

European Communities

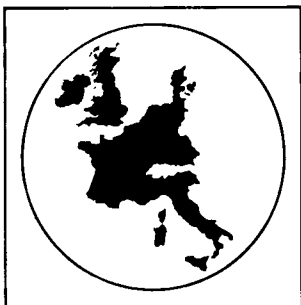
Delegation of the Commission of the European Communities to the United Nations.

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Information Service

Newsletter

Number 1
February 1977



New Commission Sworn In

The new Commission of the European Communities, which will hold office for the next four year, was officially sworn in on January 7, 1977 at the Court of Justice in Luxembourg. The distribution of portfolios was decided as follows:

President:

Roy Jenkins

General Secretariat
Legal Service
Information
Spokesman's Group

Vice-Presidents:

Francois-Xavier Ortoli

Economic & Finance
Credit & Investment
Statistical Office

Wilhelm Haferkamp
Finn Olav Gundelach
Lorenzo Natali

External Relations
Agriculture & Fisheries
Enlargement Questions
Environmental Protection
Nuclear Safety
Contacts with Member Governments and Public Opinion in preparation for direct elections to the European Parliament.
Employment & Social Affairs
Tripartite Conference

Henk Vredeling

Members:

Claude Cheysson
Guido Brunner

Development
Energy
Research, Science & Education
Competition
Coordination of Community Funds
Regional Policy
Taxation
Consumer Affairs
Transport
Relations with European Parliament
Internal Market & Industrial Affairs
Budget & Financial Control
Financial Institutions & Taxations
Personnel & Administration

Raymond Vouel
Antonio Giolitti

Richard Burke

Etienne Davignon

Christopher Tugendhat

The European Communities Newsletter

The European Community was granted observer status by the United Nations in October 1974. In July 1976 the Commission of the European Communities opened its Delegation, headed since last September by Mr Paolo Cecchini, formerly a Director in the Commission's external relations Directorate General in Brussels.

In order to inform regularly those involved with the United Nations about both the activities of the EC within the UN and decisions and actions taken by the EC in areas of interest to the UN, the Information Service of the Delegation is publishing a newsletter. In addition, press releases and more comprehensive background information will be issued on special occasions.

If you need any further information, the Information Service is ready to answer your questions. Our library is also open to the public from 12 to 4 pm.

EC Extends Fishing Limits

The European Community extended its fishing limits to 200 miles on January 1. Negotiations are now taking place with interested third countries for the mutual granting of fishing rights, (countries involved include USA, Canada and Iceland). For Eastern European countries' boats fishing in EC waters, a temporary EC licensing system has been instituted. The German Democratic Republic, Poland and the USSR have all approached Mr. Crosland, the British Foreign Secretary, currently President of the European Council of Ministers, with a view to negotiating fishing rights in Community waters.

EC Completes Global Mediterranean Policy

The signing of major trade and cooperation agreements with Egypt, Syria and Jordan on January 18 and the signature of a financial protocol with Israel on February 8 complementing an earlier trade agreement signed in May 1975, all but completes the European Communities "global Mediterranean policy." This policy, decided upon at the Paris Summit meeting of 1972, called for . . . "the fulfillment of commitments to the countries of the Mediterranean basin . . . with agreements which should be the subject of an overall and balanced approach." Only Lebanon now lies outside the network of uniform agreements, and negotiations, delayed by the civil war in that country, are now in course. Agreements have already been signed with Morocco, Algeria and Tunisia (April 1976).

On signature of the accords the EC immediately cut its tariffs on raw materials and industrial products imported from Egypt, Syria and Jordan by 80%, to be followed by a total 100% cut on July 1, 1977. Concessions in the agricultural sector are mainly geared to the needs of Egypt, the only major farm exporter of the three countries, and range from 40 to 80% cuts on a variety of goods, including citrus fruit, tomatoes, onions and melons. Quantitative restrictions on imports into the EC are abolished, except for a small number of sensitive products where a tariff rate quota system will be applied until the end of 1979. In return, EC exports to the three countries are to be guaranteed most favoured nation terms; although exceptions can be made in favour of other developing countries.

As far as financial resources are concerned, there is a financial protocol running until 1981, by which the EC will grant \$300 million in soft loans and grants to be used for improving infrastructure and manpower training. Egypt will receive \$188.7 mio, Jordan \$44.4 mio, and Syria \$66.6 mio.

The financial protocol with Israel provides approximately \$33 million in loans. Also provided for in the agreements with Egypt, Syria and Jordan are cooperation in marketing, sales promotion, industry, technology and other sectors.

The new agreements with Syria, Egypt and Jordan mean that the EC now has contractual links with 9 of the 21 members of the Arab League. The other countries are Morocco, Algeria and Tunisia (in the framework of the Mediterranean policy) and Mauritania, Sudan and Somalia (through the Lomé Convention).

In addition the EC has sought to strengthen its ties with all the Arab countries through the Euro-Arab dialogue begun in 1974.

GATT: EEC Offer in Tropical Products Sector Implemented

Important concessions by the European Communities in the priority sector of tropical products were implemented on Jan. 1. This is the first substantial result of the GATT talks which opened in Tokyo in September 1973, and was given by the EC without request for counter concessions at this stage in the negotiations.

The Communities offer comprises four series of measures:

- Customs duties on 22 products (coffee, cocoa, tea and spices) are reduced, as an interim measure, until it is possible to consolidate them in the framework of the final results of the negotiations. Thus duties on green coffee will pass from 7 to 5%, those on cocoa beans from 4 to 3%, etc. The volume of EC imports from countries benefitting from this second series of measures is about \$13.4 billion at 1974 prices.
- About 150 agricultural products included in the system of generalized preferences of the EC for 1977 will benefit from preferential tariffs, either for the first time (fish, vegetables, orchids) or to a greater extent than in previous years (tobacco, vegetable oils, fruit preserves). The volume of

EC imports from countries benefitting from this second series of measures is of the order of \$894 million at 1974 prices.

- Quantitative restrictions placed by France and Italy on certain acids, industrial alcohols and glycerine are removed.
- Certain Member States of the EC, who impose internal taxes on coffee, tea, cocoa or spices, have agreed not to increase them in the future, which will diminish their relative impact on prices as these increase.

EC Supports Regional Cooperation

Speaking on point V of the UNDP Governing Council's 23rd session, the European Economic Community recalled its consistent support for regional cooperation and integration in other parts of the world.

Within the Lomé Convention about 10% of the available financial resources, that is to say about \$350 million, is reserved for financing projects likely to favour regional and interregional cooperation.

An example of such a project, recently approved by the final decision-making bodies established by the Lomé Convention, is the construction of a cement works in Togo to cover the needs of three West African States, thus favouring the interregional cooperation of the Economic Community of West African States.

The European Community also underlined the importance it attaches to close collaboration with the UNDP.

Stabex: Survey of First Year's Operation

Among the many provisions of the Lomé Convention, signed in 1975 between the European Communities and 48 States in Africa, the Caribbean and the Pacific, was the system known as Stabex, for stabilizing the export revenues of these countries from various key products. A comprehensive report covering transfers effected in 1976 to cover losses noted in 1975, has now been drawn up by the Commission. The Commission received 30 requests for transfers, twenty-five of these were considered justified. The total amount of the transfers was over \$80 million and all payments were made before the end of August 1976.

The Stabex guarantees developing countries, dependent upon their exports of raw materials, against fluctuations in price and production levels. The system covers 12 principal products: groundnuts, cocoa, coffee, coconut palm, palm nuts and kernels, raw hides, skins and leathers, wood products, fresh bananas, tea, raw sisal and iron ore. The main characteristics of the system are as follows: where an ACP State's earnings from the export of one of these products represents at least 7.5% (5% for sisal) of its total earnings, that state is entitled to request a financial transfer if its export of one of these products to the Community falls at least 7.5% below the average of a four-year reference period. For the 34 least developed, island or land-locked ACP States the dependence and trigger thresholds are reduced to 2.5%. In principle the ACP States which have received transfers should contribute — where certain conditions have been met in the five years following the

transfer — towards the reconstitution of the resources of the system. The 24 least favoured amongst the ACP States are, however, exempted from this system.

The Commission's study reveals the following figures for the first year of implementation:

- Total amount of transfers: 72,786,355 units of account, or approximately US \$80 million (1 ua = US\$1.11)
- Benefitting countries: (amount of transfer in units of account and products concerned are given in brackets)
 - Ivory Coast* (15 mio. u.a.; woods)
 - Ethiopia (14.4 mio. coffee and raw hides)
 - Congo Brazzaville* (7.36 mio.; woods)
 - Benin (7 million; cotton, oil cakes, coffee and groundnuts)
 - Niger (6 million; groundnuts, rawhide)
 - Ghana* (5.17 million; woods)
 - Cameroon* (3.6 million; woods)
 - Togo (2.68 million; coffee)
 - Somalia (2 mio.; bananas and raw hides)
 - Tanzania (1.9 million; cotton)
 - Uganda (1.75 million; cotton)
 - Sudan (1.65 million; raw hides)
 - Burundi (1.5 million; cotton and raw hides)
 - Upper Volta (850,000; groundnuts and cotton)
 - Fiji* (615,000; copra oil)
 - Western Samoa (276,000; cocoa)
 - Mali (648,503; cotton)
- A total of 1,798,347 was also given under the Stabex to the following overseas

countries and territories: New Hebrides, Belize, Afars and Issas and Comoro. Comoro is now an ACP State, but was included in this category in 1975.

- The countries marked with an asterisk (*) are not among the poorest ACP States and will therefore have to contribute to the rebuilding of the resources.
- The following products were covered by the transfers: rough woods — 31 million u.a (43.17% of total); coffee — 13.5 mio.; cotton — 9 mio.; raw hides — 8.4 mio.; groundnuts 6.6 mio.; bananas — 1.3 mio.; oil cakes — 1.2 mio.; copra oil — 615,000; cocoa — 277,000.
- 67.4% of the total transfers resulted from a drop in EC imports, attributable to the poor European economic situation; 37.6% of the transfers resulted from drops in production levels caused by crop diseases, drought and cyclones.

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of the European Communities
to the United Nations.**

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