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II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DECISION

of 28 April 1981

on the conclusion of voluntary restraint Agreements with Austria, Iceland, Poland and Romania in the sheepmeat and goatmeat sector

(81/359/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the proposal from the Commission,

Whereas the Commission has opened negotiations with non-member countries which supply sheepmeat and goatmeat or live sheep and goats, with a view to reaching Agreements for voluntary restraint on their exports to the Community;

Whereas the Commission has reached agreement with Austria, Iceland, Poland and Romania;

Whereas the said Agreements allow trade to be carried on in a manner compatible with the common organization of the markets in the sector in question,

HAS DECIDED AS FOLLOWS:

Article 1

1. The Agreements drawn up in the form of exchanges of letters on trade in the sheepmeat and

goatmeat sector with the countries listed hereafter are hereby approved on behalf of the European Economic Community:

- Austria,
- Iceland,
- Poland,
- Romania.

2. The texts of the Agreements are attached to this Decision.

Article 2

The President of the Council is hereby authorized to designate the person empowered to sign the Agreements referred to in Article 1, in order to bind the Community.

Done at Luxembourg, 28 April 1981.

For the Council

The President

J. de KONING

ARRANGEMENT

in the form of an exchange of letters between the European Economic Community and the Republic of Austria on trade in mutton, lamb and goatmeat

Letter No 1

Sir,

I have the honour to refer to the negotiations recently undertaken between our respective delegations for the purpose of drawing up provisions concerning import into the European Economic Community of mutton, lamb and goatmeat and live sheep and goats other than pure-bred breeding animals from Austria in connection with implementation by the Community of the common organization of the market in sheepmeat and goatmeat.

During these negotiations both Parties agreed as follows:

1. This arrangement shall relate to:
 - live sheep and goats other than pure-bred breeding animals (subheading 01.04 B of the Common Customs Tariff),
 - fresh or chilled mutton, lamb and goatmeat (subheading 02.01 A IV a) of the Common Customs Tariff),
 - frozen mutton, lamb and goatmeat (subheading 02.01 A IV b) of the Common Customs Tariff).

2. Within the terms of this arrangement, the possibilities of export of mutton, lamb and goatmeat and of live sheep and goats from Austria to the Community are fixed at the following annual quantity:
 - 300 tonnes of live animals expressed in carcase weight bone-in ⁽¹⁾.

In order to ensure the proper functioning of the arrangement, the Republic of Austria undertakes to implement the appropriate procedures to ensure that the annual quantity actually exported does not exceed the quantity agreed.

3. Should the Community have recourse to the safeguard clause, it undertakes that Austria's access to the Community as provided for in this arrangement will not be affected.

4. If imports from Austria in any one year exceed the quantities agreed, the Community reserves the right to suspend imports from Austria for the remainder of that year. The quantity overshipped shall be offset against Austria's export entitlement for the following year.

5. The Community undertakes to limit the levy applicable to imports of products covered by the present arrangement to a maximum amount of 10 % *ad valorem*.

(1) 100 kilograms live weight shall correspond to 47 kilograms carcase weight (bone-in equivalent weight) ⁽²⁾.

(2) Carcase weight (bone-in equivalent weight). By this term is understood the weight of bone-in meat presented as such as well as boned meat converted by a coefficient into bone-in weight. For this purpose 55 kilograms of boned mutton corresponds to 100 kilograms of bone-in mutton and 60 kilograms of boned lamb corresponds to 100 kilograms of bone-in lamb.

6. At the time of accession of new Member States, the Community, in consultation with the Republic of Austria, will alter the quantities set out in clause 2, in accordance with Austria's trade with each new Member State.

The charges applicable to imports for the said new Member State shall be fixed in accordance with the rules in the Treaty of Accession, the maximum level of the levy specified in clause 5 being taken into account.

7. The Republic of Austria shall ensure that this arrangement is observed, in particular, by issuing export certificates covering the products referred to in clause 1 within the limits of the quantities covered by this arrangement.

For its part, the Community shall undertake to adopt all necessary provisions to make the issue of the import certificates for the products referred to above, originating in the Republic of Austria, subject to the presentation of an export certificate issued by the competent authority designated by the Austrian Government.

Detailed rules for applying this system shall be laid down in such a way as to render unnecessary the lodging of a security for the issue of the import certificate in respect of the products in question.

Also, such detailed rules of application shall provide that the competent Austrian authority shall communicate periodically, to the competent authority of the Community, the quantities in respect of which export certificates are issued, broken down, where appropriate, according to destination.

8. A Consultative Committee shall be set up composed of representatives from the Community and from the Republic of Austria. The Committee shall ensure that the arrangement is being properly applied and is functioning smoothly.

It will ensure that the proper application of the arrangement is not affected by the export of mutton-, lamb- and goatmeat-based products to the Community under customs headings not referred to by the arrangement.

The Committee will discuss all questions which could arise in applying the arrangement and will recommend appropriate solutions to the competent authorities.

9. The provisions of this arrangement shall be agreed without prejudice to the Parties' rights and obligations under GATT.

10. The annual quantity fixed in clause 2 refers to the period running from 1 January to 31 December. The quantity applicable as of the implementation of the present arrangement and until 1 January of the following year will be fixed on a *pro rata* basis in relation to the total annual quantity and will take into account the seasonality of the trade.

11. This arrangement shall apply, on the one hand, to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty and, on the other hand, to the territory of the Republic of Austria.

12. This arrangement shall enter into force on 1 January 1981.

It shall remain in force until 31 March 1984, and shall continue in force thereafter subject to each Party having the right to denounce it by giving one year's notice in writing. In any case the provisions of this arrangement will be examined by the two Parties before 1 April 1984 with a view to making any adjustment which they agree is necessary.

13. This arrangement will be approved by the Contracting Parties in accordance with their own procedures.

I should be obliged if you would kindly confirm the agreement of your Government to the foregoing.

Please accept, Sir, the assurance of my highest consideration.

*For the Council
of the European Communities*

Letter No 2

Sir,

I have the honour to acknowledge receipt of your letter of today's date, which reads as follows:

'I have the honour to refer to the negotiations recently undertaken between our respective delegations for the purpose of drawing up provisions concerning import into the European Economic Community of mutton, lamb and goatmeat and live sheep and goats other than pure-bred breeding animals from Austria in connection with implementation by the Community of the common organization of the market in sheepmeat and goatmeat.

During these negotiations both Parties agreed as follows:

1. This arrangement shall relate to:
 - live sheep and goats other than pure-bred breeding animals (subheading 01.04 B of the Common Customs Tariff),
 - fresh or chilled mutton, lamb and goatmeat (subheading 02.01 A IV a) of the Common Customs Tariff),
 - frozen mutton, lamb and goatmeat (subheading 02.01 A IV b) of the Common Customs Tariff).
2. Within the terms of this arrangement, the possibilities of export of mutton, lamb and goatmeat and of live sheep and goats from Austria to the Community are fixed at the following annual quantity:
 - 300 tonnes of live animals expressed in carcase weight bone-in ⁽¹⁾.

In order to ensure the proper functioning of the arrangement, the Republic of Austria undertakes to implement the appropriate procedures to ensure that the annual quantity actually exported does not exceed the quantity agreed.

3. Should the Community have recourse to the safeguard clause, it undertakes that Austria's access to the Community provided for in this arrangement will not be affected.

⁽¹⁾ 100 kilograms live weight shall correspond to 47 kilograms carcase weight (bone-in equivalent weight) ⁽²⁾.

⁽²⁾ Carcase weight (bone-in equivalent weight). By this term is understood the weight of bone-in meat presented as such as well as boned meat converted by a coefficient into bone-in weight. For this purpose 55 kilograms of boned mutton corresponds to 100 kilograms of bone-in mutton and 60 kilograms of boned lamb corresponds to 100 kilograms of bone-in lamb.

4. If imports from Austria in any one year exceed the quantities agreed, the Community reserves the right to suspend imports from Austria for the remainder of that year. The quantity overshipped shall be offset against Austria's export entitlement for the following year.
5. The Community undertakes to limit the levy applicable to imports of products covered by the present arrangement to a maximum amount of 10% *ad valorem*.
6. At the time of accession of new Member States, the Community, in consultation with the Republic of Austria, will alter the quantities set out in clause 2, in accordance with Austria's trade with each new Member State.

The charges applicable to imports of the said new Member State shall be fixed in accordance with the rules of the Treaty of Accession, the maximum level of the levy specified in clause 5 being taken into account.

7. The Republic of Austria shall ensure that this arrangement is observed, in particular, by issuing export certificates covering the products referred to in clause 1 within the limits of the quantities covered by this arrangement.

For its part, the Community shall undertake to adopt all necessary provisions to make the issue of the import certificates for the products referred to above, originating in the Republic of Austria, subject to the presentation of an export certificate issued by the competent authority designated by the Austrian Government.

Detailed rules for applying this system shall be laid down in such a way as to render unnecessary the lodging of a security for the issue of the import certificate in respect of the products in question.

Also, such detailed rules of application shall provide that the competent Austrian authority shall communicate periodically, to the competent authority of the Community, the quantities in respect of which export certificates are issued, broken down, where appropriate, according to destination.

8. A Consultative Committee shall be set up composed of representatives from the Community and from the Republic of Austria. The Committee shall ensure that the arrangement is being properly applied and is functioning smoothly.

It will ensure that the proper application of the arrangement is not affected by the export of mutton-, lamb- and goatmeat-based products to the Community under customs headings not referred to by the arrangement.

The Committee will discuss all questions which could arise in applying the arrangement and will recommend appropriate solutions to the competent authorities.

9. The provisions of this arrangement shall be agreed without prejudice to the Parties' rights and obligations under GATT.
10. The annual quantity fixed in clause 2 refers to the period running from 1 January to 31 December. The quantity applicable as of the implementation of the present arrangement and until 1 January of the following year will be fixed on a *pro rata* basis in relation to the total annual quantity and will take into account the seasonality of the trade.
11. This arrangement shall apply, on the one hand, to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty and, on the other hand, to the territory of the Republic of Austria.

12. This arrangement shall enter into force on 1 January 1981.

It shall remain in force until 31 March 1984, and shall continue in force thereafter subject to each Party having the right to denounce it giving one year's notice in writing. In any case the provisions of this arrangement will be examined by the two Parties before 1 April 1984 with a view to making any adjustment which they agree is necessary.

13. This arrangement will be approved by the Contracting Parties in accordance with their own procedures.

I should be obliged if you would kindly confirm the agreement of your Government to the foregoing.'

I have the honour to confirm that my Government is in agreement with the contents of your letter.

Please accept, Sir, the assurance of my highest consideration.

*For the Federal Government
of the Republic of Austria*

EXCHANGE OF LETTERS

relevant to clause 2 of the arrangement in the form of an exchange of letters between the European Economic Community and the Republic of Austria on trade in mutton, lamb and goatmeat

Letter No 1

Sir,

I have the honour to refer to the arrangement in the form of an exchange of letters between the European Economic Community and the Republic of Austria on trade in mutton, lamb and goatmeat.

Further to that exchange of letters and to your request, I would advise you that the competent authorities of the Republic of Austria will ensure that for the period 1 January 1981 to 31 March 1984, there will be no change in the traditional export patterns of mutton, lamb and goatmeat and of live sheep and goats from Austria to the market areas in the Community determined as sensitive.

The competent authorities of the Republic of Austria will adopt the necessary measures for this purpose.

I should be obliged if you would kindly acknowledge receipt of this letter.

Please accept, Sir, the assurance of my highest consideration.

*For the Federal Government
of the Republic of Austria*

Letter no 2

Sir,

I have the honour to acknowledge receipt of your letter of today's date, which reads as follows:

'I have the honour to refer to the arrangement in the form of an exchange of letters between the European Economic Community and the Republic of Austria on trade in mutton, lamb and goatmeat.

Further to that exchange of letters and to your request, I would advise you that the competent authorities of the Republic of Austria will ensure that for the period 1 January 1981 to 31 March 1984, there will be no change in the traditional export patterns of mutton, lamb and goatmeat and of live sheep and goats from Austria to the market areas in the Community determined as sensitive.

The competent authorities of the Republic of Austria will adopt the necessary measures for this purpose.

I should be obliged if you would kindly acknowledge receipt of this letter.'

Please accept, Sir, the assurance of my highest consideration.

*For the Council
of the European Communities*

ARRANGEMENT

in the form of an exchange of letters between the European Economic Community and the Republic of Iceland on trade in sheepmeat and goatmeat

Letter No 1

Sir,

I have the honour to refer to negotiations recently undertaken between our respective delegations for the purpose of drawing up the provisions concerning import into the Community of mutton, lamb and goatmeat, and live sheep and goats other than purebred breeding animals from Iceland, in connection with implementation by the Community of the common organization of the market in sheepmeat and goatmeat.

During these negotiations, both Parties agreed as follows:

1. This arrangement shall relate to:
 - fresh or chilled mutton, lamb and goatmeat (subheading 02.01 A IV a) of the Common Customs Tariff),
 - frozen mutton, lamb and goatmeat (subheading 02.01 A IV b) of the Common Customs Tariff).
2. Within the terms of this arrangement, the Republic of Iceland undertakes to ensure that exports to the Community of the products referred to in clause 1 shall not exceed the following annual quantity:
 - 600 tonnes, expressed in carcase weight ⁽¹⁾, of which a maximum of 10 % may consist of fresh or chilled meat.

For this purpose, the appropriate procedures shall be implemented by the competent authorities of the Republic of Iceland.
3. Provided that Iceland's exports do not exceed the quantity agreed, the Community shall not apply any quantitative restriction or measure of equivalent effect.

Should the Community have recourse to the safeguard clause, it undertakes that the provisions of this arrangement will not be affected.
4. If imports in any one year exceed the quantity agreed, the Community reserves the right to suspend imports from Iceland for the remainder of that year. The quantity overshipped shall be offset against Iceland's export entitlement for the following year.
5. The Community undertakes to limit the levy applicable to imports of products covered by this arrangement to a maximum amount of 10 % *ad valorem*.
6. At the time of accession of new Member States, the Community, in consultation with Iceland, will alter the quantity set out in clause 2, in accordance with Iceland's trade with each new Member State.

The charges applicable to imports for the said new Member States shall be fixed in accordance with the rules in the Treaty of Accession, the maximum level of the levy specified in clause 5 being taken into account.

⁽¹⁾ Carcase weight (bone-in equivalent weight). By this term is understood the weight of bone-in meat presented as such as well as boned meat converted by a coefficient into bone-in weight. For this purpose 55 kilograms of boned mutton corresponds to 100 kilograms of bone-in mutton and 60 kilograms of boned lamb corresponds to 100 kilograms of bone-in lamb.

7. The Republic of Iceland shall ensure that this arrangement is observed, in particular, by issuing export licences covering the products referred to in clause 1 within the limits of the quantity covered by this arrangement.

For its part, the Community shall undertake to adopt all necessary provisions to make the issue of the import licence for the products referred to above, originating in Iceland, subject to the presentation of an export licence issued by the competent authority designated by the Iceland Government.

Detailed rules for applying this system shall be laid down in such a way as to render unnecessary the lodging of a security for the issue of the import licence in respect of the products in question.

Also, such detailed rules of application shall provide that the competent Iceland authority shall communicate periodically to the competent authority of the Community the quantities in respect of which export licences are issued, broken down, where appropriate, according to destination.

8. Both Parties agree that steps should be taken by the Republic of Iceland to ensure that the smooth operation of the arrangement is not affected by deliveries of mutton- and lamb- and goatmeat-based products falling under customs headings not referred to by the arrangement.
9. In order to ensure the smooth functioning of the arrangement, both Parties agree to remain in close contact and to be ready to undertake consultations on any matter relating to its application. The said consultations shall be commenced within a period of 14 days following request by one of the Parties.
10. The annual quantity fixed in clause 2 refers to the period running from 1 January to 31 December.

The quantity applicable in the period between the entry into force of this arrangement and 1 January of the following year shall be fixed on a *pro rata* basis in relation to the total annual quantity.
11. This arrangement shall apply, on the one hand, to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty and, on the other hand, to the territory of the Republic of Iceland.
12. This arrangement shall enter into force on 1 January 1981. It shall remain in force until 31 March 1984, and shall continue in force thereafter subject to each Party having the right to denounce it by giving one year's notice in writing. In any case, the provisions of this arrangement shall be examined by the two Parties before 1 April 1984 with a view to making any adjustment which they agree is necessary.

I should be obliged if you would kindly confirm the agreement of your Government to the foregoing.

Please accept, Sir, the assurance of my highest consideration.

*For the Council
of the European Communities*

Letter No 2

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:

'I have the honour to refer to negotiations recently undertaken between our respective delegations for the purpose of drawing up the provisions concerning import into the Community of mutton, lamb and goatmeat, and live sheep and goats other than pure-bred breeding animals from Iceland, in connection with implementation by the Community of the common organization of the market in sheepmeat and goatmeat.

During these negotiations, both Parties agreed as follows:

1. This arrangement shall relate to:
 - fresh or chilled mutton, lamb and goatmeat (subheading 02.01 A IV a) of the Common Customs Tariff),
 - frozen mutton, lamb and goatmeat (subheading 02.01 A IV b) of the Common Customs Tariff).
2. Within the terms of this arrangement, the Republic of Iceland undertakes to ensure that exports to the Community of the products referred to in clause 1 shall not exceed the following annual quantity:
 - 600 tonnes, expressed in carcase weight ⁽¹⁾, of which a maximum of 10 % may consist of fresh or chilled meat.

For this purpose, the appropriate procedures shall be implemented by the competent authorities of the Republic of Iceland.

3. Provided that Iceland's exports do not exceed the quantity agreed, the Community shall not apply any quantitative restriction or measure of equivalent effect.

Should the Community have recourse to the safeguard clause, it undertakes that the provisions of this arrangement will not be affected.

4. If imports in any one year exceed the quantity agreed, the Community reserves the right to suspend imports from Iceland for the remainder of that year. The quantity overshipped shall be offset against Iceland's export entitlement for the following year.
5. The Community undertakes to limit the levy applicable to imports of products covered by this arrangement to a maximum amount of 10 % *ad valorem*.
6. At the time of accession of new Member States, the Community, in consultation with Iceland, will alter the quantity set out in clause 2, in accordance with Iceland's trade with each new Member State.

The charges applicable to imports for the said new Member States shall be fixed in accordance with the rules in the Treaty of Accession, the maximum level of the levy specified in clause 5 being taken into account.

⁽¹⁾ Carcase weight (bone-in equivalent weight). By this term is understood the weight of bone-in meat presented as such as well as boned meat converted by a coefficient into bone-in weight. For this purpose 55 kilograms of boned mutton corresponds to 100 kilograms of bone-in mutton and 60 kilograms of boned lamb corresponds to 100 kilograms of bone-in lamb.

7. The Republic of Iceland shall ensure that this arrangement is observed, in particular, by issuing export licences covering the products referred to in clause 1 within the limits of the quantity covered by this arrangement.

For its part, the Community shall undertake to adopt all necessary provisions to make the issue of the import licence for the products referred to above, originating in Iceland, subject to the presentation of an export licence issued by the competent authority designated by the Iceland Government.

Detailed rules for applying this system shall be laid down in such a way as to render unnecessary the lodging of a security for the issue of the import licence in respect of the products in question.

Also, such detailed rules of application shall provide that the competent Iceland authority shall communicate periodically to the competent authority of the Community the quantities in respect of which export licences are issued, broken down, where appropriate, according to destination.

8. Both Parties agree that steps should be taken by the Republic of Iceland to ensure that the smooth operation of the arrangement is not affected by deliveries of mutton- and lamb- and goatmeat-based products falling under customs headings not referred to by the arrangement.
9. In order to ensure the smooth functioning of the arrangement, both Parties agree to remain in close contact and to be ready to undertake consultations on any matter relating to its application. The said consultations shall be commenced within a period of 14 days following request by one of the Parties.
10. The annual quantity fixed in clause 2 refers to the period running from 1 January to 31 December.
- The quantity applicable in the period between the entry into force of this arrangement and 1 January of the following year shall be fixed on a *pro rata* basis in relation to the total annual quantity.
11. This arrangement shall apply, on the one hand, to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty and, on the other hand, to the territory of the Republic of Iceland.
12. This arrangement shall enter into force on 1 January 1981. It shall remain in force until 31 March 1984, and shall continue in force thereafter subject to each Party having the right to denounce it by giving one year's notice in writing. In any case the provisions of this arrangement shall be examined by the two Parties before 1 April 1984 with a view to making any adjustment which they agree is necessary.

I should be obliged if you would kindly confirm the agreement of your Government to the foregoing.'

I have the honour to confirm that my Government is in agreement with the contents of your letter.

Please accept, Sir, the assurance of my highest consideration.

*For the Government
of the Republic of Iceland*

EXCHANGE OF LETTERS

relevant to clause 2 of the arrangement in the form of an exchange of letters between the European Economic Community and the Republic of Iceland on trade in sheepmeat and goatmeat

Letter No 1

Sir,

I have the honour to refer to the arrangement in the form of an exchange of letters between the European Economic Community and the Republic of Iceland on trade in sheepmeat and goatmeat.

Further to that exchange of letters and to your request, I would advise you that the competent authorities of the Republic of Iceland will ensure that for the period 1 January 1981 to 31 March 1984, there will be no change in the traditional trade flows of mutton, lamb and goatmeat from Iceland to the market areas in the Community determined as sensitive.

The competent authorities of the Republic of Iceland will adopt the necessary measures for this purpose, it being understood that the quantities fixed in the arrangement shall not thereby be affected.

I should be obliged if you would kindly acknowledge receipt of this letter.

Please accept, Sir, the assurance of my highest consideration.

*For the Government
of the Republic of Iceland*

Letter No 2

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:

'I have the honour to refer to the arrangement in the form of an exchange of letters between the European Economic Community and the Republic of Iceland on trade in sheepmeat and goatmeat.

Further to that exchange of letters and to your request, I would advise you that the competent authorities of the Republic of Iceland will ensure that for the period 1 January 1981 to 31 March 1984, there will be no change in the traditional trade flows of mutton, lamb and goatmeat from Iceland to the market areas in the Community determined as sensitive.

The competent authorities of the Republic of Iceland will adopt the necessary measures for this purpose, it being understood that the quantities fixed in the arrangement shall not thereby be affected.

I should be obliged if you would kindly acknowledge receipt of this letter.'

Please accept, Sir, the assurance of my highest consideration.

*For the Council
of the European Communities*

EXCHANGE OF LETTERS**between the European Economic Community and the People's Republic of Poland on trade in sheepmeat and goatmeat***Letter No 1*

Sir,

I have the honour to refer to the negotiations recently undertaken between our respective delegations for the purpose of drawing up provisions concerning import into the European Economic Community of mutton, lamb and goatmeat, and live sheep and goats other than pure-bred breeding animals from the People's Republic of Poland, in connection with implementation by the Community of the common organization of the market in sheepmeat and goatmeat.

During these negotiations which took place between the two Parties, who are participants in GATT, our delegations agreed as follows:

1. This arrangement covers:

- live sheep and goats other than pure-bred breeding animals (subheading 01.04 B of the Common Customs Tariff),
- fresh or chilled mutton, lamb and goatmeat (subheading 02.01 A IV a) of the Common Customs Tariff),
- frozen mutton, lamb and goatmeat (subheading 02.01 A IV b) of the Common Customs Tariff).

The two Parties agree that steps should be taken to ensure that the smooth operation of the agreement should not be upset by delivery of sheepmeat and goatmeat products falling under tariff headings not covered by the arrangement.

2. Within this arrangement, the scope for imports of sheepmeat and goatmeat and for live sheep and goats from Poland into the Community shall be fixed at the following annual quantities:

- 5 800 tonnes of live animals, expressed in carcase weight bone-in ⁽¹⁾,
- 200 tonnes of fresh or chilled meat, expressed in carcase weight bone-in ⁽²⁾.

In order to ensure the smooth operation of the arrangement, the competent Polish authorities undertake to implement the appropriate procedures to ensure that the quantities actually exported do not exceed the abovementioned figures.

3. **In the case of imports of the products covered by this arrangement and up to the quantity limits therein laid down, the Community will not apply new quantitative restrictions or measures of equivalent effect nor levy customs duties or taxes of equivalent effect to levies or customs duties exceeding those agreed in clause 5.**

Were the Community to invoke the protective clause, it is hereby agreed that the provisions of this arrangement would not be affected.

(1) 100 kilograms live weight shall correspond to 47 kilograms carcase weight (bone-in equivalent weight).

(2) Carcase weight (bone-in equivalent weight). By this term is understood the weight of bone-in meat presented as such as well as boned meat converted by a coefficient into bone-in weight. For this purpose 55 kilograms of boned mutton corresponds to 100 kilograms of bone-in mutton and 60 kilograms of boned lamb corresponds to 100 kilograms of bone-in lamb.

4. If imports from Poland exceed the agreed quantities, the Community reserves the right to suspend further imports from that country until the end of the current year. However, in any event, quantities beyond those agreed for the current year shall be deducted from the quantities agreed for the following year.
5. The Community undertakes, on import of products covered by this arrangement, to limit the amounts levied to the following *ad valorem* levels:
 - 10 % for live animals,
 - 10 % for meat.

6. On accession of new Member States to the Community, the quantities referred to in clause 2 shall be, as appropriate, adapted by the Community, in consultation between the two Parties, to reflect the trade between the People's Republic of Poland and each such new Member State. The quantities shall not be reduced.

The charges to be levied on imports in respect of the said new Member States shall be fixed in accordance with the rules in the Treaty of Accession; the limit on the levy set out in clause 5 shall be taken into account.

7. The competent Polish authorities shall ensure compliance with this arrangement, in particular through issue by the competent agency, which they shall designate for the purpose, of export licences applicable to the products referred to at clause 1, up to the maximum agreed quantity.

The Community agrees to take all the necessary measures to make automatic issue of an import licence, no later than release from customs bond, for the abovementioned products originating in Poland subject to production of an export licence issued by the competent Polish authority.

Detailed rules for the implementation of this system shall be drawn up so that the lodging of a security for the issue of import licences in respect of the products in question shall be unnecessary. These detailed rules shall also provide that the competent Polish authorities and the competent Community authorities shall undertake periodical exchanges of information in respect of the quantities in respect of which export and import licences have been issued, broken down according to destination as appropriate, as well as in respect of quantities which have actually been shipped.

It is hereby agreed that export licences will be valid for three months with effect from their date of issue. The corresponding import licences shall be valid until the date of expiry of the export licences.

Quantities delivered under an export licence shall be deducted from the quantity agreed in respect of the year during which the export licence was issued.

8. In order to ensure the smooth operation of this arrangement, the two Parties shall take the appropriate measures and agree to remain in close contact and to be ready to undertake consultation in respect of any question which might arise while this arrangement applies. Consultation must commence within a maximum of 14 days after a request by one of the Parties.

9. The annual quantity fixed in clause 2 shall cover the period 1 January to 31 December.

The quantity applicable as from the date of implementation of this arrangement up to 1 January of the following year shall be fixed by consultation between the two Parties in proportion to the total annual quantity, adjusted to reflect the seasonal trend in Polish deliveries of the products in question during the year.

10. This Agreement shall apply, on the one hand, to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty and, on the other hand, to the territory of the People's Republic of Poland.
11. This arrangement shall enter into force on 1 January 1981. It shall apply until 31 March 1984. It shall thereafter be automatically extended for periods of one year, subject to the right of either Party to terminate it by notice in writing given six months before the date of expiry of any one of the said periods. In case of termination, the arrangement shall expire at the date of expiry of the period in question. In any case, the provisions of this arrangement shall be reviewed by the two Parties before 1 April 1984 for the purpose of incorporating any adaptation which might seem necessary for its extension.

I would be grateful to you if you would confirm to me that the foregoing correctly expresses what our two delegations agree in this respect.

Please accept, Sir, the assurance of my highest consideration.

*For the Council
of the European Communities*

Letter No 2

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:

'I have the honour to refer to the negotiations recently undertaken between our respective delegations for the purpose of drawing up provisions concerning import into the European Economic Community of mutton, lamb and goatmeat, and live sheep and goats other than pure-bred breeding animals from the People's Republic of Poland, in connection with implementation by the Community of the common organization of the market in sheepmeat and goatmeat.

During these negotiations which took place between the two Parties, who are participants in GATT, our delegations agreed as follows:

1. This arrangement covers:

- live sheep and goats other than pure-bred breeding animals (subheading 01.04 B of the Common Customs Tariff),
- fresh or chilled mutton, lamb and goatmeat (subheading 02.01 A IV a) of the Common Customs Tariff),
- frozen mutton, lamb and goatmeat (subheading 02.01 A IV b) of the Common Customs Tariff).

The two Parties agree that steps should be taken to ensure that the smooth operation of the agreement should not be upset by delivery of sheepmeat and goatmeat products falling under tariff headings not covered by the arrangement.

2. Within this arrangement, the scope for imports of sheepmeat and goatmeat and for live sheep and goats from Poland into the Community shall be fixed at the following annual quantities:

- 5 800 tonnes of live animals, expressed in carcase weight bone-in ⁽¹⁾,
- 200 tonnes of fresh or chilled meat, expressed in carcase weight bone-in ⁽²⁾.

In order to ensure the smooth operation of the arrangement, the competent Polish authorities undertake to implement the appropriate procedures to ensure that the quantities actually exported do not exceed the abovementioned figures.

3. In the case of imports of the products covered by this arrangement and up to the quantity limits therein laid down, the Community will not apply new quantitative restrictions or measures of equivalent effect nor levy customs duties or taxes of equivalent effect to levies or customs duties exceeding those agreed in clause 5.

Were the Community to invoke the protective clause, it is hereby agreed that the provisions of this arrangement would not be affected.

4. If imports from Poland exceed the agreed quantities, the Community reserves the right to suspend further imports from that country until the end of the current year. However, in any event, quantities beyond those agreed for the current year shall be deducted from the quantities agreed for the following year.

5. The Community undertakes, on import of products covered by this arrangement, to limit the amounts levied to the following *ad valorem* levels:

- 10 % for live animals,
- 10 % for meat.

6. On accession of new Member States to the Community, the quantities referred to in clause 2 shall be, as appropriate, adapted by the Community, in consultation between the two Parties, to reflect the trade between the People's Republic of Poland and each such new Member State. The quantities shall not be reduced.

The charges to be levied on imports in respect of the said new Member States shall be fixed in accordance with the rules in the Treaty of Accession; the limit on the levy set out in clause 5 shall be taken into account.

7. The competent Polish authorities shall ensure compliance with this arrangement, in particular through issue by the competent agency, which they shall designate for the purpose, of export licences applicable to the products referred to at clause 1, up to the maximum agreed quantity.

The Community agrees to take all the necessary measures to make automatic issue of an import licence, no later than release from customs bond, for the abovementioned products originating in Poland subject to production of an export licence issued by the competent Polish authority.

Detailed rules for the implementation of this system shall be drawn up so that the lodging of a security for the issue of import licences in respect of the products in question shall be unnecessary. These detailed rules shall also provide that the competent Polish authorities and the competent Community authorities shall undertake periodical exchanges of information in respect of the quantities in respect of which export and import licences have been issued, broken down according to destination as appropriate, as well as in respect of quantities which have actually been shipped.

⁽¹⁾ 100 kilograms live weight shall correspond to 47 kilograms carcase weight (bone-in equivalent weight).

⁽²⁾ Carcase weight (bone-in equivalent weight). By this term is understood the weight of bone-in meat presented as such as well as boned meat converted by a coefficient into bone-in weight. For this purpose 55 kilograms of boned mutton corresponds to 100 kilograms of bone-in mutton and 60 kilograms of boned lamb corresponds to 100 kilograms of bone-in lamb.

It is hereby agreed that export licences will be valid for three months with effect from their date of issue. The corresponding import licences shall be valid until the date of expiry of the export licences.

Quantities delivered under an export licence shall be deducted from the quantity agreed in respect of the year during which the export licence was issued.

8. In order to ensure the smooth operation of this arrangement, the two Parties shall take the appropriate measures and agree to remain in close contact and to be ready to undertake consultation in respect of any question which might arise while this arrangement applies. Consultation must commence within a maximum of 14 days after a request by one of the Parties.

9. The annual quantity fixed in clause 2 shall cover the period 1 January to 31 December.

The quantity applicable as from the date of implementation of this arrangement up to 1 January of the following year shall be fixed by consultation between the two Parties in proportion to the total annual quantity, adjusted to reflect the seasonal trend in Polish deliveries of the products in question during the year.

10. This Agreement shall apply, on the one hand, to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty and, on the other hand, to the territory of the People's Republic of Poland.

11. This arrangement shall enter into force on 1 January 1981. It shall apply until 31 March 1984. It shall thereafter be automatically extended for periods of one year, subject to the right of either Party to terminate it by notice in writing given six months before the date of expiry of any one of the said periods. In the case of termination, the arrangement shall expire at the date of expiry of the period in question. In any case, the provisions of this arrangement shall be reviewed by the two Parties before 1 April 1984 for the purpose of incorporating any adaptation which might seem necessary for its extension.

I would be grateful to you if you would confirm to me that the foregoing correctly expresses what our two delegations agree in this respect.'

I have the honour to confirm to you that the foregoing correctly expresses what our two delegations agree in this respect.

Please accept, Sir, the assurance of my highest consideration.

*For the Government
of the People's Republic of Poland*

EXCHANGE OF LETTERS

relevant to the consultations foreseen in clause 8 of the exchange of letters between the European Economic Community and the People's Republic of Poland on trade in sheepmeat and goatmeat

Letter No 1

Sir,

Since it was not possible to reach sufficiently precise solutions to some questions raised by Poland during the negotiations for this arrangement between the European Economic Community and the People's Republic of Poland on trade in sheepmeat and goatmeat, it was agreed during the negotiations, that, during the consultations provided for in clause 8 of the arrangement, if Poland were to raise any concrete problems, the following points could be covered by the said consultations without prejudice to the terms of clause 8:

1. cases of *force majeure*;
2. supply of live animals within the quantity agreed for meat;
3. in cases where the quantity agreed for a given year was entirely taken up, advance use, at the end of the current year, of a limited proportion of the quantity agreed for the following year;
4. use of the agreed quantities for the purposes of export of frozen meat of Polish origin to the Community;
5. the possibility of allowing imports of quantities over and above those fixed in clause 2 of the arrangement if the Community market were to require additional imports;
6. the possibility of delivering export and import certificates for quantities above those agreed, in so far as the quantities actually imported are below those for which import certificates have been delivered.

For its part, the Community would be prepared to undertake the said consultations in a spirit of cooperation in respect of any requests put forward by Poland.

Furthermore, I have the honour hereby to confirm to you the following declaration made by the Community during the abovementioned negotiations:

- imports into the Community of products covered by the arrangements shall not be subject to the quantitative limits set out in point 2 of that arrangement provided that these products are re-exported from the Community either without further processing or after inward processing under the relevant Community system.

I should be obliged if you would kindly acknowledge receipt of this letter.

Please accept, Sir, the assurance of my highest consideration.

*For the Council
of the European Communities*

Letter No 2

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:

'Since it was not possible to reach sufficiently precise solutions to some questions raised by Poland during the negotiations for this arrangement between the European Economic Community and the People's Republic of Poland on trade in sheepmeat and goatmeat, it was agreed during the negotiations, that, during the consultations provided for in clause 8 of the arrangement, if Poland were to raise any concrete problems, the following points could be covered by the said consultations without prejudice to the terms of clause 8:

1. cases of *force majeure*;
2. supply of live animals within the quantity agreed for meat;
3. in cases where the quantity agreed for a given year was entirely taken up, advance use, at the end of the current year, of a limited proportion of the quantity agreed for the following year;
4. use of the agreed quantities for the purposes of export of frozen meat of Polish origin to the Community;
5. the possibility of allowing imports of quantities over and above those fixed in clause 2 of the arrangement if the Community market were to require additional imports;
6. the possibility of delivering export and import certificates for quantities above those agreed, in so far as the quantities actually imported are below those for which import certificates have been delivered.

For its part, the Community would be prepared to undertake the said consultations in a spirit of cooperation in respect of any requests put forward by Poland.

Furthermore, I have the honour hereby to confirm to you the following declaration made by the Community during the abovementioned negotiations:

- imports into the Community of products covered by the arrangement shall not be subject to the quantitative limits set out in point 2 of that arrangement provided that these products are re-exported from the Community either without further processing or after inward processing under the relevant Community system.

I should be obliged if you would kindly acknowledge receipt of this letter.'

Please accept, Sir, the assurance of my highest consideration.

*For the Government
of the People's Republic of Poland*

EXCHANGE OF LETTERS

relevant to clause 2 of the exchange of letters between the European Economic Community and the People's Republic of Poland on trade in sheepmeat and goatmeat

Letter No 1

Sir,

I have the honour to refer to the exchange of letters between the European Economic Community and the People's Republic of Poland on trade in mutton, lamb and goatmeat.

Further to that exchange of letters and to your request, I would advise you that the competent authorities of the People's Republic of Poland will ensure that for the period 1 January 1981 to 31 March 1984, there will be no change in the traditional export patterns of mutton, lamb and goatmeat and live sheep and goats to the two market areas in the Community determined as sensitive.

The competent authorities of the People's Republic of Poland will adopt the necessary measures for this purpose.

I should be obliged if you would kindly acknowledge receipt of this letter.

Please accept, Sir, the assurance of my highest consideration.

*For the Government
of the People's Republic of Poland*

Letter No 2

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:

'I have the honour to refer to the exchange of letters between the European Economic Community and the People's Republic of Poland on trade in mutton, lamb and goatmeat.

Further to that exchange of letters and to your request, I would advise you that the competent authorities of the People's Republic of Poland will ensure that for the period 1 January 1981 to 31 March 1984, there will be no change in the traditional export patterns of mutton, lamb and goatmeat and live sheep and goats to the two market areas in the Community determined as sensitive.

The competent authorities of the People's Republic of Poland will adopt the necessary measures for this purpose.

I should be obliged if you would kindly acknowledge receipt of this letter.'

Please accept, Sir, the assurance of my highest consideration.

*For the Council
of the European Communities*

EXCHANGE OF LETTERS

between the European Economic Community and the Socialist Republic of Romania on trade in sheepmeat and goatmeat

Letter No 1

Sir,

During the negotiations recently undertaken between our respective delegations for the purpose of drawing up provisions concerning import into the European Economic Community of mutton, lamb and goatmeat, and live sheep and goats other than pure-bred breeding animals from the Socialist Republic of Romania, in connection with implementation by the Community of the common organization of the market in sheepmeat and goatmeat, our delegations agreed as follows:

1. This arrangement covers:

- live sheep and goats other than pure-bred breeding animals (subheading 01.04 B of the Common Customs Tariff),
- fresh or chilled mutton, lamb and goatmeat (subheading 02.01 A IV a) of the Common Customs Tariff),
- frozen mutton, lamb, and goatmeat (subheading 02.01 A IV b) of the Common Customs Tariff).

2. Within the terms of this arrangement, the competent authorities of the Socialist Republic of Romania undertake to ensure that exports to the Community of the products referred to in clause 1 shall not exceed the following annual quantities:

- 475 tonnes of live animals, expressed in carcase weight bone-in ⁽¹⁾,
- 75 tonnes of fresh or chilled meat, expressed in carcase weight bone-in ⁽²⁾.

For this purpose, the appropriate procedures shall be implemented by the competent authorities of the Socialist Republic of Romania.

3. Provided that exports from the Socialist Republic of Romania do not exceed the quantities mentioned in point 2, the Community shall not apply any quantitative restriction nor measure of equivalent effect.

Should the Community have recourse to the safeguard clause, it undertakes that the provisions of this arrangement will not be affected.

4. If imports from the Socialist Republic of Romania exceed the agreed quantities, the Community reserves the right to suspend further imports from that country until the end of the current year.

However, in any event, quantities beyond those agreed for the current year shall be deducted from the quantities agreed for the following year.

⁽¹⁾ 100 kilograms live weight shall correspond to 47 kilograms carcase weight (bone-in equivalent weight).

⁽²⁾ Carcase weight (bone-in equivalent weight). By this term is understood the weight of bone-in meat presented as such as well as boned meat converted by a coefficient into bone-in weight. For this purpose 55 kilograms of boned mutton corresponds to 100 kilograms of bone-in mutton and 60 kilograms of boned lamb corresponds to 100 kilograms of bone-in lamb.

5. The Community undertakes, on import of products covered by this arrangement, to limit the amounts levied to the following *ad valorem* levels:

- 10 % for live animals,
- 10 % for meat.

The Community will not charge, apart from the abovementioned levies, customs duties or other taxes of equivalent effect to levies or to customs duties.

6. On accession of new Member States to the Community, and if justified by the trade between the Socialist Republic of Romania and each such new Member State, the Community accepts consultations between the two Parties in order to adapt, if appropriate, the quantities set out in clause 2.

The quantities set out in clause 2 shall not be reduced.

The charges to be levied on imports in respect of the said new Member States shall be fixed in accordance with the rules in the Treaty of Accession; the limit on the levy set out in clause 5 shall be taken into account.

7. In taking account of the objectives and provisions of this arrangement, the Community agrees that any actual implementation of refunds or any other form of assistance with respect to exports of mutton, lamb and live sheep and lamb intended for slaughter will apply only at prices and on conditions which comply with existing international obligations and in respect of the traditional shares of the Community of world export trade in these products. These words shall be interpreted in a manner consistent with Article XVI of GATT and in particular in conformity with Article 10 (2) (c) of the Agreement on interpretation and application of Articles VI, XVI and XXIII of the General Agreement on tariffs and trade.

8. The competent authorities of the Socialist Republic of Romania shall ensure that this arrangement is observed, in particular, by issuing export licences covering the products referred to in clause 1 within the limits of the quantity covered by this arrangement.

For its part, the Community shall undertake to adopt all necessary provisions to make the issue of the import licence for the products referred to above, originating in the Socialist Republic of Romania, subject to the presentation of an export licence issued by the competent Romanian authority.

Detailed rules for applying this system shall be laid down in such a way as to render unnecessary the lodging of a security for the issue of the import licence in respect of the products in question. Also, such detailed rules of application shall provide that the competent authority of Romania shall communicate periodically to the competent authority of the Community the quantities in respect of which export licences are issued, broken down, where appropriate, according to destination.

It is hereby agreed that export licences will be valid for three months with effect from their date of issue. The corresponding import licences shall be valid until the date of expiry of the export licences.

Quantities delivered under an export licence shall be deducted from the quantity agreed in respect of the year during which the export licence was issued.

9. Both Parties agree that steps should be taken by Romania to ensure that the smooth operation of the arrangement is not affected by deliveries of mutton-, lamb- and goatmeat-based products falling under customs headings not referred to by this arrangement.

10. In order to ensure the smooth operation of this arrangement, the two Parties shall take the appropriate measures and agree to remain in close contact and to be ready to undertake consultation in respect of any question which might arise while this arrangement applies. Consultation must commence within a maximum of 14 days after a request by one of the Parties.
11. The provisions of this arrangement shall be agreed without prejudice to the Parties' rights and obligations under GATT.
12. The annual quantity fixed at clause 2 shall cover the period 1 January to 31 December.

The quantity applicable as from the date of implementation of this arrangement up to 1 January of the following year shall be fixed by the consultations provided for in clause 10, in proportion to the total annual quantity.
13. This arrangement shall apply, on the one hand, to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty and, on the other hand, to the territory of the Socialist Republic of Romania.
14. This arrangement shall enter into force on 1 January 1981. It shall apply until 31 March 1984. It shall thereafter be automatically extended for periods of one year, subject to the right of either party to terminate it by notice in writing given six months before the date of expiry of any one of the said periods. In the case of termination, the arrangement shall expire at the date of expiry of the period in question. In any case, the provisions of this arrangement shall be reviewed by the two Parties before 1 April 1984 for the purpose of incorporating any adaptation which might seem necessary for its extension.

I would be grateful to you if you would confirm to me that the foregoing correctly expresses what our two delegations agree in this respect.

Please accept, Sir, the assurance of my highest consideration.

*For the Council
of the European Communities*

Letter No 2

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:

'During the negotiations recently undertaken between our respective delegations for the purpose of drawing up provisions concerning import into the European Economic Community of mutton, lamb and goatmeat, and live sheep and goats other than pure-bred breeding animals from the Socialist Republic of Romania, in connection with implementation by the Community of the common organization of the market in sheepmeat and goatmeat, our delegations agreed as follows:

1. This arrangement covers:

- live sheep and goats other than pure-bred breeding animals (subheading 01.04 B of the Common Customs Tariff),

- fresh or chilled mutton, lamb and goatmeat (subheading 02.01 A IV a) of the Common Customs Tariff),
- frozen mutton, lamb, and goatmeat (subheading 02.01 A IV b) of the Common Customs Tariff).

2. Within the terms of this arrangement, the competent authorities of the Socialist Republic of Romania undertake to ensure that exports to the Community of the products referred to in clause 1 shall not exceed the following annual quantities:

- 475 tonnes of live animals, expressed in carcase weight bone-in ⁽¹⁾,
- 75 tonnes of fresh or chilled meat, expressed in carcase weight bone-in ⁽²⁾.

For this purpose, the appropriate procedures shall be implemented by the competent authorities of the Socialist Republic of Romania.

3. Provided that exports from the Socialist Republic of Romania do not exceed the quantities mentioned in point 2, the Community shall not apply any quantitative restriction nor measure of equivalent effect.

Should the Community have recourse to the safeguard clause, it undertakes that the provisions of this arrangement will not be affected.

4. If imports from the Socialist Republic of Romania exceed the agreed quantities, the Community reserves the right to suspend further imports from that country until the end of the current year.

However, in any event, quantities beyond those agreed for the current year shall be deducted from the quantities agreed for the following year.

5. The Community undertakes, on import of products covered by this arrangement, to limit the amounts levied to the following *ad valorem* levels:

- 10 % for live animals,
- 10 % for meat.

The Community will not charge, apart from the abovementioned levies, customs duties or other taxes of equivalent effect to levies or to customs duties.

6. On accession of new Member States to the Community, and if justified by the trade between the Socialist Republic of Romania and each such new Member State, the Community accepts consultations between the two Parties in order to adapt, if appropriate, the quantities set out in clause 2.

The quantities set out in clause 2 shall not be reduced.

The charges to be levied on imports in respect of the said new Member States shall be fixed in accordance with the rules in the Treaty of Accession; the limit on the levy set out in clause 5 shall be taken into account.

⁽¹⁾ 100 kilograms live weight shall correspond to 47 kilograms carcase weight (bone-in equivalent weight).

⁽²⁾ Carcase weight (bone-in equivalent weight). By this term is understood the weight of bone-in meat presented as such as well as boned meat converted by a coefficient into bone-in weight. For this purpose 55 kilograms of boned mutton corresponds to 100 kilograms of bone-in mutton and 60 kilograms of boned lamb corresponds to 100 kilograms of bone-in lamb.

7. In taking account of the objectives and provisions of this arrangement, the Community agrees that any actual implementation of refunds or any other form of assistance with respect to exports of mutton, lamb and live sheep and lamb intended for slaughter will apply only at prices and on conditions which comply with existing international obligations and in respect of the traditional shares of the Community of world export trade in these products. These words shall be interpreted in a manner consistent with Article XVI of GATT and in particular in conformity with Article 10 (2) (c) of the Agreement on interpretation and application of Articles VI, XVI and XXIII of the General Agreement on tariffs and trade.

8. The competent authorities of the Socialist Republic of Romania shall ensure that this arrangement is observed, in particular, by issuing export licences covering the products referred to in clause 1 within the limits of the quantity covered by this arrangement.

For its part, the Community shall undertake to adopt all necessary provisions to make the issue of the import licence for the products referred to above, originating in the Socialist Republic of Romania, subject to the presentation of an export licence issued by the competent Romanian authority.

Detailed rules for applying this system shall be laid down in such a way as to render unnecessary the lodging of a security for the issue of the import licence in respect of the products in question. Also, such detailed rules of application shall provide that the competent authority of Romania shall communicate periodically to the competent authority of the Community the quantities in respect of which export licences are issued, broken down, where appropriate, according to destination.

It is hereby agreed that export licences will be valid for three months with effect from their date of issue. The corresponding import licences shall be valid until the date of expiry of the export licences.

Quantities delivered under an export licence shall be deducted from the quantity agreed in respect of the year during which the export licence was issued.

9. Both Parties agree that steps should be taken by Romania to ensure that the smooth operation of the arrangement is not affected by deliveries of mutton-, lamb-, and goatmeat-based products falling under customs headings not referred to by this arrangement.

10. In order to ensure the smooth operation of this arrangement, the two Parties shall take the appropriate measures and agree to remain in close contact and to be ready to undertake consultation in respect of any question which might arise while this arrangement applies. Consultation must commence within a maximum of 14 days after a request by one of the Parties.

11. The provisions of this arrangement shall be agreed without prejudice to the Parties' rights and obligations under GATT.

12. The annual quantity fixed at clause 2 shall cover the period 1 January to 31 December.

The quantity applicable as from the date of implementation of this arrangement up to 1 January of the following year shall be fixed by the consultations provided for in clause 10, in proportion to the total annual quantity.

13. This arrangement shall apply, on the one hand, to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty and, on the other hand, to the territory of the Socialist Republic of Romania.
14. This arrangement shall enter into force on 1 January 1981. It shall apply until 31 March 1984. It shall thereafter be automatically extended for periods of one year, subject to the right of either party to terminate it by notice in writing given six months before the date of expiry of any one of the said periods. In the case of termination, the arrangement shall expire at the date of expiry of the period in question. In any case, the provisions of this arrangement shall be reviewed by the two Parties before 1 April 1984 for the purpose of incorporating any adaptation which might seem necessary for its extension.

I would be grateful to you if you would confirm to me that the foregoing correctly expresses what our two delegations agree in this respect.'

I have the honour to confirm to you that the foregoing correctly expresses what our two delegations agree in this respect.

Please accept, Sir, the assurance of my highest consideration.

*For the Government
of the Socialist Republic of Romania*

EXCHANGE OF LETTERS

relevant to the consultations provided for in clause 10 of the exchange of letters between the European Economic Community and the Socialist Republic of Romania on trade in sheepmeat and goatmeat

Letter No 1

Sir,

With reference to the exchange of letters between the European Economic Community and the Socialist Republic of Romania on trade in sheepmeat and goatmeat, the two Parties agreed that the following specific point could be covered by the consultation foreseen in clause 10 of the exchange of letters, without prejudice to the terms of that clause:

- the possibility of allowing, at the conditions laid down in the arrangement, imports of quantities over and above those fixed in clause 2 of the arrangement if the Community market were to require additional imports.

I should be obliged if you would kindly acknowledge receipt of this letter.

Please accept, Sir, the assurance of my highest consideration.

*For the Council
of the European Communities*

Letter No 2

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:

'With reference to the exchange of letters between the European Economic Community and the Socialist Republic of Romania on trade in sheepmeat and goatmeat, the two Parties agreed that the following specific point could be covered by the consultation foreseen in clause 10 of that exchange of letters, without prejudice to the terms of that clause:

- the possibility of allowing, at the conditions laid down in the arrangement, imports of quantities over and above those fixed in clause 2 of the arrangement if the Community market were to require additional imports.

I should be obliged if you would kindly acknowledge receipt of this letter.'

Please accept, Sir, the assurance of my highest consideration.

*For the Government
of the Socialist Republic of Romania*

EXCHANGE OF LETTERS**relevant to clause 2 of the exchange of letters between the European Economic Community and the Socialist Republic of Romania on trade in sheepmeat and goatmeat***Letter No 1*

Sir,

I have the honour to refer to the exchange of letters between the European Economic Community and the Socialist Republic of Romania on trade in sheepmeat and goatmeat.

Further to that exchange of letters and to your request, I would advise you that the competent Romanian authorities will ensure that for the period 1 January 1981 to 31 March 1984, there will be no change in the traditional export patterns of mutton, lamb and goatmeat and live sheep and goats from the Socialist Republic of Romania to those market areas in the Community determined as sensitive.

The competent authorities of the Socialist Republic of Romania will adopt the necessary measures for this purpose.

I should be obliged if you would kindly acknowledge receipt of this letter.

Please accept, Sir, the assurance of my highest consideration.

*For the Government
of the Socialist Republic of Romania*

Letter No 2

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:

'I have the honour to refer to the exchange of letters between the European Economic Community and the Socialist Republic of Romania on trade in sheepmeat and goatmeat.

Further to that exchange of letters and to your request, I would advise you that the competent Romanian authorities will ensure that for the period 1 January 1981 to 31 March 1984, there will be no change in the traditional export patterns of mutton, lamb and goatmeat and live sheep and goats from the Socialist Republic of Romania to those market areas in the Community determined as sensitive.

The competent authorities of the Socialist Republic of Romania will adopt the necessary measures for this purpose.

I should be obliged if you would kindly acknowledge receipt of this letter.'

Please accept, Sir, the assurance of my highest consideration.

*For the Council
of the European Communities*

COUNCIL DECISION

of 28 April 1981

on the conclusion of an Agreement in the form of an exchange of letters between the European Economic Community and the Socialist Federal Republic of Yugoslavia on trade in the sheepmeat and goatmeat sector

(81/360/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the recommendation from the Commission,

Whereas the Commission has opened negotiations with non-member countries which supply sheepmeat and goatmeat or live sheep and goats, with a view to reaching agreement for voluntary restraint on their exports to the Community;

Whereas the Commission has reached agreement with Yugoslavia;

Whereas the said agreement allows trade to be carried on in a manner compatible with the common organization of the market in the sector in question,

HAS DECIDED AS FOLLOWS:

Article 1

The Agreement in the form of an exchange of letters between the European Economic Community and

the Socialist Federal Republic of Yugoslavia on trade in the sheepmeat and goatmeat sector is hereby approved on behalf of the Community.

The text of the Agreement is attached to this Decision.

Article 2

The President of the Council is hereby authorized to designate the person empowered to sign the Agreement, in order to bind the Community.

Done at Luxembourg, 28 April 1981.

For the Council

The President

J. de KONING

EXCHANGE OF LETTERS

between the European Economic Community and the Socialist Federal Republic of Yugoslavia on trade in the sheepmeat and goatmeat sector

Letter No 1

Sir,

I have the honour to refer to the negotiations recently undertaken between our respective delegations for the purpose of drawing up provisions concerning import into the European Economic Community of mutton, lamb and goatmeat, and live sheep and goats other than pure-bred breeding animals from Yugoslavia, in connection with implementation by the Community of the common organization of the markets in sheepmeat and goatmeat.

During the negotiations the Parties agreed as follows:

1. This arrangement covers:

- live sheep and goats other than pure-bred breeding animals (subheading 01.04 B of the Common Customs Tariff),
- fresh or chilled mutton, lamb and goatmeat (subheading 02.01 A IV a) of the Common Customs Tariff),
- frozen mutton, lamb and goatmeat (subheading 02.01 A IV b) of the Common Customs Tariff).

2. Within this arrangement, the scope for exports from Yugoslavia to the Community of the products referred to in point 1 shall be fixed at the following annual quantities:

- 200 tonnes of live animals, expressed in carcase weight bone-in ⁽¹⁾ ⁽²⁾,
- 4 800 tonnes of fresh or chilled meat, expressed in carcase weight bone-in ⁽²⁾.

In order to ensure the smooth operation of the arrangement, Yugoslavia undertakes to implement the appropriate procedures to ensure that the quantities actually exported annually do not exceed the abovementioned figures.

3. Should the Community have recourse to the safeguard clause, it undertakes to see that Yugoslavia's access to the Community under the terms of this arrangement is not affected.

4. If imports from Yugoslavia in a given year exceed the agreed quantities, the Community reserves the right to suspend further imports from that country until the end of that year.

Quantities exported in excess of these quantities shall be deducted from the quantities agreed for the following year.

5. The Community undertakes to limit the levy applicable to imports of products covered by this arrangement to a maximum amount of 10 % *ad valorem*.

⁽¹⁾ 100 kilograms live weight shall compound to 47 kilograms carcase weight (bone-in equivalent weight).

⁽²⁾ Carcase weight (bone-in equivalent weight). By this term is understood the weight of bone-in meat presented as such as well as boned meat converted by a coefficient into bone-in weight. For this purpose 55 kilograms of boned mutton corresponds to 100 kilograms of bone-in mutton and 60 kilograms of boned lamb corresponds to 100 kilograms of bone-in lamb.

The Community will not charge, apart from the levy indicated above, customs duties or other taxes of equivalent effect to levies or to customs duties.

6. At the time of accession of new Member States, the Community, after consultation with Yugoslavia, will alter the quantities set out in point 2, in accordance with Yugoslavia's trade with each new Member State.

The charges applicable to imports for the said new Member States shall be fixed in accordance with the rules in the Treaty of Accession, the maximum level of the levy specified in point 5 of this arrangement being taken into account.

7. The Community will endeavour to avoid market developments which might hinder the sale on the Community market, up to the agreed quantities, of products from Yugoslavia covered by this arrangement.

8. Having regard to the aims and provisions of this arrangement, the Community agrees that no refund or other form of aid to exports of mutton and lamb or live sheep and lambs for slaughter shall be given effect except at prices and on conditions meeting existing international obligations and in line with the Community's traditional share of the world export trade in those products. These terms must be interpreted in a manner compatible with Article XVI of the General Agreement on Tariffs and Trade and in particular in accordance with Article 10 (2) (c) of the Agreement on interpretation and application of Articles VI, XVI and XXIII of the General Agreement on Tariff and Trade.

9. Yugoslavia shall ensure that this arrangement is observed, in particular by issuing export licences covering the products referred to in point 1 within the limits of the quantities covered by this arrangement.

For its part, the Community shall undertake to adopt all necessary provisions to make the issue of the import licence for the products referred to above, originating in Yugoslavia, subject to the presentation of an export licence, issued by the competent authority designated by Yugoslavia.

Detailed rules for applying this system shall be laid down in such a way as to render unnecessary the lodging of a security for the issue of the import licence in respect of the products in question.

Also, such detailed rules of application shall provide that the competent Yugoslav authorities shall communicate periodically to the competent authorities of the Community the quantities in respect of which import and export licences have been issued, broken down, where appropriate, according to destination.

10. An Advisory Committee shall be set up, composed of representatives of the Community and of Yugoslavia. The Committee shall supervise the correct application and smooth functioning of this arrangement.

It shall ensure that proper application of this arrangement is not affected by the exportation to the Community of mutton-, lamb- and goatmeat-based products falling under tariff headings not covered by this arrangement.

The Committee shall discuss all questions arising in connection with the application of this arrangement and recommend appropriate solutions to the competent authorities.

11. The provisions of this arrangement are accepted without prejudice to the rights and obligations of the Parties under GATT.

12. The annual quantity fixed in point 2 shall cover the period 1 January to 31 December.

The quantity to apply from the implementation of this arrangement until 31 December of the same year shall be set as a proportion of the overall annual quantity and shall take account of the seasonal nature of the trade.

13. This arrangement shall apply, on the one hand, to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty and, on the other hand, to the territory of the Socialist Federal Republic of Yugoslavia.

14. This arrangement shall enter into force on 1 January 1981. It shall apply until 31 March 1984, and subsequently remain in force subject to the right of either of the Parties to terminate it by giving one year's notice in writing. In any event, the provisions of this arrangement shall be reviewed by the two Parties before 1 April 1984, in order to incorporate in it any adaptations which they might jointly consider necessary.

I should be obliged if you would kindly confirm the agreement of your Government to the foregoing.

Please accept, Sir, the assurance of my highest consideration.

*For the Council
of the European Communities*

Letter No 2

Sir,

I have the honour to acknowledge receipt of your letter of today's date, which reads as follows:

'I have the honour to refer to the negotiations recently undertaken between our respective delegations for the purpose of drawing up provisions concerning import into the European Economic Community of mutton, lamb and goatmeat, and live sheep and goats other than pure-bred breeding animals from Yugoslavia, in connection with implementation by the Community of the common organization of the markets in sheepmeat and goatmeat.

During the negotiations the Parties agreed as follows:

1. This arrangement covers:
 - live sheep and goats other than pure-bred breeding animals (subheading 01.04 B of the Common Customs Tariff),
 - fresh or chilled mutton, lamb and goatmeat (subheading 02.01 A IV a) of the Common Customs Tariff),
 - frozen mutton, lamb and goatmeat (subheading 02.01 A IV b) of the Common Customs Tariff).
2. Within this arrangement, the scope for exports from Yugoslavia to the Community of the products referred to in point 1 shall be fixed at the following annual quantities:

- 200 tonnes of live animals, expressed in carcase weight bone-in ⁽¹⁾ ⁽²⁾,
- 4 800 tonnes of fresh or chilled meat, expressed in carcase weight bone-in ⁽²⁾.

In order to ensure the smooth operation of the arrangement, Yugoslavia undertakes to implement the appropriate procedures to ensure that the quantities actually exported annually do not exceed the abovementioned figures.

3. Should the Community have recourse to the safeguard clause, it undertakes to see that Yugoslavia's access to the Community under the terms of this arrangement is not affected.
4. If imports from Yugoslavia in a given year exceed the agreed quantities, the Community reserves the right to suspend further imports from that country until the end of that year.

Quantities exported in excess of these quantities shall be deducted from the quantities agreed for the following year.

5. The Community undertakes to limit the levy applicable to imports of products covered by this arrangement to a maximum amount of 10 % *ad valorem*.

The Community will not charge, apart from the levy indicated above, customs duties or other taxes of equivalent effect to levies or to customs duties.

6. At the time of accession of new Member States, the Community, after consultation with Yugoslavia, will alter the quantities set out in point 2, in accordance with Yugoslavia's trade with each new Member State.

The charges applicable to imports for the said new Member States shall be fixed in accordance with the rules in the Treaty of Accession, the maximum level of the levy specified in point 5 of this arrangement being taken into account.

7. The Community will endeavour to avoid market developments which might hinder the sale on the Community market, up to the agreed quantities, of products from Yugoslavia covered by this arrangement.

8. Having regard to the aims and provisions of this arrangement, the Community agrees that no refund or other form of aid to exports of mutton and lamb or live sheep and lambs for slaughter shall be given effect except at prices and on conditions meeting existing international obligations and in line with the Community's traditional share of the world export trade in those products. These terms must be interpreted in a manner compatible with Article XVI of the General Agreement on Tariffs and Trade and in particular in accordance with Article 10 (2) (c) of the Agreement on interpretation and

(1) 100 kilograms live weight shall compound to 47 kilograms carcase weight (bone-in equivalent weight).

(2) Carcase weight (bone-in equivalent weight). By this term is understood the weight of bone-in meat presented as such as well as boned meat converted by a coefficient into bone-in weight. For this purpose 55 kilograms of boned mutton corresponds to 100 kilograms of bone-in mutton and 60 kilograms of boned lamb corresponds to 100 kilograms of bone-in lamb.

application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade.

9. Yugoslavia shall ensure that this arrangement is observed, in particular by issuing export licences covering the products referred to in point 1 within the limits of the quantities covered by this arrangement.

For its part, the Community shall undertake to adopt all necessary provisions to make the issue of the import licence for the products referred to above, originating in Yugoslavia, subject to the presentation of an export licence, issued by the competent authority designated by Yugoslavia.

Detailed rules for applying this system shall be laid down in such a way as to render unnecessary the lodging of a security for the issue of the import licence in respect of the products in question.

Also, such detailed rules of application shall provide that the competent Yugoslav authorities shall communicate periodically to the competent authorities of the Community the quantities in respect of which import and export licences have been issued, broken down, where appropriate, according to destination.

10. An Advisory Committee shall be set up, composed of representatives of the Community and of Yugoslavia. The Committee shall supervise the correct application and smooth functioning of this arrangement.

It shall ensure that proper application of this arrangement is not affected by the exportation to the Community of mutton-, lamb- and goatmeat-based products falling under tariff headings not covered by this arrangement.

The Committee shall discuss all questions arising in connection with the application of this arrangement and recommend appropriate solutions to the competent authorities.

11. The provisions of this arrangement are accepted without prejudice to the rights and obligations of the Parties under GATT.

12. The annual quantity fixed in point 2 shall cover the period 1 January to 31 December.

The quantity to apply from the implementation of this arrangement until 31 December of the same year shall be set as a proportion of the overall annual quantity and shall take account of the seasonal nature of the trade.

13. This arrangement shall apply, on the one hand, to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty and, on the other hand, to the territory of the Socialist Federal Republic of Yugoslavia.

14. This arrangement shall enter into force on 1 January 1981. It shall apply until 31 March 1984, and subsequently remain in force subject to the right of either of the Parties to terminate it by giving one year's notice in writing. In any event, the provisions of this arrangement shall be reviewed by the two Parties

before 1 April 1984, in order to incorporate in it any adaptations which they might jointly consider necessary.

I should be obliged if you would kindly confirm the agreement of your Government to the foregoing.'

I have the honour to confirm that my Government is in agreement with the contents of your letter.

Please accept, Sir, the assurance of my highest consideration.

*For the Federal Executive Council of the
Assembly of the Socialist Federal Republic of Yugoslavia*

EXCHANGE OF LETTERS

concerning point 2 of the exchange of letters between the European Economic Community and the Socialist Federal Republic of Yugoslavia on trade in the sheepmeat and goatmeat sector

Letter No 1

Sir,

I have the honour to refer to the exchange of letters between the European Economic Community and the Socialist Federal Republic of Yugoslavia on trade in the sheepmeat and goatmeat sector.

Further to that exchange of letters and to your request, I would advise you that for the period 1 January 1981 to 31 March 1984, the traditional export flows of sheepmeat and goatmeat and live sheep and goats from the Socialist Federal Republic of Yugoslavia to those markets in the European Economic Community which are considered sensitive will be respected.

The competent authorities of the Socialist Federal Republic of Yugoslavia will adopt the necessary measures for this purpose.

I should be obliged if you would kindly acknowledge receipt of this letter.

Please accept, Sir, the assurance of my highest consideration.

*For the Federal Executive Council of the
Assembly of the Socialist Federal Republic of Yugoslavia*

Letter No 2

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:

'I have the honour to refer to the exchange of letters between the European Economic Community and the Socialist Federal Republic of Yugoslavia on trade in the sheepmeat and goatmeat sector.

Further to that exchange of letters and to your request, I would advise you that for the period 1 January 1981 to 31 March 1984, the traditional export flows of sheepmeat and goatmeat and live sheep and goats from the Socialist Federal Republic of Yugoslavia to those markets in the European Economic Community which are considered sensitive will be respected.

The competent authorities of the Socialist Federal Republic of Yugoslavia will adopt the necessary measures for this purpose.

I should be obliged if you would kindly acknowledge receipt of this letter.'

Please accept, Sir, the assurance of my highest consideration.

*For the Council
of the European Communities*

COUNCIL DECISION
of 28 April 1981
concerning negotiations under Article XXIV (6) of GATT

(81/361/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the recommendation from the Commission,

Whereas, following the enlargement of the Communities, the Hellenic Republic's tariff concessions have to be renegotiated in accordance with Article XXIV (6) of the General Agreement on Tariffs and Trade,

HAS DECIDED AS FOLLOWS:

Sole Article

The Commission is hereby authorized to enter into negotiations under Article XXIV (6) of the General Agreement on Tariffs and Trade.

The Commission shall conduct the negotiations in consultation with the Special Committee provided for in Article 113 of the Treaty, which will assist it in its task.

Done at Luxembourg, 28 April 1981.

For the Council

The President

J. de KONING

**DECISION OF THE REPRESENTATIVES OF THE GOVERNMENTS OF
THE MEMBER STATES OF THE EUROPEAN COAL AND STEEL COM-
MUNITY, MEETING WITHIN THE COUNCIL**

of 28 April 1981

regarding the opening of tariff negotiations under Article XXIV (6) of GATT

(81/362/ECSC)

THE REPRESENTATIVES OF THE GOVERNMENTS OF THE MEMBER STATES OF
THE EUROPEAN COAL AND STEEL COMMUNITY, MEETING WITHIN THE
COUNCIL,

Having taken note of the communication of the Commission,

Whereas, following the enlargement of the Communities, according to the provisions
of Article XXIV (6) of the General Agreement on Tariffs and Trade the tariff conces-
sions of the Hellenic Republic have to be renegotiated,

HAVE DECIDED AS FOLLOWS:

1. The Commission is requested to enter into negotiations under Article XXIV (6) of
the General Agreement on Tariffs and Trade in respect of products covered by the
European Coal and Steel Community.
2. The Commission will conduct these negotiations with the assistance of representa-
tives of the Member States.

Done at Luxembourg, 28 April 1981.

The President

J. de KONING

COUNCIL DIRECTIVE**of 28 April 1981****on aid to shipbuilding**

(81/363/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 92 (3) (d) and 113 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament ⁽¹⁾,

Having regard to the opinion of the Economic and Social Committee ⁽²⁾,

Whereas the situation of the shipbuilding industry has continued to be unfavourable during the period of operation of Council Directive 78/338/EEC of 4 April 1978 on aid to shipbuilding ⁽³⁾; whereas this situation has in particular taken the form of an imbalance between the production capacity of the industry and demand, leading to low price levels;

Whereas shipbuilding undertakings in the Community have therefore been obliged to draw frequently on their financial reserves to take orders, thus reducing their chance of implementing the structural adaptations needed to face the prevailing market conditions in the longer term;

Whereas the Council resolution of 19 September 1978 concerning the reorganization of the shipbuilding industry ⁽⁴⁾ stressed the need to maintain within the Community a healthy and competitive shipbuilding industry whose scale of activity should be consistent with the size of the Community's seaborne trade and respect its economic, social and strategic importance;

Whereas a competitive shipbuilding industry is of vital interest to the Community and contributes to its economic and social development by providing a

substantial market for a range of industries, including those using advanced technology; whereas it contributes also to the maintenance of employment in a number of regions, including some which are already suffering a high rate of unemployment; whereas this is also true of ship conversion and ship repair;

Whereas, if the situation in the industry were normal, the continuation of operating aid could not be justified, since, its effect being mainly that of conservation, it is not likely to bring about any lasting improvement in the Community shipbuilding industry's competitiveness;

Whereas, however, the continuation of the crisis has serious consequences for the shipbuilding industry which may make the immediate abolition of such aid impossible; whereas it is necessary to allow adaptation of the structures of the industry to the prevailing market conditions to take place gradually;

Whereas, to this end, production aid should be temporary and diminishing, so as to encourage the undertakings to make the necessary effort to become competitive, at least in time; whereas such aid should be subject to continuous control in order to avoid distortions of competition within the Community; whereas the granting of such aid should be linked to the achievement of restructuring objectives; whereas, in this context, the restructuring effort is not confined to reduction of production, employment and production capacity, but includes all other measures enabling the shipbuilding industry to become competitive; whereas in assessing the reduction of production capacity it is appropriate to take account of the effort already made;

Whereas, in order to deal with the present difficulties facing the industry, and in particular the distortions of competition which are occurring, most member countries of the OECD have helped to remedy the serious structural disequilibrium by reducing world shipbuilding production capacity; whereas this reduction in capacity should be achieved in the least damaging and most equitable way possible; whereas the member countries have adapted certain conditions laid down by the OECD Council resolu-

⁽¹⁾ OJ No C 28, 9. 2. 1981, p. 35.

⁽²⁾ OJ No C 353, 31. 12. 1980, p. 25.

⁽³⁾ OJ No L 98, 11. 4. 1978, p. 19.

⁽⁴⁾ OJ No C 229, 27. 9. 1978, p. 1.

tion on credit facilities, in order to bring the resolution more into line with the current trend of the market;

Whereas Directive 78/338/EEC has helped to reduce distortion of competition between Member States; whereas this Directive has also enabled the Community to adopt a common position in discussions with other shipbuilding countries;

Whereas production structures should be progressively adjusted to the new market conditions in such a way that undertakings in the industry may become capable of following general economic developments and of meeting competition on the world market without the support of intervention by public authorities; whereas this progressive adjustment of production structures should be accompanied by measures to facilitate adjustments in employment and on a social level;

Whereas, furthermore, effective action to eliminate distortions of competition requires a solution covering all aid directly or indirectly affecting competition and trading conditions on the shipbuilding, ship-conversion and ship-repair market;

Whereas it is necessary to define aid intended as a temporary solution for the rescue of a shipbuilding, ship conversion or ship repair undertaking in order to deal with acute social problems;

Whereas, in view of the continuing crisis in the shipbuilding industry, it is appropriate to provide for aid to facilitate the conversion or the partial or total cessation of shipbuilding activities under the most equitable social conditions; whereas, to this end, Member States and the Commission will continue to cooperate in order to deal as far as possible with any social problems and regional consequences which may arise from the restructuring of the shipbuilding and ship-repair industries; whereas Member States will endeavour to inform the Commission as soon as possible in particular of plans for the conversion and partial or total cessation of shipbuilding and ship-repair yards;

Whereas aid granted to national shipowners for the acquisition of new ships should not lead to distortions of competition between national shipyards and those of other Member States;

Whereas any aid elements contained in the financing measures taken by Member States in respect of the shipbuilding or ship-repair undertakings which they directly or indirectly control should also meet the requirements laid down under this Directive,

HAS ADOPTED THIS DIRECTIVE:

Article 1

For the purposes of Articles 3 to 10 the following definitions shall apply:

(a) '*shipbuilding*':

means the building in the Community of the following metal-hulled sea-going vessels:

- merchant ships for the carriage of passengers and/or cargo, of not less than 150 gross registered tons,
- fishing vessels of not less than 150 gross registered tons;
- dredgers or ships for other work at sea, of not less than 150 gross registered tons, excluding drilling platforms,
- tugs of not less than 365 kW;

(b) '*ship conversion*':

means the conversion of metal-hulled sea-going vessels of not less than 1 000 gross registered tons, on condition that conversion operations entail radical alterations to the cargo plan, the hull or the propulsion system;

(c) '*ship repair*':

means the repair of the vessels referred to under (a) above;

(d) '*sale*':

means all sales of vessels referred to under (a) above;

(e) '*aid*':

means State aid within the meaning of Articles 92 and 93 of the Treaty, including not only aid granted by the State itself but also that granted by regional or local authorities and any aid elements contained in the financing measures taken by Member States in respect of the shipbuilding or ship-repair undertakings which they directly or indirectly control and which do not count as the provision of risk capital according to standard company practice in a market economy.

Such aid may be considered compatible with the common market provided that it complies with the criteria for derogation contained in this Directive.

*Article 2***Credit facilities**

Aid in the form of credit facilities for all sales or conversion of vessels may be considered compatible with the common market provided that it complies with the OECD Council resolution of 30 January 1980 or with any agreements replacing the resolution.

*Article 3***Investment aid**

Member States shall not grant sectorial aid for the creation of new shipyards or for investment in existing yards if such aid would be likely to increase the Member State's building capacity.

In applying general or regional investment aid schemes to the shipbuilding sector, Member States shall take all steps to ensure that aided investment does not lead either to increases in the capacity of the sector in a Member State, or to the creation of employment which is not of a stable nature. To this end, plans for such application of general or regional aid schemes leading to increases in shipbuilding capacity in a Member State must be communicated to the Commission not less than 30 working days before they are put into effect.

Member States shall inform the Commission of their decisions to grant aid for investments in shipbuilding, ship-conversion or ship-repair yards where the amount of such investment is in excess of five million European units of account. This information shall be provided in accordance with the procedure provided for in Article 10.

*Article 4***Aid to rescue an undertaking**

Rescue aid intended to maintain a shipbuilding, ship-conversion or ship-repair undertaking, pending a definitive solution of the problems confronting the undertaking concerned, in order to deal with acute social problems and the regional effects which may arise, may be considered compatible with the common market under this Directive.

The Commission shall verify that the aid does not change the terms of trade in a manner contrary to the common interest and that it does not endanger

the arrangements instituted by the Directive and in particular Article 6 thereof.

*Article 5***Aid to deal with the social and regional consequences of restructuring**

In order to deal in particular with the social and possibly regional consequences of restructuring, aid intended to cover the normal expenditure occasioned by operations for conversion to activities other than those specified in Article 1 (a), (b) and (c) or by partial or total closure of shipbuilding or ship-repair yards may be considered compatible with the common market. In order to enable the Commission to assess the consequences of such conversion operations or closures, Member States shall supply the Commission at its request with any information they have on the matter.

*Article 6***Crisis aid**

1. Production aid in favour of shipbuilding may be considered compatible with the common market if it is granted to deal with the effects of a crisis characterized by a poor order situation leading to substantial under-utilization of the means of production.

Such aid shall be progressively reduced; it shall be granted only if linked to the attainment of industrial restructuring objectives which will make the industry competitive and able ultimately to operate without aid.

2. When assessing the compatibility of such measures with the common market, and in particular the level of aid, the Commission shall pay particular attention to the situation on the market, the gravity of the crisis in terms of the balance of the workload remaining available to shipyards and the need for adaptation of the shipbuilding industry to the conditions and constraints prevailing on the market. In addition, the Commission shall verify that the programme of adaptation of the industry is comparable with those carried out in the other Member States.

This assessment shall take account of all the aids which the Member State concerned provides for the construction, sale and acquisition of ships, in so far as these aids affect the shipbuilding sector. When making this examination, the Commission shall also take account of the budgetary funds allocated to these aids as a whole and in particular crisis aids.

3. The Commission shall assess the maximum level of aid which may be granted for the application of the various aid schemes. Authorization to exceed this level may be given only as an exceptional measure, after the Commission has been notified.

Such exceptions may not be put into effect unless the Commission has given its agreement. The Commission shall adopt a position as soon as possible, having regard to the urgency of each individual case, and in any case not later than 30 working days after notification.

In determining the manner in which the maximum level of aid is to be progressively reduced, the Commission shall take account of the existing maximum level and of the acuteness of the crisis in the Member State concerned.

4. The Commission shall be given prior notification of any proposed individual aid under the measures referred to in paragraph 1 where such proposal is in competition with a tender from a yard in another Member State and shall adopt a position within 30 days following notification. Such proposals may not be implemented before the Commission has given its agreement. The Commission shall verify that such aid does not affect trading conditions to an extent contrary to the common interest.

Member States shall supply the Commission with a table, for its exclusive use setting out the decisions on the aid referred to in paragraph 1 and an estimate of their effects. This information shall be provided in accordance with the procedure set out in Article 10.

The Commission shall verify, on the basis of the information referred to in this Article and of the state of the order books of the yards in the Member State concerned, whether efforts to attain the industrial restructuring objectives mentioned in paragraph 1 and the crisis measures which have been applied are contributing genuinely and in an equitable manner to the adaptation of the industry to the new conditions on the world shipbuilding market.

Article 7

Aid and intervention in the form of cost-escalation insurance may be considered compatible with the common market under this Directive, subject to the conditions set out in Article 6.

Article 8

1. Aid granted to shipowners in a Member State linked to the acquisition of new ships may not lead to distortions of competition between national shipyards and shipyards in other Member States in the placing of contracts.

2. Aid to shipowners linked to the acquisition of new ships may not endanger the arrangements established by Article 6 in particular, nor the objectives pursued by the present Directive, especially in regard to the adaptation of the shipbuilding industry to prevailing market conditions.

3. If the Commission observes that one of these situations is likely to arise, it shall examine the whole of the aid provided by a Member State for the building, sale and acquisition of ships.

4. These provisions are entirely without prejudice to any future Community rules on aid to shipowners.

5. When aid is granted to national shipowners on a selective basis, Member States shall draw up a report. This report shall contain information on the total tonnage of orders receiving aid and the share of this total which has been placed in national yards. The volume of aid shall be shown in each case.

This information shall be provided in accordance with the procedure set out in Article 10. The Commission shall at regular intervals draw up overall reports summarizing the information supplied to it.

These reports shall be discussed with Member States in order to ensure that there is no discrimination in the shipbuilding industry as a result of such aid.

Article 9

No aids granted pursuant to this Directive may be conditional upon discriminatory practices as to products originating in other Member States.

Article 10

Subject to the specific provisions of this Directive, Articles 92 and 93 of the EEC Treaty shall be fully applicable to shipbuilding, ship conversion and ship repair.

In accordance with Article 93 (3) of the Treaty, Member States' aid plans, as referred to in this Directive, shall be notified to the Commission before they are put into effect. This aid may not be put into effect before the Commission has given its agreement.

Information to be supplied periodically by Member States under this Directive shall be provided half-yearly on 1 March in respect of decisions taken

during the second half of the previous calendar year and 1 September in respect of decisions taken during the first half of the current calendar year.

On the basis of the information communicated to it, the Commission shall, at regular intervals, draw up an overall report to serve as a basis for discussion with national experts. This report shall state *inter alia* the maximum level of aid obtaining in each Member State during the period in question.

The Member States shall at regular intervals provide the Commission with a report on the attainment of shipbuilding restructuring objectives. The Commission shall indicate the date by which each Member State has to submit the report. The report shall show the results obtained through the application of the aid referred to in this Directive.

Article 11

This Directive shall apply until 31 December 1982.

Article 12

This Directive is addressed to the Member States.

Done at Luxembourg, 28 April 1981.

For the Council

The President

J. de KONING

COUNCIL DECISION**of 28 April 1981****amending Decision 78/264/Euratom adopting a programme of research and development for the European Atomic Energy Community on uranium exploration and extraction (indirect action)**

(81/364/Euratom)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular Article 7 thereof,

Having regard to the proposal of the Commission submitted after consultation with the Scientific and Technical Committee,

Having regard to the opinion of the European Parliament ⁽¹⁾,

Having regard to the opinion of the Economic and Social Committee ⁽²⁾,

Whereas by its Decision 78/264/Euratom ⁽³⁾, the Council adopted, for a period of three years with effect from 1 January 1978, a programme of research and development for the European Atomic Energy Community on uranium exploration and extraction;

Whereas, in its deliberations of 20 December 1979, the Council invited the Commission to concentrate Community research programmes on sectors of priority interest, including energy and raw materials, and to rationalize the structures for the preparation, adoption and implementation of these programmes;

Whereas the Council takes note of the intention of the Commission to submit in 1981 a proposal for a research programme in the sector of raw materials;

Whereas it is appropriate in the meantime to continue with the research activity already undertaken and to adapt it according to changing needs; whereas Decision 78/264/Euratom should be amended,

HAS DECIDED AS FOLLOWS:

Sole Article

Decision 78/264/Euratom shall be amended as follows:

1. Article 1 shall be replaced by the following:

'Article 1

A programme of research and development on uranium exploration and extraction as set out in the Annex shall be adopted for a period of five years from 1 January 1978.'

2. Article 2 shall be replaced by the following:

'Article 2

The upper limit of expenditure commitments necessary for the implementation of this programme shall be 5.4 million ECU and the maximum number of staff shall be three employees.'

3. The Annex shall be replaced by the Annex to this Decision.

Done at Luxembourg, 28 April 1981.

*For the Council**The President*

J. de KONING

(1) Opinion delivered on 10 April 1981 (not yet published in the Official Journal).

(2) OJ No C 348, 31. 12. 1980, p. 12.

(3) OJ No L 72, 14. 3. 1978, p. 12.

ANNEX

PROGRAMME CONTENT

1. RESEARCH AND DEVELOPMENT ON URANIUM EXPLORATION
 - 1.1. **Discovery of uranium provinces — uranium geology and metallogeny**
 - granitic areas
 - acid volcanic rocks
 - alkaline rocks
 - sedimentary basins
 - 1.2. **Exploration techniques**
 - gamma spectrometry
 - remote sensing
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 - 1.3. **Transportation and deposition of uranium**
 - fluid inclusions
 - transportation and deposition of uranium in the hydrogeochemical environment
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 - 1.4. **Bore-hole logging**
 - direct measurement of uranium *in situ*
 - other instruments for *in situ* measurements
2. RESEARCH AND DEVELOPMENT IN URANIUM EXTRACTION AND RECOVERY
 - 2.1. Recovery of uranium from phosphoric acid liquors
 - 2.2. Recovery of uranium from phosphatic rocks
 - 2.3. Extraction of uranium from the waste of phosphate rock treatment

-
- 2.4. Recovery of uranium by dump, heap, or *in situ* leaching by chemical and/or bacterial means
 - 2.5. High temperature, high pressure leaching
 - 2.6. Extraction of uranium and other values from calcines and other low grade sources
 - 2.7. Other technical aspects related to the uranium mining industry
-