

European Landowners Organisation

EPG 27/97(Final) English Translation

A EURO-MEDITERRANEAN POLICY

I. The Euro-Mediterranean Agreements

On 27 and 28 November 1995 a conference bringing together the fifteen member states of the EU and twelve Mediterranean countries took place in Barcelona. Three partnership axes were defined:

- politics and security
- economics and finance
- social, cultural and human

The Euro-Mediterranean Committee of the Barcelona process will assess the implementation of the Barcelona Resolution.

The sum of 4.685 bn ECUs was set aside over 1995-1999 to implement these policies.

The objective of the Euro-Mediterranean Agreements

The objective of the existing agreements, and of the agreements which are about to be concluded, is to ensure peace and stability in the countries of the Mediterranean border, and to contribute to their economic development.

Agricultural aspects of the agreements

The negotiation on tariff reduction measures is mostly taking place on a bilateral basis.

To date, an association agreement was signed with Morocco on 26 February 1996; its contents are similar to the agreement concluded with Tunisia on 17 July 1995. A customs union agreement was also signed with Turkey on 6 March 1995. A "new Euro-Mediterranean association agreement", signed with Israel on 20 November 1995 (COM (95)618 Final) is still in the process of being ratified. Finally, a new agreement is being negotiated with Algeria.

Content of the agricultural negotiations

The agreements plan for a progressive or immediate reduction of import tariffs for products coming from the signatory countries. Depending on the products and on the country, and providing that the implementation of the tariff reduction is not immediate, the progressive reduction takes place over a five or twelve year period. In most of the cases the final objective is to eliminate import tariffs. Exceptions to this rule come either from specific reductions (20%, 25%, 50%, 60%, etc.) or from setting import contingent volumes which are

exempt from tariffs, and beyond which a reduced tariff applies. These agreements are to be implemented from 2001.

II. Consequences for European-Agriculture

The ELO members in countries of Southern Europe fully accept the objectives of the Euro-Mediterranean Agreements and are in favour of the development of trading relations with their partners of the Mediterranean basin. However, they would like to underline once again that agriculture plays a major economic, environmental and social role, which could be threatened by these agreements.

Some topographic and climatic considerations on Southern European countries

Most of the southern areas in the EU are mountainous, with the rare exception of depressions mostly found in river basins (Ebra, Po, Guadalquivir rivers, etc.). This topographic dimension, in conjunction with favourable climatic conditions, justifies the presence of specific, traditional, agricultural productions (fruit and vegetable, vineyards, olive oil, medicinal plants, plants for the perfume industry, durum wheat) which could not be competitively replaced by Northern European products.

The concerns of Southern European countries

From a purely agricultural perspective, Southern European regions, which are already suffering from the abandonment of agricultural land, will be directly hit by these agreements. Actively farming landowners, and other landlords, are likely to abandon any active role in the traditional agricultural economy of their regions. This is because many products, which would be competing directly with the output of Mediterranean trading partners, will disappear, such as fruit and vegetables, flowers and plants, nurseries, plants used for the perfume or medical industries, wine etc.

The abandonment of these activities will unavoidably lead to the agricultural uses of the land being questioned. This, in turn, will have an impact on the value of land as well as on the social and economic welfare of landowners.

In France alone, Mediterranean agricultural productions represent close to 40% of the value of agricultural exports. Their economic weight is similar in Spain, Italy, Greece and Portugal.

This is why, as representatives of rural landowners of Northern and Southern Europe, we consider that it is important that the EU, before signing such free trade agreements, guarantees the viability and the competition of products which are specific to Southern European regions, while at the same time protecting farming income as well as the rural capital base.

Towards a sustainable Mediterranean agriculture

The EU has a duty to protect the distinctiveness of Mediterranean agriculture. At present Mediterranean agriculture is only partly managed through dedicated Common Market Organisations - some of which are at present being reformed. These CMOs cannot be compared to Northern European agricultural output, as much in terms of their organisation as of available funding.

In order to achieve this objective, and following the logic of integrated rural development which was put forward by the Cork Conference, and notwithstanding the disappointing rural

allocation of structural funds in *Agenda 2000*, the EU should devote a large part of such funds to maintaining agricultural activity in these regions, notably through the use of decoupled compensation through the EAGGF Guidance fund. The development of agri-environmental measures, maybe similar to the "green box" of the WTO Agreements, could also contribute to the same objective. At the same time, the EU should encourage the

modernisation of agricultural structures in Southern Europe, with the long term objective of promoting the economic autonomy of its farmer.

Finally, every conceivable guarantee will have to be taken to ensure that competition is balanced, especially with regard to the respect of environment and labour standards. The Union must in particular continue to guarantee the sanitary quality of products sold on the internal market.

ELO POLICY GROUP
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**Any comments or queries on this submission should be addressed to the
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