

COMMISSION OF THE EUROPEAN COMMUNITIES

**HILLMAN**

GENERAL BUDGET FOR 1980

COM(81) 100 final

SECTION III - COMMI

Brussels, 10th March 1981

TRANSFER OF APPROPRIATIONS No 25/80  
(compulsory expenditure)

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ECU

Transfers from Chapter to Chapter

1.	From Chapter 62	-	Milk and milk products	
	Article	624	- Other measures in the milk and milk products sector	
	Item	6240	- Financial contribution by the Guarantee Section to non-marketing and conversion premiums	- 9 750 000
	Article	629	- Expenditure to promote the expansion of markets for milk products	
	Item	6299	- Other measures	- 10 000 000
2.	From Chapter 64	-	Sugar	
	Article	640	- Refunds on sugar and isoglucose	
	Item	6400	- Refunds on sugar and isoglucose	- 7 750 000
	Article	641	- Intervention in respect of sugar	
	Item	6411	- Refunds for use in the chemical industry	- 550 000
	Item	6412	- Reimbursement of storage costs	- 9 400 000
	Item	6413	- Public storage	- 2 000 000
3.	From Chapter 65	-	Beef and veal	
	Article	651	- Intervention storage	
	Item	6510	- Private storage	- 400 000
	Item	6512	- Technical costs relating to public storage	- 4 000 000
	Article	652	- Other intervention	
	Item	6522	- Calving premiums	- 2 650 000
4.	From Chapter 67	-	Eggs and poultrymeat	
	Article	670	- Refunds on eggs	- 4 450 000
	Article	671	- Refunds on poultrymeat	- 4 000 000
5.	From Chapter 68	-	Fruit and vegetables	
	Article	680	- Refunds	
	Item	6800	- Refunds on fresh fruit and vegetables	- 5 650 000
	Item	6801	- Refunds on products processed from fruit and vegetables	- 5 800 000
6.	From Chapter 69	-	Wine	
	Article	690	- Refunds	- 3 350 000

7.	From Chapter 74	- Refunds on certain goods obtained by processing agricultural products	
	Article 740	- Refunds on certain goods obtained by processing agricultural products	- 8 700 000
8.	From Chapter 75	- Accession compensatory amounts granted in respect of intra-Community trade	- 950 000
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			- 79 400 000
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1.	To Chapter 60	- Cereals	
	Article 600	- Refunds on cereals	
	Item 6000	- Refunds	+ 29 550 000
	Article 602	- Intervention in the form of storage	
	Item 6022	- Technical costs relating to public storage	+ 7 400 000
2.	To Chapter 63	- Oils and fats	
	Article 633	- Intervention in respect of colza, rape and sunflower seeds	
	Item 6331	- Storage	+ 1 000 000
3.	To Chapter 66	- Pigmeat	
	Article 660	- Refunds	+ 5 600 000
	Article 661	- Intervention	+ 3 100 000
4.	To Chapter 70	- Tobacco	
	Article 701	- Intervention	
	Item 7010	- Premiums	+ 17 900 000
5.	To Chapter 73	- Other sectors or products subject to common organization of the market	
	Article 734	- Dehydrated fodder	+ 2 500 000
	Article 737	- Broad beans, field beans and other protein plants	+ 1 050 000
6.	To Chapter 78	- Monetary compensatory amounts	
	Article 781	- MCAs in respect of trade with non-Community countries	
	Item 7811	- MCAs on exports	+ 8 000 000
7.	To Chapter 83	- Structural measures relating to the common organizations of the market	
	Article 831	- Milk and meat	
	Item 8312	- Premiums for the non-marketing of milk and milk products (appropriations for commitment and payment)	+ 2 300 000
8.	To Chapter 88	- Common organization of the market in fishery products	
	Article 881	- Intervention	
	Item 8810	- Withdrawal and buying-in	+ 1 000 000
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			+ 79 400 000
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The Financial Controller approved the proposal in accordance with Article 21(4) of the Financial Regulation on 27 February 1981 , attesting that appropriations were available.



## GROUNDS

I. On 25 November 1980, the Council proposed an initial batch of transfers between Chapters within Titles 6 and 7 of the 1980 budget totalling 317 million ECU (COM(80)805 final); the Council approved them on 17 December. These transfers were based on information supplied by the Member States regarding expenditure up to 31 August and forecasts as to expenditure up to 30 November, together with additional information available to the Commission regarding probable expenditure up to 31 December.

These transfers therefore constituted provisional corrections to budgetary appropriations which the Commission referred to the budgetary authority when informing it of the probable outturn regarding implementation of the budget in 1980.

II. Commission Regulation No 380/78 on the operation of the system of advances in respect of expenditure financed by the Guarantee Section of the EAGGF requires the Member States to supply the Commission with monthly expenditure statements no later than the 20th of the following month, i.e. 20 January for December expenditure. But corrections regarding expenditure on storage may be notified to the Commission up to 20 February.

On the basis of these notifications the Commission is now proposing a final batch of transfers between Chapters pursuant to Article 101(1) of the Financial Regulation.

The EAGGF Committee has been consulted and has no objections to the transfers. The Commission will supply the Committee with a detailed report on the rate of utilization of appropriations in 1980 and all budget lines as soon as it is available. The same report will be laid before the budgetary authority.

III. The proposed transfers relate to a relatively small total amount of 79 400 000 ECU; the largest individual transfers are 10 million ECU for surplus items and 29.6 million ECU for deficit items. The transfers are proposed in order to permit commitment and charging as payments in accordance with Article 97 of the Financial Regulation. They constitute the second and last adjustment to 1980 appropriations in the light of expenditure declared by spending departments in the Member States.

Having regard to the transfers approved by the Council on 17 December, the following comments must be made.

### 1. Additional transfers

These transfers are to be made in addition to those approved by the Council on 17 December; they constitute subsequent upward or downward adjustments to the estimates made in November.

1.1 For additional upward transfers, particular attention is drawn to those relating to cereals, pigmeat, tobacco and MCAs.

The exceptionally heavy cereal harvest in 1980 has provoked an increase in expenditure on refunds (29.6 million ECU) and on storage (7.4 million ECU). Firm world prices and strict management of the market have made it possible to keep the shortfall in appropriations to a minimum.

For pigmeat (8.7 million ECU), the depressed state of the market has meant increased use of private storage measures and an export drive.

For tobacco (17.9 million ECU), it has been found that the budget underforecast production by 9%, which has entailed extra expenditure on premiums to buyers acquiring Community products.

An additional 8 million EUA will be required for MCAs paid on exports to non-member countries; exports of cereals and beef and veal, in particular, have expanded.

1.2 As regards additional downward transfers, these largely concern sugar and refunds on non-Annex II products.

For sugar, refunds concerning the first few months of 1980, when they were still being paid, must be revised downward by 7.8 million ECU. Since last May, world prices have been above Community prices, and export levies have been charged, providing extra own resources.

Reimbursements of storage costs are also down by 9.4 million ECU; expanding exports have reduced the volumes to be stored.

The extra saving of 8.7 million ECU on refunds on products not listed in Annex II is the result of reduced rates of refund on products incorporated in others (sugar, milk products and cereals).

## 2. Transfers the other way from those approved in December

Certain transfers between Chapters constitute correction to those made in December.

Apart from negligible corrections regarding oils and fats (+ 1 million ECU), dehydrated fodder (+ 2.5 million ECU) and broad beans, field beans and other protein plants (+ 1 million ECU), there is a reduction of 7 million ECU for beef and veal and 11.5 million ECU for fruit and vegetables.



For beef and veal, the reduction is largely due to measures taken by the Commission in November suspending certain forms of intervention. The effects appear to have been felt from December onwards, since a reduction of 4 million ECU must be made at the public storage item. There have also been delays in payment of calving premiums (- 2.7 million ECU).

Exports of fresh and processed fruit and vegetables have been below forecasts, as the statistics became available later than expected.

### 3. New transfers

New transfers must be proposed for milk, eggs and poultrymeat, accession compensatory amounts and fisheries; the amounts for the last two are negligible (1 million ECU).

The reduction in expenditure on milk (19.8 million ECU) is partly due to delays in payment of premiums for non-marketing and conversion (9.8 million ECU) and partly due to delays in implementing other measures to develop and promote milk products.

The reduction of 8.5 million ECU for eggs and poultrymeat is due to the below-forecast level of exports.

Particular attention is drawn to Chapter 83, item 8312 (premiums for the non-marketing of milk and milk products: + 2.3 million ECU). These premiums are governed by Regulation (EEC) No 1078/77, Article 8 of which reads: "... 60% of the expenditure ... shall be financed by the Guarantee Section of the EAGGF. In addition, the Guidance Section of the EAGGF shall refund to the Member States 40% of the eligible expenditure ...". Article 10 goes on to provide: "for that part of the expenses financed by the EAGGF Guidance Section, the detailed rules for the financial application of the common measures shall, by way of exception, be those laid down by Regulations (EEC) No 2697/70\* and (EEC) No 1723/72". Both these Regulations concern the Guarantee Section: the first governs advances and the second governs clearance of accounts.

All the provisions governing the additional Guarantee Section period - including those regarding transfers - accordingly apply.

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\*Repealed and replaced by Regulation (EEC) 380/78.

