

Opinion of the European Economic and Social Committee on the ‘Proposal for a Regulation of the European Parliament and of the Council laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products’

COM(2013) 106 final — 2013/0063 (COD)

(2013/C 327/15)

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On 12 March 2013 and 15 March 2013, the European Parliament and the European Commission decided to consult the European Economic and Social Committee, under Articles 43(2), 207(2) and 304 of the Treaty on the Functioning of the European Union, on the

Proposal for a Regulation of the European Parliament and of the Council laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products

COM(2013) 106 final — 2013/0063 (COD).

The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 12 June 2013.

At its 491st plenary session, held on 10 and 11 July 2013 (meeting of 10 July), the European Economic and Social Committee adopted the following opinion by 149 votes in favour with 3 abstentions.

1. Conclusions and recommendations

1.1 The Committee welcomes this proposal for alignment with the Lisbon Treaty, as it did in EESC opinion 357/2011 ⁽¹⁾ and has continued to do, consistently, in its subsequent opinions.

1.2 The EESC calls for trade rules to be modernised across-the-board, made more transparent in general, with the involvement of all relevant stakeholders, and, at the same time, consistent with the objectives of the Common Agricultural Policy, so as to promote the values of the EU across the world.

1.3 The EESC calls for effective protection tools to be provided against potential abuse in cases when Free trade agreements (FTAs) serve as a gateway to the EU market for lower standard food products which are cheaper and easier to produce.

1.4 The EESC strongly recommends that any future trade regime prevents the distortion of competition in the EU market resulting from lower environmental, food safety, animal welfare and social standards applied by third countries. This could be assured through additional, compensatory components in import duties.

1.5 The EESC calls for a revision of the system for attributing import licences, refund certificates and inward processing relief certificates, and especially for allocating quotas, in order to leave enough room for small and medium-sized producers.

1.6 The Committee calls for the introduction of e-procurement tools integrated within the customs system for the management of licences, quotas and certificates. Such a system should be able to monitor the exact situation of the market in real time and react immediately if trigger volumes or trigger prices are reached.

1.7 The Committee calls for the export refunds system to be kept on stand-by, bearing in mind that we cannot currently foresee when this safety net will be needed again.

1.8 The Committee calls upon the Commission to reinforce the role of the Advisory Group on International Aspects of Agriculture so as to have direct input from farmers, processors, consumers, commerce, etc. ⁽²⁾.

2. Background

2.1 The purpose of the proposed Regulation is to align the current trade arrangements for processed agricultural products/non-Annex I goods, currently laid down in Regulation 1216/2009 and the common system of trade for ovalbumin and lactalbumin, currently laid down in Council Regulation (EC) No 614/2009, with the Lisbon Treaty and to merge them for reasons of rationalisation, harmonisation and simplification, in order:

— to identify the delegated and implementing powers of the Commission and establish the corresponding procedures for the adoption of these acts,

⁽¹⁾ OJ C 107 of 6.4.2011 p. 33-36

⁽²⁾ OJ C 304 of 10.11.1993, p. 8-10.

- to align them with the new Single CMO Regulation [COM(2011) 626 final] in the context of the adaptation of the CMO to the Lisbon Treaty and to the CAP after 2013, currently subject to long and exhausting discussions at the level of the Council and the European Parliament,
- to update these regulations and to provide a clearer and more solid legal basis for the implementing rules,
- to create a solid legal framework for the management of the reduced import duties and import quotas as provided for by FTAs and of the export refund system, and to adapt the existing Regulation to the current practices in FTAs and export refunds.

3. General comments

3.1 The EESC welcomes the Commission's proposal to simplify, rationalise and harmonise the legislation concerning trade in processed agricultural products, and particularly the fact that both regulations (on the trade arrangements for processed agricultural products and the common organisation of agricultural markets) will be aligned with the Lisbon Treaty in a parallel manner, as both of them contain similar provisions about the import and export arrangements for agricultural products and for processed agricultural products (such as, for example, reduced import duties, additional import duties, import quotas, export refunds, export licenses and refund certificates).

3.2 At the same time, the Committee thinks that this simplification, rationalisation and harmonisation of the legislation would be a great opportunity to modernise trade rules and make them more transparent in general, with the involvement of all relevant stakeholders, so as to promote the values of the EU across the world.

3.3 The EESC appreciates that the proposed Regulation represents a "Lisbonisation" of current provisions with no substantial changes, but at the same time calls for an in-depth revision of trade policies, in order to make them consistent with the objectives of the Common Agricultural Policy as set out in article 39 of the Treaty on the Functioning of the European Union.

3.4 On a number of occasions the EESC has expressed its support for free trade agreements and preferential trade

arrangements and emphasised the importance of WTO negotiations. However, the EESC stresses that the EU, being the leading importer of food products globally, has a fundamental role to play in terms of promoting its own highest standards of food safety and quality, animal welfare, environmental protection and social values.

3.5 The EESC notes that import duties, and especially their agricultural component, should be supplemented by additional environmental, food safety, animal welfare and social components, which could be used as a tool for disseminating EU values with regard to food production to third countries. These components should be reduced only if the producer of exports to the EU respects these values. This way of sharing our societal values will in the long term improve the resilience and sustainability of the global food production system.

3.6 The EESC calls for effective protection tools to be provided against potential abuse in cases when FTAs serve as a gateway to the EU market for lower standard food products which are cheaper and easier to produce.

3.7 We call on the Commission to revise its system for attributing import licences, refund certificates and inward processing relief certificates, and especially for allocating quotas, in order to leave enough room for small and medium-sized producers and prevent a handful of operators from dominating the market.

3.8 The Committee calls upon the Commission to introduce e-procurement tools, integrated within the customs system, for the management of licences, quotas and certificates, which would significantly lower the transaction costs and reduce the risks involved in the physical handling of documents by operators.

3.9 Such a system should be able to monitor the exact situation of the market in real time and react immediately if trigger volumes or trigger prices are reached.

3.10 The Committee considers that export refunds, although currently not in use, have a very important function as a safety net, in the event of imbalances in the market. At the same time, it is very important to keep the system on stand-by, bearing in mind that currently we cannot foresee when this safety net will be needed again.

3.11 It is essential for the Commission to reinforce the role of the Advisory Group on International Aspects of Agriculture so as to have direct input from farmers, processors, consumers, commerce, etc., and thereby provide a valuable forum for consultation and information ⁽³⁾.

Brussels, 10 July 2013.

The President
of the European Economic and Social Committee
Henri MALOSSE

⁽³⁾ OJ C 304 of 10.11.1993, p. 8-10.