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The incorporation of Spain into the E.E.C. and consequences for mediterranean fruit and vegetable exports

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Zaragoza, Spain 26-30 March 1984 THE INCORPORATION OF SPAIN INTO THE EEC AND CONSEQUENCES FOR MEDITERRANEAN FRUIT AND VEGETABLE EXPORTS

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SUMMARY

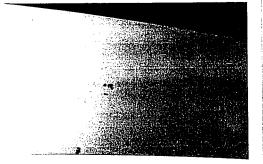
The author sees the necessity for anunderstanding between Spain, the DEC and the other countries of the Mediterranean Basin to jointly search for solutions which respect the legitimate interests of all concerned parties. Compromise solutions for this, although not fully satisfactory, exist. Two solutions stand out for their merits: the possibility of a "Mediterranean Protocol" and a STABEX for fruits and vegetables.

It should be understand by our friends of the Mediterranean Basin that a constructive Spanish position on two essentials the desappearance of today's tariff discrimination and the principle of Community Preference. At the same time, this position must take into account the Basin's important commercial links and the delicate geopolitical and strategic equilibrius. Compromise solutions are both necessary and possible that, obviously, will fully satisfy none of the parties.

SOME COMPROMISE SOLUTIONS

- Promote complementarity in production. This is possible for both products and harvesting seasons, although stochastic climatic factors will affect the results.

 This is a possible first line of attack.
- Promote a more self-centered development. This proposal



is in line with Commission Member Pisani's opinion on development aid. Self-centered development has many possibilities and therefore should be encouraged, although the need for foreign exchange and the other important specific roles played by exports in national economies should not be forgotten. New crops need, not only new investments, but a technology in accord with a different natural and human evironment.

- Consolidate trade flows. To freeze trade flows at today's levels -the result of a long but steady process of unfavorable tariff discrimination- should be inadmissable for Spain. On the other hand, there exist alternatives guarantee high export revenues for other Mediterranean fruit and vegetable producers. The community could bind itself to aquire prefixed import targets, based upon the trends and levels of imports in the past. Community consumers do not necessarily have to be the final consumers of these imports. The "Sugar Protocol" of the Lomé Convention could serve as a precedent, without it necessarily suppossing a similar cost to the Community Budget.

The Community could reexport a part of its imports today from other Mediterranean producers -and even more if an <u>agreement</u> is reached to increase productive capacity in these countries— towards the centrally Planned Economics. This does not necessarily imply of the Soviet pressence and pressure in the zone. Thus, why not consider a "Mediterranean Protocol" as discussed somewhat above, or even a STABEX for Mediterranean Products?.

Evidently, the adoption of such proposals will weigh on the Community Budget, although the extra cost could be easily assumed by the enlarged Community.

Furthermore, these costs whould not be inputed to the agricultural budget but instead to that of foreign affairs

FOR A "MEDITERRANEAN AGREEMENT OR PROTOCOL"

A conclusion that has reappeared again and again throughout this short communication is the need to double the attempts at dialogue, the interchange of opinions and the indentification of problem areas, so as to find solutions acceptable to all. Spain on it point, should take an active role in this proces, talling advantage, perhaps, of the traditional good relations it maintains with many Arab nations.

These efforts should not, can not, be used by a Member State to reinforce its own strategy in the overall negotiations for Spanish membership.

In any case, the only unacceptable hypothesis is the a-priori and unilateral-modification of the principle of Community Preference so as to inpose discriminatory conditions on our country that do not take into account Spanish interests which are as legitimate as any other.

To conclude, it should be pointed out that these measures should be accompanied by new forms of cooperation within the framework of the European proposals at UNCTAD. With a minimum of imagination, the possibilities of colaboration are immense. Spain can contribute its already mentioned good relations with Arab nations as well as its experience in utilizing intermediate technologics of

easier adoption and use in a difficult human and economic coviroment.

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