II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 23 March 1977

authorizing Ireland to take protective measures in respect of certain processed agricultural products under Article 135 of the Act of Accession

(Only the English text is authentic)

(77/289/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the Act of Accession, and in particular to Article 135 thereof,

Having regard to the application by Ireland of 15 March 1977 for authorization to take measures to eliminate the distortion in trade between Ireland and the United Kingdom arising from existing agricultural monetary arrangements in the following products :

Common Customs Tariff heading	Product
17.04 B	Chewing gum
17.04 D	Sugar confectionery
18.06 C	Chocolate
19.08 B	Flour confectionery including biscuits
18.06 B 21.07 C	Ice cream
ex 20.05 B and C	Jams and marmalades

Whereas the Irish request to be able to apply safeguard measures in trade with the United Kingdom does not seem justified in the case of jams and marmalades falling within tariff subheadings ex 20.05 B and C ; whereas indeed from both the trade aspect and that of the economic incidence of the prices of the basic products, it is not possible to conclude that there exist serious difficulties or difficulties which could bring about a serious alteration in a regional economic situation ; whereas as far as trade in these products is concerned, it must be pointed out that Irish exports to the United Kingdom do not even amount to 10 % of total exports ; whereas imports from the United Kingdom represent only a small part of Irish production ;

Whereas, moreover the difference in the price in Ireland and the United Kingdom of sugar, the basic product for the goods in question, given the monetary compensatory amounts which apply, cannot be considered a factor of large distortions in view of the small economic incidence which this difference represents in relation to the average value of the finished products ;

Whereas the Irish request seems equally unjustified in the case of chewing gum falling within tariff subheading 17.04 B in view of the low incidence of the prices of the basic products concerned, maize and sugar, on the price of the finished product ;

Whereas trade in the remaining product between Ireland and the United Kingdom in 1976 amounted to about £ 15 million in each direction ; whereas, however the current trend in trade is in Ireland's disfavour, as the following figures show :

tonnes

	December 1975 to January 1976	December 1976 to January 1977	% change
Irish imports from UK	•2 457	3 981	+ 62 %
Irish exports to UK	2 070	2 153	+ 4 %

Whereas although exports to Ireland represent only ± 10 % of total UK exports in the products concerned they constitute ± 90 % of total Irish imports; whereas although Irish exports to the UK amount to ± 33 % of total UK imports, they represent ± 85 % of Irish exports and ± 15 % of total Irish production;

Whereas by virtue of Council Regulation (EEC) No 974/71 of 12 May 1971 (1) Member States were authorized to take certain measures in the case of the widening of the margins of fluctuation of Member States currencies so as to avoid disruption of the intervention system in agriculture; whereas these measures require Member States, as the case may be, to charge or grant on exports from other Member States and third countries and to charge or grant on exports to other Member States and third countries compensatory amounts for certain basic products covered by intervention arrangements;

Whereas the agricultural raw materials used in the manufacture of the products referred to in the Irish application are products covered by the common organization of the market in agricultural products and in respect of which the system of compensatory amounts applies;

Whereas in the light of the existing monetary situation and the margins between currencies the compensatory amounts charged or granted, expressed as a percentage of the intervention prices of such basic products, would amount to 34·7 % in the case of the United Kingdom and to 10·4 % in the case of Ireland; whereas this situation, entailing a relative disadvantage to the manufacturers concerned in Ireland on the cost of the basic products of 24·3 %, may lead to distortion in the terms of competition in trade in the processed agricultural products referred to in the Irish application between the Member States concerned; whereas although the incidence of such disadvantage varies according to the proportion of the basic products used in the manufacture of the processed products concerned, it may be situated between 2·7 % and 12·4 % of the total cost of a given product; whereas such incidence represents in principle the extent of the advantage enjoyed by UK exports in the Irish market and concomitantly the disadvantage suffered by Irish exports on the United Kingdom market; whereas the effect in trade of an incidence of the order of magnitude indicated will vary according to the market for particular products;

Whereas this situation, in its present acute form since November 1976, has given rise to serious difficulties for the sectors concerned in Ireland which are liable to persist in the foreseeable future, failing a fundamental realignment of the currencies involved;

Whereas in order to avoid the loss of the predominatly important UK export market and to maintain employment to the greatest extent possible, Irish manufacturers have maintained as far as possible their normal export levels with the consequences that such action inevitably entails in pricing policy; whereas a similar policy has been adopted to defend the domestic market in the face of the more competitive UK imports with similar consequences; whereas the accumulated effects of such policies pursued since November 1976 are at present causing repercussions not only on employment where 250 persons have lost their employment out of a total work force of 6 000 for the sectors concerned but also on the market shares of Irish manufacturers both domestically and in the UK.

Whereas to rectify the situation and adjust the sectors concerned to the economy of the common market it is necessary to introduce a mechanism suitable to eliminate both the cost disadvantage of Irish exports in the products concerned to the United Kingdom and the cost advantage of similar United Kingdom exports to Ireland so as to re-establish equitable conditions of competition in the sectors; whereas it is appropriate to this end to authorize Ireland to levy a charge on imports of such processed agricultural products of United Kingdom origin and to grant a payment on the export of such products of Irish origin to the United Kingdom, such amounts being identical for the same product though varying from product to product and calculated so as to neutralize the effects of current monetary arrangements in agriculture as they affect the basis products involved in the manufacture of the different processed agricultural products,

(1) OJ No L 106, 12. 5. 1971, p. 1.

HAS ADOPTED THIS DECISION :

Article 1

Ireland is authorized until 31 December 1977 to levy a charge on imports of those processed agricultural products of United Kingdom origin specified in the Annex and to grant a payment on the export to the United Kingdom of such products of Irish origin.

Article 2

1. The amount of the charge and the payment authorized in Article 1 for each of the products is specified in the Annex.

2. These amounts may be amended from time to time by the Commission in the light of :

(i) subsequent movements in the currencies of the Member States concerned, in so far as such movements lead to a change in the monetary compensatory amounts on the basic products, or

(ii) subsequent changes in the proportions of the basic products employed in the manufacture of the products set out in the Annex,

and shall be communicated to Ireland.

Article 3

Ireland shall take all measures necessary to control the origin of the products to which Article 1 refers.

Article 4

Ireland shall notify the Commission without delay of those measures taken in application of Articles 1, 2 and 3.

Article 5

The Commission may modify or revoke this Decision in particular if it determines that the conditions which led to its adoption have changed or that its effects prove to be more restrictive than its purpose requires.

Article 6

This Decision is addressed to Ireland.

Done at Brussels, 23 March 1977.

For the Commission

The President

Roy JENKINS

ANNEX

CCT heading No	Amount £/100 kg	CCT heading No	Amount £/100 kg
17.04 D I a)	2·411	19.08 B I a)	2·080
17.04 D I b) 1	1·428	19.08 B I b)	3·744
17.04 D I b) 2	2·037	19.08 B II a)	0·728
17.04 D I b) 3 aa)	2·648	19.08 B II b) 1	1·768
17.04 D I b) 3 bb)	2·703	19.08 B II b) 2	4·088
17.04 D I b) 4	3·160	19.08 B II c) 1	2·184
17.04 D I b) 5	3·383	19.08 B II c) 2	4·504
17.04 D I b) 6	3·605	19.08 B II d) 1	2·808
17.04 D I b) 7	3·730	19.08 B II d) 2	5·127
17.04 D I b) 8	3·953	19.08 B III a) 1	1·274
17.04 D II a)	4·661	19.08 B III a) 2	4·173
17.04 D II b) 1	4·308	19.08 B III b) 1	1·898
17.04 D II b) 2	5·127	19.08 B III b) 2	4·217
17.04 D II b) 3	5·044	19.08 B III c) 1	2·938
17.04 D II b) 4	4·481	19.08 B III c) 2	4·777
18.06 B I	2·188	19.08 B IV a) 1	1·820
18.06 B II a)	4·145	19.08 B IV a) 2	3·366
18.06 B II b)	5·873	19.08 B IV b) 1	2·262
18.06 C I	4·138	19.08 B IV b) 2	4·256
18.06 C II a) 1	1·873	19.08 B V a)	2·184
18.06 C II a) 2	2·289	19.08 B V b)	2·418
18.06 C II b) 1	3·873	21.07 C I	2·188
18.06 C II b) 2	4·593	21.07 C II a)	4·145
18.06 C II b) 3	5·249	21.07 C II b)	5·873
18.06 C II b) 4	6·113		