitted to the Council by the Commission)

COM (80) 376 final

FICHE FINANCIERE

Les conséquences sur les ressources propres de la négociation d'un protocole d'adaptation et de transition à la Convention ACP/CEE pour tenir compte de l'accession de la Grèce aux Communautés sont négligeables et intégrées aux prévisions triennales 1980-1982.

En effet, en vertu de l'article 126 de l'Acte d'adhésion, les droits de douane versés par la Grèce au budget communautaire à titre de ressources propres, sont calculés comme si elle appliquait dès l'adhésion les taux résultant du tarif douanier commun et les taux réduits résultant des préférences tarifaires appliquées, notamment aux Etats ACP, par la Communauté.

INTRODUCTION

Article 118 paragraph I of the Act concerning the Conditions of Accession of the Hellenic Republic and the adjustments to the Treaties states that from 1.1.81, the agreed date for the entry into force of the Act of Accession, the Hellenic Republic should apply the provisions of the agreements the Community has concluded with certain third countries.

Article 118 goes on to state that the transitional measures and adjustments shall be the subject of protocols concluded with the co-contracting third countries and annexed to those agreements.

When the Treaty of Accession was signed on 28 May 1979 the new ACP-EEC Convention had not been concluded. Article 122 of the Act of Accession thus stated that the provisions of Article 118 (and 119) should apply to any new agreement that the Community should conclude with the ACP countries before the entry into force of the Act of Accession.

On 28 November 1979, the Commission reported to the Council on the exploratory talks that it had held with the Community's co-contracting trading partners¹ and made a recommendation for a Council Decision to open negotiations with these countries together with negotiating directives. On 11 February 1980 the Council and the representatives of the governments of the Member States meeting within the Council authorized the Commission to open negotiations with these countries² with a view to concluding protocols of adaptation and transition to the agreements with those countries to take account of the accession of

¹ Doc. COM(79)693 final

² Doc. 4352/80.

Greece to the European Communities.

Due to the fact that the new EEC-ACP Convention was concluded shortly before the Commission made its recommendation, the ACP countries were not included in the Commission's proposals for negotiating directives. Moreover, in the Commission's report of 28.11.79¹ it was stated that the ACP countries would be dealt with in a separate communication.

To this end, the Commission is now recommending that the ACP countries should be included along with the other co-contracting trading partners in the general negotiating directives approved by the Council on 11 February 1980, as contained in Council document 4352/80. This recommendation is in line with the provisions of Articles 118, 119 and 122 of the Act of Accession.

It should be noted that under the terms of the Act of Accession, Greece has been granted certain transitional arrangements towards the Community in the tariff and non-tariff fields. Greece therefore also requires similar transitional arrangements towards the Community's preferential partners (including the ACP countries) since it is laid down in the Act of Accession (Article 118) that Greece may not grant any third countries more favourable treatment than she grants the Community as at present constituted.

¹ COM(79)693 final, p. 2

PART ONE - GREEK ACCESSION AND THE ACP-EEC CONVENTION

I. Position of the ACP Countries

On several occasions and most recently at the Meeting of the ACP-EEC Council of Ministers in Nairobi on 8/9 May, the ACP countries have expressed serious concern on the consequences of Greek accession on their commercial relations with the Community. The ACP countries consider that the impact of Greek accession could lead to an erosion of the Convention.

II. Position of the Commission

(i) Trade

In so far as the fears expressed by the ACP countries are concerned, the Commission would point out that it considers that the consequences of Greek accession for the ACP countries will be of a marginal and positive nature overall. Moreover there can be no question of a renegotiation of the EEC-ACP Convention and any concern of ACP countries would not justify any delay in the conclusion of a protocol laying down technical adaptations of the Convention made necessary by Greece's accession as well as certain transitional arrangements for the application by Greece of the Convention.

Under the terms of the EEC-Greece Association Agreement of 1962, Greece has enjoyed duty free and restriction free access to the Community market for industrial products since 1968 (excluding ECSC products which are not covered by the agreement). Thus Greek accession will not change the existing situation for ACP countries as regards industrial exports to the Community. In the agricultural sector over 90 % of Greek exports enter the Community duty free. Greek accession will thus not alter this factor of competition between Greek and ACP products on the Community market.

The adoption of the Community's "acquis" towards the ACP countries will involve Greece in considerable trade liberalisation. As well as applying the tariff preferences towards ACP countries Greece will have to abolish quantitative restrictions and measures of equivalent

effect. In the tariff field, Greece will be fully applying the provisions of the Convention for most industrial products, and tariffs for the remaining products (the so-called 22 year list products as contained in Annex VII of the Act of Accession) will be eliminated over 5 years. It should be noted that the average Greek external tariff is at present around 20 %. Greece today maintains some 300 quantitative restrictions towards third countries. From the date of accession all these quantitative restrictions will be abolished towards the ACP countries (except 14 products¹). Thus for the ACP countries, Greek accession will mean the opening up of a hitherto highly protected market (albeit a small one).

As regards specifically tropical products (coffee, tea, cocoa, spices) the opening up of the market will be particularly beneficial as Greece currently levies very high customs duties (up to 60 %). In 1977 2 % of Greece's exports were to ACP countries and around 1 % of her imports were from ACP countries.

On the whole Greece is not an important market for the ACP States not only because of its size but also because most of Greece's imports come from the industrialized countries (77 %). Greece's imports from the ACP mainly consist of foodstuffs (17.3 %), oil (8.6 %) and raw materials (including non-ferrous metals) (71.2 %). Greece's main imports of foodstuffs from the ACP countries consist of coffee and cocoa, which are currently subject to high protective tariffs (e.g. 52.5 % for cocoa).

Certain raw materials such as timber, which accounts for 30 % of Greece's total imports from the ACP countries, also bear high rates of customs duty (e.g. 21 % on sawn wood).

In other words, leaving aside copper, which enters Greece duty-free, the three main ACP exports - timber, coffee and cocoa - which account for 44 % of ACP exports to Greece, are subject to extremely high tariffs.

¹ These 14 products will also be subject to transitional quotas towards the Community under the terms of the Act of Accession, Article 36.

In more general terms, as already mentioned Greece is a highly protected market which is not very oriented towards the developing countries; its protective barriers include not only customs duties but some 300 quantitative restrictions on agricultural and industrial products but also a range of measures having equivalent effect, such as import deposits and cash payment system.

In conclusion, Greece's accession will open up a hitherto protected market to the ACP States and allow them to increase their market share. There should be no difficulty in general terms for the ACP countries to accept to conclude a protocol of transition and adjustment to take account of Greek accession. Transition is required by Greece towards the ACP countries (and the Community's other preferential trading partners) because the Community has granted transitional arrangement to Greece in the same sectors and Article 118 of the Act of Accession lays down that the Community's preferential partners shall not receive better treatment than the Community on the Greek market.

(ii) Stabex

As regards the stabex system, the exports of ACP countries to Greece for the products listed in Article 25 para. 1 of the new Convention will be taken into account, from 1.1.81 and no special measures need be taken.

(iii) Financial and technical cooperation

With regard to financial and technical cooperation, it will be necessary in due course to amend the schedule of contributions of the Member States to the EDF, as laid down in Article 1 para. 2 (b) of the internal agreement on the financing and administration of Community Aid to take into account Greece's contribution. In addition it will be necessary to adjust the distribution of votes among the Member States in the "Article 22" Committee and in the E.D.F. committee.

CONCLUSION

As mentioned in the introduction to this recommendation, the Commission considers that the ACP countries should be added to the list of countries contained in the general negotiating directives applicable to co-contracting countries which were approved by the Council on 11 February 1980 (1).

(1) Council doc.4352/80.

Decision of the Council and
of the Representatives of the Governments of the Member States,
meeting within the Council,
authorizing the Commission to open negotiations
with the ACP countries
to adapt the convention between the
Community and those countries
to take account of the accession of Greece
to the European Communities

THE COUNCIL OF THE EUROPEAN COMMUNITIES AND THE REPRESENTATIVES
OF THE GOVERNMENTS OF THE MEMBER STATES, MEETING WITHIN THE COUNCIL,

Having regard to the Treaty establishing the European Economic
Community, and in particular Article 238 thereof,

Having regard to the recommendation from the Commission,

Whereas it is necessary to adapt the Convention concluded between the
Community and the ACP countries to take account of the accession of
Greece to the European Communities and to this end to open negotiations
with those countries,

HAS DECIDED AS FOLLOWS:

Sole Article

The Commission is hereby authorized to open negotiations
with the ACP countries with a view to concluding a protocol of adapta-
tion and transition to the Convention with those countries to take
account of the accession of the Hellenic Republic to the European
Communities.

The Commission shall conduct such negotiations on the basis of the directives annexed to Council document 4352/80 in consultation with representatives from the Member States. Representatives of the Hellenic Republic shall be associated with the work, as observers, side by side with the representatives of the present Member States.

ANNEX

SPECIFIC TRANSITIONAL ARRANGEMENTS AND TECHNICAL ADAPTATIONS
ON THE EEC-ACP CONVENTION

ACP Countries.1. QUANTITATIVE RESTRICTIONS

Not applicable

2. TARIFF CEILINGS(i) Textile products

Not applicable

(ii) Other industrial products

Not applicable

3. TECHNICAL ADAPTATIONS

To be determined taking into account the date of entry into force of the new ACP-CEE convention.