# COMMISSION OF THE EUROPEAN COMMUNITIES 

$\operatorname{com}(80) 724$ final

Brussels, 17 november 1980

## PROPOSAL FOR A REGULATION (EEC) OF THE COUNGIL <br> on the common organization of the market in fishery products <br> (submitted to the Council by the Commission)

## COMMISSION OF THE EUROPEAN COMMUNITIES



COM (80) 724 final/2

Brussels, 8th December 1980

## PROPOSAL FOR A COUNCIL REGULATION (EEC) <br> ON THE COMMON ORGANIZATION OF THE MARKET IN FISHERY PRODUCTS

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(submitted to the Council by the Commission)
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English version :

1) In Table III continued (page 13) replace the species mentionned in first column by following species:
"Herring, Sardines Mediterranean, Sardines Atlantic, Redfish, Cod, Saithe."
2) In Article 5 paragraph 1 replace "fishing" by "catching"
3) In Article 20, paragraph 3 line 5 and 11 replace the words: "to any Common Customs Tariff duties" by "to the Customs duties in the common customs Tariff".
4) In Article 20 paragraph 4, line 3 replace "large" by "significant'.

## EXPLANATORY MEMORANDUM

## - I. INTRODUCTION

The common organization of the market in fishery products was established on 1 January 1971 on the basis of Regulation (EEC) $n^{\circ} 2142 / 70^{1}$.

This Regulation requires revision to take account of market developments and the changes which have occurred in fisheries in recent years following the general introduction of $200-m i l e$ fishing zones.

In its communication to the Council of 25 September 1980. (DOC. COM (80) 540 final, the Commission described the general lines along which it proposed to revise the common organization of the market in fishery products. The proposal which follows is consistent with these indications. It serves principally to amend the provisions concerning the producers'organizations, the prices and intervention system and the system of trade with non-member countries. At the same time some corrections have been made to other provisions to eliminate defects which application of the present rules has brought. to light.

Because of the number and complexity of these amendments, the intention is to replace the current Regulation by a new Regulation.

## II. THE PRODUCERS' ORGANIZATIONS

Since the Community rules came into force 71 producers'organizations and two associations of these organizations have been set up. About $70 \%$ of the production of the species Listed in Annex 1 ( $A$ ) and ( $C$ ) of Regulation (EEC) no 100/76 is marketed through these organizations.

Despite this generally relatively satisfactory situation, the way in which producers are organised in certain areas of the community still leaves something to be desired, particularly as concerns local inshore fishing and offshore fishing.
It is abso expected that a number of small producers'organisations set, up in the past will review their structure in the light of the new conditions following the introduction of catch quotas, so as to be in a better position to rationalize their production and to market it more effectively, thus maximizing the revenue from the limited catch opportunities available to their members.

1 In 1976 this Regulation was consolidated by Regulation (EEC) no 100/76 of 16 January 1976.

The Regulation now proposed therefore provides for the Member States to grant at a higherrate than is available at present to producers'organisations formed within five years from the entry into force of the Regulation.
'Producers'organizations are at present seriously hampered by nonmember producers who profit from the measures stabilizing the market without, however, being obliged to comply with the production and marketing rules imposed by these organizations on their members. Similar problems arise where the fisherman lands catches in a port other than his home port.

The current rules provide, in Article 7, for Member States to grant exclusive recognition to one producer organization for a given economic area and to make the production and marketing rules adopted by that arganization for its member applicable to producers who are not member of it extension of discipline.

The rules now proposed provide for the possibility of extending marketing discipline without first granting exclusive recognition to a producers organization for an entire economic area, limiting it instead to one or more products in one or more ports of landing within the area where the producers'organization in question operates.

No decision will be taken to extend marketing discipline to all products marketed unless the producers'organization applies Community withdrawal prices. At the same time provision is made for the Commission to exercise a measure of surveillance of the decisions taken by the Member States on this matter.

## III. THE PRICES AND INTERVENTION SYSTEM

## 1. Guide price

Under current rules guide prices are fixed on the basis of the average market prices recorded during the last three years preceding the fising of these prices.

It is proposed that in future account should be taken not only of the mathematical criterion applied in the past but also criteria such as production and demand prospects, and the need to support producers
incomes while taking into consideration consumer interest. This should enable a more judictous price policy to be followed in future.

Dogfish and ling have been inserted in the list of products for which a guide price should be fixed in view of the importance of these fish for producers'incomes in certain regions of the Community. However, it is proposed that shrimps and prawns should be removed from this list. Experience has shown that for products whose prices fluctuate sharply in line with annual production volume, the present system of stabilizing prices does not give the desired results.

It is planned to include these products in the list of products appearing in Annex $I I_{\text {. }}$ which may be eligible for private storage aid if there is a sudden price drop. It is also proposed that nephrops and edible crabs should be included in this list.
2. Withdrawal prices

The current Regulation enables producers'organizations to stabilize the market on the basis of a price fixed unilaterally or on the basis of a withdrawal price fixed by the Community.

The partial financial compensation from the public authorities is, however, Limited to producers'organizations which apply the Community withdrawal price throughout the entire period of its validity.

This obligation to apply a uniform price throughout the year has proved to be too rigid in view of the frequent changes in marketing conditions. The rules now proposed will allow producers'organisation to adjust their withdrawal prices in line with market developments within a $10 \%$ bracket without losing entitlement to financial compensation for withdrawal.

The current provisions provide that the withdrawal price shall be fixed at a level of between $60 \%$ and $90 \%$ of the guide price.

In practice no withdrawal price has been fixed below $70 \%$ of the guide price and it therefore seems desirable in future to use this figure as a lower limit.

## 3. Varying rates of financial compensation

Current proposals provide for the granting of uniform financial compensation irrespective of the quantity withdrawn from the market.

What is needed is an intervention system which can be adapted to the requirements of conservation and resource management policy and which encourages fishermen to adapt their product ion more closely to the quantitative and qualitative demands of the market. This objective can be achieved by providing for degressive financial compensation related to the quantities withdrawn from the market and to abolish it in cases of abnormally high withdrawals.

## 4. Premium for processing or storage

In view of the speciric nature of the fishery products market, it is impossible, despite the efforts by the producers'organizations to ensure regular supplies to the market, to avoid withdrawals in all circumstances, even for high quality products.

The granting of a processing or storage premium will help to prevent the undesirable destruction of fish withdrawn from the market but which could be marketed at a later date for human consumption. These premiums will replace the financial compensation for withdrawal and will be applicable to a quantity not exceeding $15 \%$ of the production of the producers'organizations.
However, in view of the particular difficulties faced by the anchovy and sardine canning industry, the percentage applicable to these products is raised, for three years, to $25 \%$ of the production of Mediterranean producer organisations. Since the amount of this premium is lower than the amount of the financial compensation to be granted for withdrawal, these premiums will at the same time enable budgetary savings to be made.
5. Public buying-in of sardines and anchovies

Article 12 of Regulation $100 / 76$ provides for the public buying-in of sardines and anchovies. At the time when that Regulation was adopted the plan was to abolish this system as soon as the process of organizing the fishermen in the Member States concerned had made sufficiert progress.

In view also of the amendments made to the prices and intervention systems, the new Regulation now proposed no longer provides for this public buying-in.

## IV. TRADE WITH NON-MEMBER COUNTRIES

The general introduction of 200-mile fishing zones fundamentally changed the supply situation in the Community. In 1975 total. imports amounted to 750.000 tonnes. In 1979 imports reached about 1.040 .000 tonnes. During the same period, Community exports rose from 260.000 tonnes to 660.000 tonnes, but this increase is mainly due to sales of mackeret.

The proposed amendments to the system of trade aim both to ensure regular market supplies and to guarantee adequate protection against imports at abnormally low prices which are likely to disturb Community markets.

The Commission considers that the Community should implement these new rules in due respect of its international obligations. As regards the countries party to the ACP Convention, and the Mediterranean countries for which there are cooperation agreements, the Community should fulfil in particular the obligations foreseen in the case of modifications of a market organisation.

1. Reference prices

In view of the increased importance of imports for the formation of prices on the Community market, the reference price system requires a number of adjustments to make it both more effective in the event of the community market being threatened and also more flexible in view of the increased need for imports to satisfy Community demand.

It is therefore proposed :

- to fix a reference price for all theproducts listed in Annex I of the proposal for a Regulation, irrespective of their presentation on import (fresh or frozen) and to extend the reference price system, firstly to certain species, which are listed in Annex $V$, not produced in the Community but which are in idirect competition with community products and secondly to salmon and lobster :
- to fix an individual reference price for each presentation of a a species marketed on a large scale which will enable any protective measures to be applied selectively;
- to apply protective measures progressively (for example, in the first instance by the temporary abolition of autonomously suspended CCT duties, subsequently by imposing the obligation to comply with the reference price system for all commercial operations and finally, if these measures still prove insufficient to remedy disturbances on the Copmunity market, the suspension of imports by applying provisions pursuant to the safeguard clause.

When community prices in the fisheries sector are fixed, account muse be taken of the differences in the prices on the various Community markets. The guide price and the withdrawal prices which are derived from it, must be fixed for each species at a level which avoids massive withdrawals in the places of landing which generally have the Lowest price level in the Community for the species in question. The guide price level cannot therefore be considered as representative of a satisfactory average price ensuring a fair income for producers, but as a floor level above which this income must be constituted and devetoped.

In a situation where there is disturbance on the market or disturbance is threatened, products imported from non-member countries cannot be permitted to be sold at a price which is below this minimum level.

The reference price system should serve this objective where compliance with the reference price by exporting countries at the free-at-frontier stage and the application of the common customs tariff would bring the - selling price of imported products to a level approaching the level of the guide price.

But non-member countries which enjoy substantial tariff concessions of one kind or another may well use this advantage to dispose of their products on the community market at a price considerably below the guide price.

To prevent this occurring, it is proposed that in future, when determining the offer prices for non-member countries, account should be taken of the incidence of the common customs tariff rather than any preferential tariff applicable to these imports.

This sytem will oblige nonmember countries enjoying a preferential tariff to adjust their export prices in proportion to the tariff advantage which they enjoy where the market price level of the products in question shows a downward trend and is approaching the level of the reference price. However. if the market is stable and prices are at the level of the guide price or above it, non-member countries may be permitted to make use of the tariff advantage as best they can, either to obtain increased export revenue or to improve their competitve position with regard to other Community suppliers.
2. The system of imports for preparations and preserves of certain sensitive products

Until now it has been impossible to introduce a Community system for imports of prepared and preserved sardines or tunny.

The proposed Regulation provides for the abolition of the remaining quantitative restrictions on these products and for the introduction of a system for monitoring imports and where necessary for import licences.

It is considered desirable to include, in this new import system, prepared and preserved anchovies the production and marketing of which possess similar features.

Therefore the Commission withdraws its previous proposal for a Council Regulation supplementing Regulation (EEC) no $100 / 76$ with regard to arrangements for importing prepared and preserved sardines (doc. Com(76) 366 final of 14 July 1976).
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## V. BUDGETARY ASPECTS

Expenditure by the EAGGF, Guarantee Section, in the fishery products sector has steadily increased and will amount to 25 million EUA in 1980. This increase is mainly due to a gradual rise in the number of producers'organizations during past years.

The share of community production covered by measures to stabilize prices has consequently increased. Moreover, following the changes in the composition of landings since 1975, export refunds have had to be granted, in particular for mackerel.

All the envisaged amendments to the common organization of the market will not involve any considerable increase in expenditure. The higher rates of financial compensation envisaged for the withdrawal of products from the market will only be granted where the producers'organizations succeed in better controlling withdrawals and these higher rates will therefore be granted for smaller quantities. Again, certain specific aid measures will replace the expenditure which would otherwise have been necessary to compensate producers who withdraw from the market products which are covered by these measures.

The expenditure forecasts annexed hereto show that an increase in expenditure of about $7 \%$ is to be expected compared with the expenditure estimated on the assumption of the price and intervention system being left unchanged.

It should be noted that it is proposed that there should be no financing of intervention measures for quantities in excess of the catch quotas allocated to Member states.

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Number of recognized producers' organizations in the fisheries sector
(Situat ion at the end of the third fuarter 1980)

| Member <br> States | Local inshore fishing | Offshore fishing | High-sea fishind | Deep-sea fishing | \| $\begin{gathered}\text { Pêche speciali } \\ \text { sóe } \\ \text { out autre } \\ \text { oeche }\end{gathered}$ | Associations | TOTAL |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| GERMANY | - 6 | 9 | 2 | - - | - | 1 | 18 |
| BELGIUM | - | $\square 1$ | $\longrightarrow$ | - | - . . | - | 41 |
| DENMARK | 4 | $\square 1$ | $\longrightarrow$ |  | 1.8 | - | 1 |
| FRANCE | 6 | 6 | 6 | 2 | 3 | 1 | 24 |
| IRELAND | 2 | - | 1 - | - | - | - | $\cdots 2$ |
| ITALY | 10 | 1 | 1 | - | - - | , |  |
| NETHERLANDS |  | - | $2$ | - | $\longrightarrow$ |  |  |
| UNITED KINGDOM | 8 | 1 | Cincluding off= shore fishing and local inshore fishing) | $9$ <br> Cincluding offshore fishing and local insnore fishing) | 1 | - | 13 |
| EEC | 32 | 17 | 11 | 13 | 4 | 2 | 73 |

Source : O.E.C.D., Eurostat.

\begin{tabular}{|c|c|c|c|c|c|c|c|c|c|}
\hline Species \& GERMANY \& BELGIUM \& demmark \& FRANCE \& ireland \& ITALY \& Netherl ands \& \begin{tabular}{l} 
UNITED \\
I KiNGDOM \\
\hline
\end{tabular} \& 1 EEC \\
\hline  \& \[
\begin{aligned}
\& 2.250 \\
\& 1.05 \\
\& 1.2: 2 \\
\& i: 3
\end{aligned}
\] \& 2.527
4.555
925
465 \& \[
\begin{aligned}
\& 12.752 \\
\& 8.815 \\
\& 9.052 \\
\& 5.065
\end{aligned}
\] \& \[
\begin{array}{r}
11.768 \\
9.676 \\
11.475 \\
5.894
\end{array}
\] \& \[
\begin{aligned}
\& 705 \\
\& 510 \\
\& 913 \\
\& 542
\end{aligned}
\] \& - \& 1.471
757
1.132
180 \& 118.126
\(81.6: 5\)
72.355
36.283 \& \begin{tabular}{|c|}
\(149.8: 2\) \\
103.503 \\
97.592 \\
49.649
\end{tabular} \\
\hline \[
\begin{array}{r}
\text { Witing } \quad 77 \\
78 \\
\times 89
\end{array}
\] \& 252
255
205
55 \& ( \(\begin{aligned} \& 2.942 \\ \& 2.897 \\ \& 3.57 \\ \& 1.65\end{aligned}\) \& 1.96.

2.145
1.124 \& 33.367
36.776
40.462
20.266 \& 7.571
6.829
8.309
7.542 \& - \& 7.971
9.262
10.687
6.500 \& 49.757
57.80
60.857
28.116 \& $\left\lvert\, \begin{aligned} & 102.622 \\ & 115.863 \\ & 126.265 \\ & 65.263\end{aligned}\right.$ <br>
\hline Mackerel $\begin{array}{r}77 \\ \\ 78 \\ 79 \\ \times \quad 80\end{array}$ \& 93
150
85
8 \& 48
10
12
1 \& 42.363
45.43
40.575

5.355 \& | 37.404 |
| :--- |
| 40.766 |
| 35.329 15.532 | \& 17.549

17.746
26.277
2.815 \& - \& 1.785
842
886
-114 \& 103.833
231.467
270.656
71.106 \& $\left\lvert\, \begin{gathered}200.632 \\ 335.23 \\ 372.151 \\ 94.952\end{gathered}\right.$ <br>

\hline | Anchovy |
| ---: |
|  |
|  |
| 77 |
| 78 |
| 79 |
| $\times 80$ | \& \& \& \& 5.117

5.816
3.817
1.680 \& \& 46.632
51.725
34.630 \& \& \& 45.749
57.541
35.427
1.650 <br>

\hline  \& $$
\begin{aligned}
& 2.8 .9 \\
& 2.2=7 \\
& 2.3 \div 5 \\
& 1.5=2
\end{aligned}
$$ \& \[

$$
\begin{aligned}
& 6.570 \\
& 3.970 \\
& 6.467 \\
& 2.546
\end{aligned}
$$

\] \& \[

$$
\begin{aligned}
& 51.535 \\
& 47.143 \\
& 49.276 \\
& 17.544
\end{aligned}
$$
\] \& 3.228

3.601
4.125
2.114 \& 1.595
1.565
1.562
923 \& - \& 46.939
27.652
35.573
17.022 \& 34.187
35.347
35.73
15.231 \& 144.865
121.782
133.600
56.920 <br>
\hline Hatce $\begin{array}{r}77 \\ \\ \\ \\ 78 \\ 79 \\ \\ \\ \hline 80\end{array}$ \& 13
31
19
6 \& 171
117
120
153 \& 1
1.522
$1.5 \% 2$

63 \& | 17.035 |
| :--- |
| 17.352 |
| 18.875 |
| 7.944 | \& 123

187
147
173 \& - \& 25
42

- \& 1.642
1.762
$1.6 \in 3$
827 \& 19.016
21.653
22.733
9.69 <br>

\hline $$
\begin{aligned}
& x=\text { first six } \\
& x x=80-\text { first }
\end{aligned}
$$ \& onths months. \& \& \& \& \& \& \& \& <br>

\hline
\end{tabular}

(continued 1)
J. 8 I XJNNV NI OSISIT SIJNOOX, 10 S9NION: $7 \forall 101$


[^0](cont inued 2)
TOTAL LANDINGS OF PRODUCTS LISTED IN ANNEX I A \& C


[^1]
## AVERAGE PRICES OF PRODUCTS LISTED IN

ANNEXES I, II AND III OF REGULATION (EEC) $n^{\circ} 100 / 76$ (Wholesale market or representative port price-ECU/t)


SEA-bREAM OF THE



## COMmunity trade <br> 1973-9079

Fresh, chilled and frozen fish, crustaceens, molluscs and preserves cexcluding oils and fats; meal, powder and cake)

| Intracommunity trade | 1973: 691.303t $=484 \mathrm{Mio}=0$ |
| :---: | :---: |
|  | 1974: 659.900 t $=535 . \mathrm{Mio}=0$ |
|  | .1975: 653.000t a 577 110 |
|  | 1976: 704.873 t = 73ら Mio \& u |
|  | 1977: $718.103 \mathrm{t}=\mathrm{E}_{2} \mathrm{~L}$ Mio Lu |
|  | 1573:764.025t-1012 !30 cuv |
|  | 2572 8807.451 t -1173 K10 |



Exports from the Community


Net imports


Source: "Euposthte External Trade.





EAGGF expenditure on the common organization of the market in fishery products


COUNCIL REGULATION (EEC) NO
of
on the common organization of the market in fishery products

THE COUNCIL OF THE EUROPEAN COMMUNITIES,
Having regard to the Treaty establishing the European Economic Community, and in particular Articles 42 and 43 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas the basic provisions concerning the organization of the market in fishery products should be revised to take account of market developments, the changes which have occurred in fisheries in recent years and the deficiencies found in the application of the current market rules; whereas in view of the number and complexity of the amendments to be made, the amended provisions would lack the clarity which is an essential feature of all legislation; whereas Council Regulation (EEC) No $100 / 76$ of 19 January 1976, as last amended by Regulation (EEC) No $2903 / 78^{1)}$ should therefore be replaced;

Whereas the operation and development of the common market in agricultural products must be accompanied by the establishment of a common agricultural policy and whereas the latter must include in particular a common organization of agricultural markets, which may take various forms depending on the products concerned:

Whereas the fishing industry is of special importance to the agricultural economy of certain coastal regions of the community; whereas that industry provides a major part of the income of fishermen in these regions; whereas it is therefore advisable to encourage rational marketing of fishery products and to ensure market stability by appropriate measures;
(1) OJ NO L $347,12.12 .1978$, p. 1.

Whens one of the steps to be taken to implement the common organ zatice phe market is the application of comon marketing standards to the prouncs ancernect whereas application of these standards should have the effect of kepping products of unsatisfactory quality off the market and facilitating trade relations based on fair competition, thus helping to improve the profitability of prodxetion;

Whereas the application of these standards calls for the inspection of the prom ducts subject to them; whereas provision should therefore be made for such inspection:

Whereas it is desirable to make provision under the rules regulating the market for measures which would make it possible to adjust supply to market requirements and to guarantee, as far as possible, a fair income to producers; whereas, given the special features of the market in fishery products, the formation of producers organizations whose members would be bound by certain rules, notably in the matter of production and marketing, would contribute to the attainment of these objectives;

Whereas it is desirable to adopt provisions to facilitate the formation and operation of these organizations and the investment entailed in applying their common rules; whereas to this end Member states should be allowed to make aid available to them, this aid being partly financed by the community; whereas, however the amount of this aid should be limited; whereas it should also be temporary and degressive, so that the financial responsibility of producers will gradually increase;

Whereas, since in certain Member States the concentration and structure of these organizations are unsatisfactory, it appears necessary to permit Member States to grant them higher amounts of aid during a transitional period;

Whereas, to support the activity of these organizations, thus facititating greater market stability, Member States should be permitted to extend, under certain conditions, to all non-members who market goods in a specific region the rules, in particular those on first-stage marketing, adopted by the organization in the region in question on behalf of its members:

Whereas application of the system described above involves costs to be borne by the organization whose rules have been extended; whereas, therefore, non-members should contribute towards these costs; whereas the Member state concerned
should also have the possibility of granting an indemnity to those operators in respect of products which, although meeting marketing standards, could not be marketed or which were withdrawn from the market;

Whereas, at all events, provisions should be laid down to ensure that the producers' organizations do not hold a dominant position in the community;

Whereas in order to cope with market situations which, in the case of certain fishery products of special importance to producers' incomes, are likely to lead to prices which might cause disturbances on the Community market, a guide price which is representative of production areas in the community and which will be used to determine price levels for intervention on the market must be fixed for each of these products;

Whereas, in order to stabilize prices, producers' organizations should be able to intervene on the market, notably by applying a withdrawal price below which their members' products are withdrawn from the market;

Whereas it is appropriate in specific cases and under certain conditions to support the activities of producers.' organizations by providing financial compensation for quantities withdrawn from the market;

Whereas experience has shown that, in certain cases, the financial compensation paid to these organizations is not such as to encourage fishermen to join them; whereas the financial compensation should therefore be increased;

Whereas experience has shown that some flexibility should be introduced into the application of intervention mechanisms by the fixing of Community withdrawal prices, to enable the organizations to withdraw products from the market, within certain limits, in accordance with market fluctuations;

Whereas, to encourage fishermen to adjust their deliveries more accurately to market requirements, provision should be made for different levels of financial compensation depending on the volume of market withdrawals;

Whereas in view of the scarcity of certain species, the destruction of fish cf a high commercial value which have been withdrawn from the market should be avoided where possible; whereas, to this end, aid should be granted for the storage or processing of certain quantities of fresh products withdrawn from the market or for their processing for human consumption: whereas because, on the one hand, of the particular difficulties faced by the anchovy and sardine canning industry, and, on the other hand, of the slow development of producers" organizations in the Mediterranean area, "it is appropriate to provide for an increase in the quantities eligible for aid of these two products in the areas concerned for a limited period;

Whereas, in addition to the system described above, and to the extend necessary for its proper working, provision should be made for regulating or, when the situation on the market so requires, prohibiting totally or in part the use of inward processing arrangements; whereas it is also desirable that refunds should be so fixed that Community raw materials used by processing industries in the community with a view to export are not placed at a disadvantage by inward processing arrangements which would encourage these industries to give preference, to raw materials imported from non-member countries;

Whereas it is necessary to prevent competition between community undertakings being distorted on external markets; whereas equal conditions of competition must therefore be established by the introduction of a Community system which would provide for the optional granting of refunds on exports to non-member countries to the extent necessary to safeguard Community participation in international trade in the products concerned where these exports are of economic importance:

Whereas the levying of any customes duty or charge having equivalent effect and the application of any quantitative restriction or measure having equivalent effect are prohibited in the internal trade of the community by the provisions of the Treaty;

Whereas the establishment of a single market based on a common price system would be jeopardized by the granting of certain aids; whereas, therefore, the provisions of the Treaty whereby aids granted by Member States cari be examined, and those which are incompatible with the common market prohibited, should be made to apply to the fishing industry;

Whereas the common organization of the market in fishery products must take appropriate account, at the same time, of the objectives set out in Articles 39 and 110 of the Treaty;

Whereas implementation of this common organization must also take account of the fact that it is in the community interest to preserve fishing grounds as far as possible; whereas the financing of measures relating to quantities exceeding the catch quotas allocated to the Member States should therefore not be permitted;

Whereas, in order to facilitate implementation of the proposed measures, there should be a procedure for establishing close cooperation between Member states and the Conmission within a Management Committee;

- Whereas the expenditure incurred by the Member States as a result of the obligations arising out of the application of this Regulation falls on the commu-- nity in accordance with the provisions of Articles 2 and 3 of Council Regulation (EEC) No $729 / 70$ of 21 April 1970 on the financing of the common agricultural policy ${ }^{(1)}$, as last amended by Regulation (EEC) No 2788/72 ${ }^{(2)}$,

HAS ADOPTED THIS REGULATION:
(1) OJ No L 94, 28. 4.1970, p. 13.
(2) OJ No L $295,30.12 .1972$, p. 1.

## Article 1

1. A common organization of the market in fishery products shall be established comprising a price and trading system and common rules on competition.
2. This organization shall cover the following products:" .

| CCT heading No | Description of goods |
| :---: | :---: |
| (a) 03.01 | Fish, fresh (live or dead), chilled or frozen |
| (b) 03.02 | Fish, dried, salted or in brine; smoked fish, whether or not cooked before or during the smoking process |
| (c) 03.03 | Crustaceans and molluscs, whether in shell or not, fresh (live or dead), chilled, frozen, salted, in brine or dried; crustaceans, in shell, simply boiled in water |
| (d) 05.15 | Animal products not elsewhere specified or included; dead animals of chapter 1 or, $\bar{E}$, unfit for human consumption: <br> A. Fish, crustaceans and molluscs |
| (e) 16.04 | Prepared or preserved fish, including caviar and caviar substitutes |
| (f) 16.05 | Crustaceans and molluscs, prepared or preserved |
| (g) 23.01 | Flours and meals, of meat, offals, fish, crustaceans or molluscs, unfit for human consumption; greaves: <br> B. Flours and meals of fish, crustaceans or molluscs |

## TITLE I

## Marketing standards

## Article 2

1. Common marketing standards and the scope of such standards may be determined for the products listed in Article 1 or groups of these products. These standaro's may cover in particular classification by quality, size or weight, and packing, presentation and labelling.
2. When standards have been adopted, the products to which they apply may not be displayed for sale, offered for sale, sold or otherwise marketed unless they conform to these standards, subject to special rules which may be aciopted for trade with non-member countries.
3. The standards and general rules for their application, including the special rules referred to in paragraph 2, shall be adopted by the council acting by a qualified majority on a proposal from the commission.

## Article 3

Decisions to adjust the common marketing standards to take account of changes in' production and sales conditions shall be taken in accordance with the procedure laid down in Article 35.

## Article 4

1. Products for which common marketing standards have been adopted shall be liable to inspection by Member States for conformity with these standards.

This inspection may take place at all marketing stages and during transport.
2. Member states shall take all appropriate measures to penalize infringements of the provisions of Article 2.
3. Not later than one month after the entry into force of each marketing standard, Member states shall notify the other Member states and the Commission of the name and adress of the bodies entrusted with the inspection of each product or groups of products for which the standard in question has been adopted.
4. Detailed rules for the application of paragraph 1 shall be adopted as necessary in accordance with the procedure laid down in Article 35, account being taken in particular of the need to ensure coordination of the work of the inspection bodies and uniformity in the interpretation and application of common marketing standards.
title II

Producers' organizations

## Article 5

1. For the purpose of this Regulation, 'producers' organization' means any recognized organization or association of such organizations, established on producers' own initiative for the purpose of taking such measures as will ensure that fishing is carried out along rational lines and that conditions for the sale of their products are improved.

These measures, which shall be designed in particular to promote implementation of fishing plans, concentration of supply and regularization of prices, shall require members:

- to dispose, through the organization, of their total output of the product or products in respect of which they are members; the organization may decide that this requirement can be waived if product are disposed of in accordance with common rules established in advance;
- to apply, with regard to production and marketing, rules which have been adopted by the organization with the particular aim of improving product quality and adapting the volume of supply to market requirements.

2. The producers' organizations may not hold a dominant position in the Community.
3. The Councit, acting by a qualified majority on a proposal from the Commission, shall adopt general conditions and rules for the application of this Article.

## Article 6

1. Member states may make aid available to producers' organizations established after the entry into force of this Regulation to encourage their formation and to facititate their operation.

This aid shall be granted during the three years immediately following recognition; for the first, second and third year this aid shall not exceed 3,2 and $1 \%$ respectively of the value of production marketed under the auspices of the producers' organization nor shall it exceed 60,40 and $20 \%$ of the organization's administrative expenses in the first, second and third year respectively.

The value of production marketed shall be established each year on a standard basis, namely:

- members' average marketed production during the three calendar years immediately preceding membership of the organization;
- average producer prices obtained by those members over the same period.

2. By way of derogation from paragraph 1, Member States shall grant aid to producers' organizations established within five years from the date of entry into force of this Regulation, for the first five years after the date of their establishment, to encourage their formation and to facilitate their operation, provided that these organizations offer sufficient guarantees as to the duration and effectiveness of their activity. The aid shall amount for the first, second, third, fourth and fifth years respectively to not more than $5 \%, 4 \%, 3 \%$, $2 \%$ and $1 \%$ of the value of reproduction marketed under the auspices of the producers' organization and may not exceed the actual cost of the formation and administrative operation of the organization in question.

Payment of the aid shall be made within seven years from the date of formation
3. During the five years immediately following the creation of the intervention funds referred to in Article 9 , Member States may make aid available to producers" organizations, either directly or through credit institutions, in the form of loans on special terms to cover part of the ancitipated cost of intervention within the meaning of Article 9.
4. The aid referred to in paragraphs 1 and 2 shall be notified to the commission in a report which Member States shall forward to it at the end of each financial year.

When the aid referred to in paragraph 3 is granted, the Commission shall be notified immediately.
5. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt general conditions and rules for the application of this Article.

## Article 7

1. Where a producers' organization operating in a given economic area is considered to be representative of production and of marketing in that area or in one or more landing places situated in the area in question, the Member State concerned may oblige producers who are not members of that organization and who market in that area or at those landing places one or more of the products listed in Annex I (A) to comply with:
(a) the marketing rules referred to in the second indent of Article 5 (1) which will have been in application for at least one marketing year,
(b) the rutes adopted by the organization concerned relating to market withdrawals, in application for at least one marketing year, provided that the withdrawal price is equal to the price fixed pursuant to Article 12.

However, it may be decided that the rules referred to above are not apply to certain categories of sales.
2. For the purposes of this Article and economic area shall mean an area comprising adjacent or neighbouring production areas in which the production and marketing conditions are the same.
3. Member States shall notify to the commission the rules which they intend to make obligatory under paragraph. 1.

The Commission may, within two months following their notification:
(a) decide that the rules notified may not be made obligatory, or
(b) annul the extention of the rules decided on by the Member State, in particular when it finds, under Article 2 or Regulation No 26, that Article 85(1) of the Treaty is app!icable to the agreement, decision or practice whereby the rules $i:$ question are adopted or executed. In that case the Commission's decision with regard to the agreement, decision or practice shall apply only from the date of such finding.
4. Member States shall take all appropriate measures:

- to ensure hat the rules referred to above are complied.with. to sanction infringements of those rules.

They shall inform the Commission of such measures immediately.
5. Where paragraph 1 is applied, the Member State concerned may decide that non-members are liable to the organization for all or part of the fees paid by member producers in so far as these fees are intended to cover administrative costs resulting from the application of the system referred to in paragraph 1.
6. Where paragraph 1 is applfed, Member states shall effect, where necessary, through the agency of the producer organizations, the withdrawal of products not satisfying the marketing rules or which could not be sold at a price at least equal to the withdrawal price.
7. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt general rules for the application of this Article.
8. The list of economic areas and the other detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down for in Article 35.

## Article 8

1. Where Articte $7(1)$ is applied, the Member State may grant an indemnity to producers who are not members of an organization and who are established in the Community in respect of products:

- which cannot be marketed pursuant to Article $7(1)(a)$, or
- which have been withdrawn from the market under Article $7(1)(b)$.

This indemnity shall be granted without discrimination as to the nationality or place of establishment of the recipients and may not exceed $80 \%$ of the amount arrived at by applying the withdrawal price fixed in accordance with Article 12 to the quantities witharawn.
2. The expenditure resulting from the granting of the indemnity referred to in paragraph 1 shall be borne by the Member State concerned.

## TITLEIII <br> Prices <br> Article 9

1. For the products listed in Article 1, producers' organizations may fix a withdrawal price below which they will not sell products supplied by their members.

In this event, for quantities withdrawn from the market, producers' organizations:

- shall grant an indemnity to members in respect of the products listed in Annex $I(A)$ which conform to the standards adopted pursuant to Article 2;
- may grant an indemnity to members in respect of other products listed in Article 1 but not in Annexe $I(A)$.

For each product listed in Article 1 , a maximum level for the withdrawal price may be fixed in accordance with the provisions of paragraph 5.
2. The geosal of products thus withdrawn from the market must be determined F. -oproducers' organizations in such a way as not to interfere with normal marketing of the product in question.
3. To finance these withdrawal measures, producers' organizations assessed on quantities offered for sale or shall, alternatively, have recourse to an equalization system.
4. Producers' organizations shall supply the following information to the national authorities, who shall communicate it to the commission:

- a list of the products for which they intend to operate the system described in paragraph 1;
- the period during which withdrawal prices are applicable;
- the level of withdrawal prices proposed and applied.

5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 35.

## Article 10

1. A guide price for each of the products listed in Annex I(A) shall be fixed before the beginning of the fishing year.

These prices shall be valid for the whole Community and shall be fixed for each fishing year or for each of the periods into which that year is subdivided.
2. The guide price shall be based on:

- the average of prices recorded on representative wholesale markets or in representative ports during the three fishing years immediately preceding the year for which the price is fixed for a significant proportion of Community output and shall be fixed for a product with given commercial specifications;
- an assessment of production and demand prospects.

In fixing the price, account shall also be taken of the need:

- to stabilize market prices and to avoid the formation of surpluses in the Community;
- to help support producers' incomes;
- to consider consumers! interests.

3. The Council, acting by a qualified majority on a proposal from the Commission, shall determine the level of the guide prices referred to in paragraph 1.

## Article 11

1. Throughout the period during which the guide price is applicable, Member States shall notify the Commission of the prices recorded on representative wholesale markets or in representative ports for products meeting the specifications selected for fixing the guide price.
2. Markets and ports in Member States where a significant proportion of Community output of a given product is marketed shall be regarded as representative within the meaning of paragraph 1.
3. Member States shall notify the Commission every quarter of the wholesale prices applied by producers and recorded for the products listed in Annex IV (B) during the previous quarter.
4. "Detailed rules for the application of this Article shatl be adopted, and the list of representative markets and ports referred to in paragraph 2 approved, in accordance with the procedure laid down in Article 35.

## Article 12

1. The withdrawal price referred to in Article $9(1)$ shall be fixed according to freshness, size and presentation categories for each product listed in Annex I (A), by applying the quality conversion factor concerned to an anount equal to at least $70 \%$ but not more than $90 \%$ of the guide price. The conversion factors shall reflect the price difference between the quality category concerned and the quality category used in fixing the guide price. However, the withdrawal price shall never exceed $90 \%$ of the guide price.
2. In order to ensure that producers in landing areas which are very distant from the main centres of consumption in the community have access to markets under satisfactory conditions, the price referred to in paragraph may be multiplied by conversion factiors for those areas.
3. The Council, acting by a qualified majority on a proposal from the commssion, shall adopt general rules for determining the percentage of the guide price to be used in calculating the withdrawal prices, and for determining the landing areas referred to in the preceding subparagraph.
4. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 35.

## Article 13

1. Member States shall grant financial compensation to producers' organizations which intervene pursuant to the provisions of Article 9 in respect of the products referred to in Article 12, on condition that:
(a) the withdrawal price applied by these organizations is the price fixed in accordance with Article 12, a reduction of not more than $10 \%$ being permitted to take account of seasonal fluctuations in market prices;
(b) products withdrawn conform to the standards adopted in accordance with Article 2;
(c) the indemnity granted to members in respect of quantities withdrawn from the market:

- does not exceed the amount resulting from the application to those quantities of the withdrawal prices fixed in accordance with Article 12 and - is at least $90 \%$ of that amount;
(d) a withdrawal price at least equal to the price referred to in Article 12 is applied for each quality category of the product concerned.

2. Financial compensation shall be granted only where products withdrawn from the market are disposed of, if necessary after processing, for purposes other than human consumption or in such a way as not to interfere uith normal marketing of the products referred to in Article 12.

However, the compensation shall not be granted if the daily quantity withdrawn is below a minimum quantity to be fixed.
3. The financial compensation shall be equal to:

- $85 \%$ of the withdrawal price if the quantities withdrawn from the market by a producers' organization do not exceed $5 \%$;
- $70 \%$ of the withdrawal price if the quantities withdrawn from the market by a producers' organization do not exceed $10 \%$;
- $65 \%$ of the withdrawal price if the quantities withdrawn from the market by a producers' organization do not exceed $15 \%$;
- $40 \%$ of the withdrawal price if the quantities withdrawn from the market by a producers' organization do not exceed $20 \%$
of the annual quantities of the product concerned which are sold in accordance with Article 5(1).

No compensation shall be granted if the quantities withdrawn exceed $20 \%$ of the annual quantities sold in accordance with the provision referred to above.
4. Production by members of an organization, which is withdrawn from the market by that organization or another organization pursuant to Article 7 , shall be taken into consideration for the purpose of calculating the financial compensation to be granted to the organization to which the producers in question delong.
$80 \%$ of the volume of the quantities eligible for the premium referred to in Article 14 shall be used for calculating the financial. compensation.
5. The financial compensation shall be reduced by $80 \%$ of the net proceeds of the sale of quantities for purposes other than human consumption or by $80 \%$ of the net proceeds of sales of quantities for human consumption in accordance with paragraph 2.
6. The Council, acting by a qualiffed majority on a proposal from the commission, shall adopt general rules for the application of this:Article.
7. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 35.

## Article 14

1. Products listed in Annex I(A) and withdrawn from the market at the withdrawal price referred to in Article 12 shall be eligible for a carry-over premium, provided that:

- they have been supplied by a member producer,
- they meet certain quality, size and presentation requirements,
- they are processed by one or more of the processing methods listed in paragraph 3,
- they are stored for a period to be determined.

2. The premium shall be granted only for quantities not exceeding $15 \%$ of the annual quantity of the product in question sold by the producers' organization in accordance with Article 5(1). For a period of three years following the date of entry into force of this Regulation, however, the above-mentioned percentage shall be increased to $25 \%$ for anchovies and sardines taken in the Mediterranean area of the community. The amount of the premium shall not exceed the amount of the actual cost of processing or storage nor exceed $50 \%$ of the withdrawal price of the fresh product.
3. The processing methods referred to in this Article are as follows:

- freezing.
- filleting and freezing,
- salting,
$\cdots$ drying,
- manufacture of the products falling within heading No 16.04 of the common Gustoms Tariff.

4. The council, acting by a qualified majority on a proposal from the commission. shall adopt general rules for the applisation of this Article.
5. Deteiled rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 35.

## Article 15

1. For each of the products or groups of products listed in Annex II, a guide price to be valid for the community throughout the year shall be fixed each year and determined in accordance with the provisions of Article 10(2).
2. The Member States shall notify the commission of the prices recorded on representative wholesale markets or in representative ports for products or groups of products meeting the specifications selected for fixing the guide price referred to in paragraph 1.
3. Markets and ports in Member states where a significant proportion of Community output of a given product is marketed shall be considered as representative within the meaning of paragraph 2.
4. Detailed rules for the application of this Article shall be adopted, and the list of representative markets and ports referred to in paragraph 3 approved, in accordance with the procedure laid down in Article 35.
5. The Council, acting by a qualified majority on a proposal from the Commission, shall fix the guide price referred to in paragraph 1.

## Article 16

1. Where prices for the products of Community origin listed in Annex II for one of the representative markets or ports referred to in Article 15(2) remain below $85 \%$ of the guide price referred to in Article $15(1)$ for a period during whic ${ }^{*}$ a trend towards a disturbance of the market is apparent, private storage aid may be granted to producers, provided that products conform to marketing standards when they are placed on the market again.
2. Private storage aid may not exceed actual storage costs and interest charges.
3. Detailed rules for the application of this Article, in particular the amount and duration of private storage aid and the storage conditions, shall be adopted in accordance with the procedure laid down in Article 35;

## Article 17

1. Compensation shall be granted if necessary to Community producers of tunny in respect of the tunny specified in Annex 111 (A) intended for the canning industry.
2. Member States shall notify the Commission of the average prices recorded each month on representative wholesale markets or in representative ports for the products of Community origin referred to in paragraph 1 with given commercial specifications.
3. Markets and ports in Member States where a significant proportion of Community output of tunny is marketed shall be considered as representative within the meaning of paragraph 2.
4. A Community producer price shall be fixed for the products referred to in paragraph 1. This shall be based on the average of prices recorded in respect of a significant proportion of Community output and for a product with given commercial characteristics on representative wholesale markets or in representative ports during the three fishing years immediately preceding the fixing of that price.
5. The Council. acting by a qualified majority on a proposal from the commis. sion, shall adopt general rules for granting the compensation provided for in - 'paragraph 1 and shall fix the community producer price referred to in paragraph 4.
6. Detailed rules for the application of paragraph 2 shall be adopted, and the List of representative markets and ports referred to in paragraph 3 approved, in accordance with the procedure laid down in Article 35.

## Article 18

The Common Custom Tariff duties applicable to the products listed in the table below shall be totally suspended as follows:

| CCT heading No | Description of goods |
| :---: | :---: |
| 03.01 BI a) 2 | Herring, from 16 June to 14 February |
| 03.01 B I b) 2 | Sprats, from 16 June to 14 February |
| 03.01 B I c) 1 | Tunny for the industrial manufacture of products falling within heading No 16.04 |
| 03.02 A I b) | cod |
| 03.02 A II a) | Fillets of cod |

2. In an emergency caused:

- by supply difficulties on the Community market, or
- by the implementation of international undertakings
it may be decided wholly or partly to suspend the Common Customs Tariff duties in respect of the products listed in Article 1 in accordance with the procedure laid down in Article 35.

3. The Commission shall inform the European Parliament and the council of any decision taken pursuant to the preceding paragraph.

# IV <br> Trade with non-member countries 

## Article 19

1. The Common Customs Tariff shall be amended in accordance with Annex VI. The general rules for interpretation of the Common customs Tariff and the particular rules for its application are applicable to the classification of products covered by this Regulation; the tariff nomenclature resulting from the application of Annex VI of this Regulation shall be adopted in the Common Customs Tariff.
2. Save as otherwise provided in this Regulation, or where derogation therefrom is decided by the Council, acting by a qualified majority on a proposal from the Commission, the following shall be prohibited:

- the levying of any charge having an effect equivalent to a customs duty;
- the application of any quantitative restriction.


## Article 20

1. Reference prices valid for the Community shall be fixed each year, by quality category and form of presentation, for the products specified in Annexes I, II, III (A), IV (B) and V to obviate disturbances caused by supplies from non-member countries at abnormal prices or under such conditions as would jeopardize the stabilization measures referred to in Articles 12 and 17.
2. The reference price for the products specified in Annex I (A) shall be equal to the withdrawal price fixed in accordance with Article 12(1). The reference price for the products specified in Annex I (C) shall be fixed on the basis of the reference price for the products specified in Annex $I$ ( $A$ ), taking account of the processing costs.

The reference price for the products specified in Annexes I (B), IV (B) and $\checkmark$ shall be determined on the basis of the average reference price for the fresh product, taking account of the processing costs. Where there is no reference price for a fresh product, this price shall be determined on the basis of the reference price applied to a commercially similar fresh product.

The reference price for the products specified in Annex II shall be derived from the guide price refered to in Article $15(1)$ by reference to the price level specified in Article $16(1)$ at which the intervention measures provided for there in may be taken.

The reference price for the tunny specified in Annex III (A) intended for use by the canning industry shall be based on the weighted average of the prices recorded on the most representative import markets or in the most representative ports of import in the Member States during the three years immediately preceding the date on which the reference price is fixed, reduced by an amount equal to any customs duties and charges levied on the products and by the cost of transporting the product used for fixing the community producer price for these markets or ports to community frontier crossing points.

The conversion factors set out in Annex III (B) and (C) shall be applied to the various types of tunny and to the various forms of presentation.
3. For the products specified in Annex $I(A)$ there shall be established a free-at-frontier price based on the prices recorded by the Member states for the various quality categories at a specific marketing stage for the imnorted product on representative markets or in representative ports of import, reduced by an amount equal to any Common Customs Tariff duties and any charges levied on these products and by the cost of unloading them and transporting them from the markets or ports to Community frontier crossing points.

For the products specified in Annexes $I(B)$ and ( $C$ ), II, III, IV(B) and $V$ there shall be established a free-at-frontier price based on the offer price recorded by each Member State for the usual commercial quantities which are imported into the community, reduced by an amount equal to any Common Customs Tariff duties and any charges levied on these products and by the cost of unloading and transport.

The Member States shall notify the commission regularly of:

- the prices of the products referred to in the first subparagraph recorded on representative markets or at representative ports,
- the offer prices of the products referred to in the second subparagraph.

4. When the free-at-frontier price for a given product imported from a non(member country remains lower than the reference price for at least three successive market days and if large quantities of such products are imported:
(a) suspension of the autonomous Common customs Tariff duties may be wholly or partly lifted, on a temporary basis, for the product concerned,
(b) in the case of the products specified in Annex I(A) (with the exception of product No 1), I(C), II, IV(B) and V, imports may be effected only at a price fixed in accordance with paragraph 3 which is at least equal to. the reference price,
(c) in the case of the products specified in Annex $I(A)(1)$ and $(B)$ and $I I I(A)$, imports may be subjected to a countervailing charge, provided that this complies with the GATT rules on binding. However, where imports at entry prices lower than the reference price are from certain countries only or of certain species only, the countervailing charge shall be levied only on imports from those countries or of those species.

The countervailing charge shall be equal to the difference between the reference price and the entry price. This charge, which shall be the same for all Member States, shall be added to the customs duties applicaile.

For products in respect of which autonomous tariff suspensions have been decided, the measures referred to under ( $b$ ) and ( $c$ ) may be applied only if the tariff suspension has been lifted for the product in question.
5. However, the measures referred to in paragraph 4(C) shall not apply to non-member countries which undertake, on specific terms, that their products will be offered at prices to be fixed in accordance with paragraph 3 which are at least equal to the reference price, and which do in practice observe this price in their deliveries to the community.
6. Detailed rules for the application of this Article, in particular the level of the reference price, shall be adopted according to the procedure Laid down in Article 35. The application and repeal of the measures provided for in paragraph 3 shall be decided on according to the same procedure. However, in the intervals between the periodic meetings of the Management Committee, these measures shall be adopted by the commission. In this event, they shall remain valid until any measures adopted in accordance with the procedure laid down in Article 35 enter into force.

## Article 21

1. In order to obviate disturbances caused by supplies from non-member countries at abnormally low prices, reference prices for the products referred to in Annex IV(A) may be fixed before the beginning of each marketing year. These prices may be fixed at different levels during periods to be determined within each marketing year according to seasonal fluctuations in prices.
2. The reference prices referred to in paragraph 1 shall be fixed on the basis of the average of the producer prices recorded during the three years preceding the date on which the reference price is fixed for a product with given commercial specifications in the representative production zones of the community.
3. If the free-at-frontier price valid for a consignment of a normal commercial quantity of the products referred to in paragraph 1 of specified piovenance is lower than the reference price, imports of those products from the non-member country in question may be subject, in compliance with the GATT rules on binding, to a countervailing charge equal to the difference between the reference price and the free-at-frontier price plus the Common Customs Tariff duty actually levied The Commission shall follow regularty the trend of the free-at-frontier prices of products imported from each provenance.
4. The countervailing charge provided for in paragraph 3 shall not, however, be charged in the case of non-member countries which are willing and able to guarantee that, when the products referred to in paragraph 1 originating in and coming from their territory is imported into the community, the price plus the Common Customs Tariff duty actually levied will not be less than the reference price and that deflections of trade will be avoided.
5. Detailed rules for the application of this Article, in particular the Level of the reference prices, shall be adopted in accordance with the procedure laid down in Article 35. Decisions to introduce, alter or withdraw the countervailing charge, or to admit a particular non-member country to the benefit of the provisions of paragraph 4 , shall be taken in accordance with the same procedure.

## Article 22

1. The Annex to Regulation (EEC) No $925 / 79$ shall be extended to the products specified in Annex IV(C) to this Regulation and imported from any of the countries listed in the Annex to Regulation (EEC) No 925/79.
2. The products specified in Annex IV(C) to this Regulation shall be included in the joint liberalization list given in Annex $I$ to Regulation (EEC) No 926/79.

## Article 23

1. Any imports into the Community of the products specified in Annex IV(C) and subject to surveillance measures pursuant to Title III of Regulatiors (EEC) Nos $925 / 79$ and $926 / 79$ may be subject, in accordance with the procedure laid down in Article 35 of this Regulation, to the presentation of an export licence, which shall be issued by the Member States to any applicant no matter where he is established in the community. The licence shall be valid for one operation carried out in the Community.
2. Issue of the import licence shall be subject to the provision of a security quaranteeing the undertaking to import the goods during the period of validity of the licence. The security shall be wholly or partially forfeit if importation is not effected during that period or is only partly effected.
3. Where recourse is made to paragraph 1, the application of surveillance measures to a product pursuant to Regulation (EEC) Nos 925/79 and 926/79 shall be suspended.
4. The period of validity of the Licences and other detailed rules for the application of this Article shall be adopted in accordance with the procedure Laid down in Article 35.

## Article 24

1. To the extent necessary for the proper working of the common organization of the market in fishery products, the council, acting by a qualified majority on a proposal from the Commission, may in certain cases prohibit, in whole or in part, the use of inward processing arrangements in respect of the products specified in Article 1 (2) (a), (b) and (c) where these are intended for the manufacture of the products specified in Article 1 (2) (b), (c), (e) and (f).
2. The quantity of raw material which, under inward processing arrangements, is not subject to customs duty of a charge having equivalent effect must correspond to the conditions under which the processing operation in question is actually to be effected.

## Article 25

1. If, by reason of imports or exports, the community market in one or more of the products specified in Article 1 (2) experiences or is threatened with serious disturbances which may endanger the objectives of Article 39 of the Treaty, appropriate measures may be applied in trade with non-member countries until such disturbance of threat of disturbance has ceased.

The council, acting by a qualified majority on a proposal from the commission, shall adopt detailed rules for the application of this paragraph and define the cases in which and the limits within which Member states may take interim protective measures.
2. If the situation mentioned in paragraph 1 arises, the Commission shall, at the request of a Member State or on its own initiative, adopt the necessary mreasures; the measures shall be communicated to the Member States and shall be immediately applicable. If the Commission receives a request from a Member State, it shalt take a decision thereon within 24 hours following receipt of the request.
3. The measures adopted by the Commission may be referred to the council by any Member state within three working days following the day on which they were communicated. The council shall meet without delay. It may, acting by a qualified majority, amend or repeal the measures in question.

## Article 26

1. To the extent necessary to enable economically important exports of the products specified in Article 1 (2) to be effected on the basis of prices for those products on the world market, the difference between these prices and prices within the community may be covered by an export refund. These provisions shall apply particularly to products which are in adequate ' supply in the Community and where the granting of a refund will permit adjustment to special marketing conditions on the world market.
2. The refund shall be the same for the whole community. It may be varied according to destination.

The refund shall be granted on application by the party concerned.

When the refund is being fixed particular account shall be taken of the need to establisj a balance between the use of Community basic products in the manufacture of processed goods, for export to non-member countries and the use of product from such countries brought in under inward processing arrangements.

Refunds shall be fixed at regular intervals in accordance with the procedure laid down in Article 35.

Where necessary the Commission may, at the request of a Member State or its own initiative, alter the refunds in the intervening period.
3. The amount of the refund applicable to the export of products listed in Article 1 (2) shall be that applicable on the day of exportation.
4. The council, acting by a qualified majority on a proposal from the comission, shall adopt general rules for granting export refunds and criteria for fixing the amount of such refunds.
5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 35.

## TITLEV

General provisions

## Article 27

7. $50 \%$ of the aids granted by the Member States under Article 6 (1) shall be reimbursed by the Guidance Section of the European Agricultural Guidance and Guarantee Fund.

The council, acting by a qualified majority on a proposal from the commission, shall adopt detailed rules for the application of this Articte.
2. Intervention measures shall be financed as provided for in Articles 8, 13, 14, 16 and 17 in respect of products from a stock or group of stocks only where the quota allocated to the Member State in question from the total volume of allowable catches for that stock of group of stocks has not been exhausted.

## Article 28

1. Products specified in Article 1 which are manufactured or obtained from products not coming within the terms of Article 9 (2) or 10 (1) of the Treaty shall not be admitted to free circulation within the community.
2. Without prejudice to other Communtty provisions, the Member States shall take the necessary steps to ensure that all fishing vessels flying the flag of one of the Member States shall enjoy equal access to ports and first(stage marketing installations together with alt associaced equipment and techrical installations.

## Article 29

Subject to zny provisions to the contrary adopted pursuant to Articte 42 and 43 of the Treaty, Articles 92,93 and 94 of the Treaty shail apply to production of and trade in the products specified in Article 1.

## Article 30

Where a price rise exceeding one of the guide prices referred to in Articles 10 (1) and 15 (1) or the Community producer price referred to in Article ip (4)
by a percentage still to be determined is recorded on the community market and where this situation is likely to persist and is disturbing or threatens co disturb the market, appropriate measures may be taken to remedy the situation. The council, acting by a qualified majority on a proposal from the commission, shall adopt general rules for the application of this Article.

## Article 31.

For frozen products, the council, acting in accordance with the procedure Laid down in Article 43 (2) of the Treaty, shall, to the fullest extent neces. sary, adopt appropriate provisions to avoid unstable prices and unequal conditions of competition between fish frozen on board a vessel and fish frozen on land. The council, acting in accordance with the same procedure, shall also adopt appropriate measures to remedy any difficulties which may arise with regard to stability of supply.

## Article 32

The Council, acting by a qualified majority on a proposal from the Commission, may amend the Annexes hereto and alter the percentages specified in Articles 12 and 16.

## Article 33

Member States and the Commission shall communicate to each other the information necessary for the implementation of this Regulation. Rules for the communication and distribution of such information shall be adopted in accordance with the procedure taid down in Article 35.

Article 34

1. There is hereby set up a Management Committee for Fishery Products (hereinafter called "the committee"), consisting of representatives of the Member states with a representative of the Commission as chairman.
2. Within the committee, the votes of Member States shall be weighted in accordance with Article 148 (2) of the Treaty. The chairman shall not vote.

## Article 35

1. Where the procedure laid down in this Article is to be followed, the chairman
shall refer the matter to the committee either on his own initiative or at the request of the representative of a Member state.
2. The representative of the commission shall suomit a draft of the measures to be taken. The committee shall deliver its opinion on such measures within a time limit to be set by the chairman according to the urgency of the questions under consideration. An opinion shall be adopted by a majority of 45 votes.
3. The Comission shall adopt measures which shall apoly immediately. However, if these measures are not in accordance with the opinion of the committee, they shall forthith be communicated by the commission to the council. In that event the Commission may defer application of the measures for not more than one month from the date of such communication.

The council, acting by a qualified majority, may take a different decision within one month.

## Article 36

The committee may consider any other question referred to it by its chairman either on his own initiative or at the request of the representative of a Member State.

## Article 37

This Regulation shall be so applied that appropriate account is taken, at the same time, of the objectives set out in Articles 39 and 110 of the Treaty.

## Article 38

1. Council Regulation (EEC) No $100 / 76$ of 19 January 1976 on the common organization of the market in fishery products, as last amended by Regulation (EEC) No 2903/78(1), is hereby repealed.
2. Reference to the Regulation repealed by virtue of paragraph 1 shall be construed as references to this Regulation.

References to the Articles of that Regulation shall be correlated with the Articles of this Regulation in accordance with the table set out in Annex VII.

[^2]
## Article 39

This Regulation shall enter into force on

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,
$\qquad$
A. Fresh of chilled products:

1. $\begin{aligned} & 03.01 \text { B } I \text { a) } 1 \text { aa) and, Herring } \\ & 03.01 \text { B I a) } 2 \text { aa) }\end{aligned}$
2. 03.01 B I d) 1 Sardines (Clupea pilchardus WALBAUM)
3. 03.01 B I f) $1 \quad$ Redfish (Sebastes spp.)
4. 03.01 B I h) 1 Cod (Gadus morrhua or Gadus callarias)
5. 03.01 B I ij) 1 Saithe (Pollachius virens or Gadus virens)
6. 03.01 B I k) 1 Haddock (Melanogrammus aeglefinus or Gadus aeg(efinus)
7. 03.01 BI () $1 \quad$ Whiting (Merlangus merlangus)
8. $03.01 \mathrm{BIm} 1 \quad$ Ling and blue ling (Molva spp.)

9. 03.01 日 I p) $1 \quad$ Anchovies (Engraulis spp.)
10. 03.01 BI q) 1

Plaice (Pleuronectes platessa)
12. 03.018 I t) $1 \quad$ Hake (Merluccius spp.)
13. ex 03.01 日 I $u$ Dogfish

Frozen products
$03.01 \mathrm{E} I$ a) $1(b)$ and, Herring
03.01 B ( a) 2 bb )
C. FIlets, fresh or chilled, falling with in CCT subheadlng 03 , $01 \times 1 / \mathrm{a}$ )

## ANNEXII

```
* heading No
Description of goods
```

Frozen products falling within CCT subheading ex 03.01

1. 03.01 BI d) 2
Sardines (Clupea pilchardus WALBAUM)
2. 03.01 BIGg 2

Sea bream of the species Dentex dentex and Pagellus spp.

Frozen products falling within CCT heading No ex 03.03

1. ex 03.03 A III b) Edible crab
2. 03.03 A IV.b) Shrinps (Crangon crangon)
3. $03.03 \mathrm{~A} \vee \mathrm{a}$ Nephrop
4. 03.03 B IV a) 1 aa ) Squid (Loligo spp.)
5. 03.03 B IV a) 1 bb) and Squid (Todarodes sagittatus)
03.03 BIV a) 1 cc ) Squid (Illex spp.)
6. 03.03 B IV a) ?

Cuttle-fish of the species Sepia officinalis, Rossia macrosoma and Sepiola rondeleti
03.03 B IV a) 3

Octopus

## ANNEX III

> Tunny, fresh, chilled or frozen, for the industrial manufacture of products fa(ling within CCT heading No 16.04 (subheading $03.01 \mathrm{~B} \mathrm{I} \mathrm{C)} 1$ ):
A. All species of tunny
B. Conversion factors applicable to the various species of tunny:
Yellowfin tunny (Thunnus albacares): weighing not more than 10 kg each ${ }^{(1)}$
Conversion factor
weighing more than 10 kg each ${ }^{\text {(1) }}$
1
1,10
Albacore (Thunnus alalunga)
weighing not more than 10 kg each ${ }^{\text {(1) }}$
1,60
weighing more than 10 kg each ${ }^{(1)} 1,25$
Other species
C. Conversion factors applicable in respect of the difference forms of presentation for each of the species set out in Section B:

1. Whole 1
2. Gilled and gutted

1,14
3. Other (for example, 'heads off') 1,24
(1) References to weight apply to whole products.
-
CCT heading No

- A. Fresh, chilled or frozen products

- Prepared or preserved fish :

| 16.04 D |  |
| ---: | :--- |
| 16.04 E |  |
| $\times 16.04 \mathrm{~F}$ | Sardines |
| Tunny |  |
| Anchovies |  |

## ANNEXV

Frozen products

- ex 03.01 B I
(whole, headless or in pieces)
- ex 03.01 日 II b) (fillets)
- ex $16 / 04$ G I
(Fillets, raw, merely covered with batter or bread crumbs)
of the following fish:
Alaska pollack (Theragra chalcogramma) and Pollack (Pollachius pollachius or Gadus pollachius) Flounder (Platischthys flesus)
- ex 16.05 B

Shrimps and prawns excluding shrimps of the genus Crangon.

## ANNEXVI

## CHAPTER 3 AND HEADING NO 05.15 OF THE <br> COMMON CUSTOMS TARIFF

CCT.heading No
Description of goods
03.01

Fish, fresh (live or dead), chilled or frozen:
A. Freshwater fish:
I. Trout and other salmonidae:
a) Trout
b) Salmon
c) Lake white fish
d) Other
II. Eels
III. Carp
IV. Other
B. Saltwater fish:
I. Whole, headtess or in pieces:
a) Herring:

1. From 15 February to 15 June
aa) Fresh or chilled
bb) Frozen
2. From 16 June to 14 February: aa) Fresh or chilled bb) Frozen
b) Sprats:
3. From 15 February to 15 June
4. From 16 June to 14 February
c) Tunny (Thunnus and Euthynnus spp.)

16 For the industrial manufacture of products
falling within heading No 16.04 (a):
aa) Whole:
11. Yellowfin tunny (Thunnus albacares): aaa) Weighing not more than 10 kg each bbb) Other
22. Albacore (Thunnus alalunga):
33. Other
03.01
(cont'd)
bb) Gilled and gutted:
11. Yellowfin tunny:
aad Weighing not more than 10 kg each bbb) Other
22. Albacore
33. Other
cc) Other (for example, "head off'):
11. Yellowfin tunny:
aaa) Weighing not more than 10 kg each bbb) Other
22. Albacore
33. Other
2. Other
d) Sardines (Clupea pilchardus WALBAUM):

1. Fresh or chilled
2. Frozen
e) Sharks
f) Redfish (Sebastes spp.):
3. Fresh or chitled
4. Frozen
g) Halibut (Hippoglossus hippoglossus, Reinhardtius hippog(ossoides):
h) Cod (Gadus morrhua or Gadus callarias):
5. Fresh or chilled
6. Frozen
ij) Saithe (or pollock) (Pollachius virens or Gadus virens)
7. Fresh or chilled
8. Frozen
k) Haddock (Melanogrammus aeglefinus or Gadus aeglefinus):
9. Fresh or chilled
10. Frozen
() Whiting (Merlangus merlangus):
11. Fresh or chilled
12. Frozen
m) Ling or blue ling (Molva molva or Molva dypterygia):
13. Fresh or chilled
14. Frozen
n) Alaska pollack (Theragra chalcogramma) and Pollack (Pollachius pollachius or Gadus pollachius):
15. Fresh or chilled
16. Frozen
03.01
(cont'd)
0) Mackerel (Scomber scombrus):
1. From 15 February to 15 June:
aa) Fresh or chilled bb) Frozen
2. From 16 June to 14 February:
aa) Fresh or chilled bb) Frozen
p) Anchovies (Engraulis spp.):
3. Fresh of chilled
4. Frozen
q) Plaice (Pleuronectes platessa):
5. Fresh or chilled
6. Frozen
r) Flounder (Platichthys flesus)
s) Sea bream of the species Dentex dentex and Pagellus spp.
7. Fresh or chilled
8. Frozen
t) Hake (Merluccius spp.)
u) Other
II. Fillets:
a) Fresh or chilled
b) Frozen:
9. Of cod (Gadus morrhua or Gadus callarias)
10. Of saithe (Pollachius virens or Gadus'virens)
11. Of haddock (Melanogrammus aeglefinus or Gadus aeglefinus
12. Of redfish (Sebastes marinus)
13. Of whiting (Merlangus merlangus)
14. Of Ling (Molva spp.)
15. Of tunny (Thunnus and Euthynnus spp.)
16. Of mackerel (Scomber scombrus)
17. Of hake (Merluccius spp.)
18. of sharks
19. Of plaice (Pleuronectes platessa)
20. Of flounder (Platichthys flesus)
21. Other
C. Livers and roes

Fish, dried, sabted or in brine; smoked fish, whether or not cooked before or during the smoking process:
A. Dried, salted or in brine:
I. Whole, headless or in pieces:
a) Herrings
b) Cod
c) Anchovies (Engrautis spp.)
d) Common halibut (Hippoglossus hippoglossus)
e) Salmon, salted or in brine
f) Other
II. fillets:
a) Of cod
b) Of salmon, salted or in brine
c) Of lesser or Greenland halibut (Reinhardtius hippoglossoides), salted or in brine
d) Other
B. Smoked, whether or not cooked before or during the smoking process:
I. Herring
II. Salmon
III. Lesser or Greenland halibut (Reinhardtius hippoglossoides)
IV. Common halibut (Hippoglossus hippoglossus)
v. Other
C. Livers and roes
D. Fish meal

Crustaceans and molluscs, whether in shell or not, fresh Clive or dead), chilled, frozen, salted, in brine or dried; crustaceans, in shell, simply boiled in water:
A. Crustaceans:
I. Crawfish
II. Lobsters (Homarus spp.):
a) Live
b) Other:

1. Whole
2. Other
aa) frozen
bb) other
III. Crabs and freshwater crayfish
a) Crab of the species Paralithodes camchaticus, Chiroecetes spp. et Callinectes sapidus
b) other -
IV. Shrimps and prawns :
a) Prawns (Pandalus spp.)
b) Shrimps of the genus crangon: 1. Fresch, chitled or simply boiled in water 2. Other
c) Other
V. Other for examle nephrops)
03.03
(cont? $d$ )
B. Molluscs:
I. Oysters:
a) European flat oysters wesighing not more than 40 g each
b) Other
II. Mussels
III. Snails, other than sea snails
IV. Other
a) Frozen:
3. squid:
aa) Loligo spp.
bb) Todarodes sagittatus . cc) Illex spp. dd) Other
4. Cuttle-fish of the species Sepia officinalis, Rossia macrosoma and sepiola rondeleti
5. Octopus
6. Other
b) Other:
7. squid 2. other. aa) Loligo spp.
$\therefore$ bb) Todarodes sagittatus
Animal products no nthesewhere specified or included; dead animals of Chapter 1 or 3, unfit for human consumption:
A. Fish, crustaceans and molluscs:
I. Fish of a length of 6 cm or less and shrimps and prawns, dried
II. Other
B. Other.

## ANNEX VII

## correlation table

Regulation (EEC) N ${ }^{0}$ 100/76
This regulation

| 8 | 9 |
| :---: | :---: |
| 9 | 10 |
| 10 | 11 |
| 11 | 12 and 13 |
| 14 | 15 |
| 15 | 16 |
| 16 | 17 |
| 17 | 18 |
| 18 | 19 |
| 19 | 20 |
| 20 | 21 |
| 21 | 24 |
| 22 | 25 |
| 23 | 26 |
| 24 | 27 |
| 25 | 28 |
| 26 | 29 |
| 27. | 30 |
| 28 | 31 |
| 29 | 32 |
| 30 | 33 |
| 31 | 34 |
| 32 | 35 |
| 33 | 36 |
| 34 | 37 |



## ANNEX : Method of calculation

Market withdrawal and processing and storage aid
The new withdrawal system through its degressive scale of financial compenstation related to the quantities withdrawn, should encourage the producers' organizations to limit withdrawals since in the case of large withdrawals the financial compensation will be very much less than under the current system. The quantities withdrawn should therefore stabilize at a level below the estimated quantities under the present system. The scale will cause average financial compensation to be higher, thus involving a slight increase in expenditure.

However, the proposed aid measures for the processing and storage of products withdrawn will result in a reduction of expenditure. The financial compensation does not apply to these quantities, but they are taken into account in the. scale of the compensation and the cost of the aid measures is less than this compensation.

Estimate for 1981 (including Greece)

Without the proposed measures : 80000 tonnes at $60 \%$ of financial compensation Cost : 12.5 m EVA

With the_eroposedmeasures: $\quad 75000$ tonnes at $73.1 \%$ of average financial compensation. Processing : 15000 tonnes

Total_financiab_compensation : $\quad(60000 \times 0.731)+(15000 \times 0.5)=68.5 \%$ 75000
cost (m EUA) $=12.5 \times \frac{68.5}{60} \times \frac{75000}{80000}=13.4 \mathrm{mEUA}(+0.9)$

Estimate for 1982 and 1983 (at constant prices)

Without the proposed measures : 85000 tonnes

With the proposed measures : 73000 tonnes at $82.1 \%$ of compensation

Processing : 15000 tonnes

|  |  |  |  |
| :---: | :---: | :---: | :---: |
| 1. RELTAT BTDAT CODF: Article 881 Measures in res- Appropriations: $1980 \quad 13.0 \mathrm{~m}$ EUA ${ }^{1}$ Qectef fishery rroducts. |  |  |  |
| 2. TIDL: On WD: Win MiG: Draft Regulation amending. Regulation No $100 / 76$ on the common organization of the market in fishery products. |  |  |  |
| 3. LiAAL 34SIS: Article 43 of the Treaty |  |  |  |
|  <br> Amendment of the common market instruments in the light of experience acquired and the crisis in sea fisheries. |  |  |  |
|  <br>  <br> - clinde: to Tha : <br>  <br> - EXXXXXXXXXXXXXXXXXXXXXXXXX$^{2}$ <br> - EXXXXXXXXXXXXXXXXXXXXXXXXX sxxsxx <br> 5.1 R:CMPTS <br> - OM: RESOURCD OR TUE BC <br>  <br> - a...T:U..aL | OR THE MidneTIL: Cin <br> +1.0 m EUA <br> token entry | token entry. | $\begin{aligned} & \text { ULDOAG } \\ & \quad+0.9 \mathrm{~m} \text { EUA } \end{aligned}$ <br> token entry |
|  <br>  |  |  |  |
|  <br> 1. Article 8810 withdrawal and buying in <br> 2. Aid for the processing and storage of products withdrawn $\}$ see Annåx <br> 3. Article 8811 private storage aid 4. Article 8819 other measures |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXYXXXXXYXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX |  |  |  |
|  |  |  |  |
| cona: $1 \times$ <br> 115.5 m EUA are entered under item 8810 in the 1981 draft budget. |  |  |  |
|  |  |  |  |

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## ANNEX

Method of calculation - Producer groups

The average payment made during the last three years for producer groups in the fisheries sector (Reg. 100/76) was 125000 EUA per year.

The quantities fished to be withdrawn from the market for Greece are estimated at 6000 tonnes compared with the quantities for the EEC which are 75000 tonnes, i.e. $8 \%$.

Assuming that the Regulation remains unchanged average costs per year. will be 125000 EUA $+10000 \quad(8 \%$ of 125000$)$ 135000 EUA

With the proposed measures the costs become :

$$
135000 \text { EUA } \times \frac{15}{6}=337500 \text { EUA }
$$ or an average of 350000 EUA per year.


[^0]:    $x$ : first six moriths
    $x x: 30$ - first 5 months

[^1]:    Source: Data supalied by Member States

[^2]:    (1) OJ No L 347, 12.12.1978, p. 1.

