

Protocol 3

on the granting by the Hellenic Republic of exemption of customs duties on the import of certain goods

Provisions relating to the alignment of duties in the Hellenic Customs Tariff upon the duties in the Common Customs Tariff shall not prevent the Hellenic Republic from maintaining measures of exemption granted before 1 January 1979 pursuant to:

- Law No 4171/61 (General measures to aid development of the country's economy),
- Decree Law No 2687/53 (Investment and protection of foreign capital),
- Law No 289/76 (Incentives with a view to promoting the development of frontier regions and governing all pertinent questions),

until the expiry of the agreements concluded by the Hellenic Government with those persons benefiting from these measures.

Protocol 4

on cotton

THE HIGH CONTRACTING PARTIES,

Recognizing the great importance that cotton production represents for the Greek economy,

Recognizing the specifically agricultural character of this production,

Recognizing that by reason of the importance of cotton as a raw material, the system of trade with third countries ought not to be affected,

Deeming that in order to avoid any discrimination between Community producers the system adopted pursuant to this Protocol must apply throughout the territory of the Community,

HAVE AGREED UPON THE FOLLOWING PROVISIONS:

1. This Protocol concerns cotton, not carded or combed, falling within heading No 55.01 of the Common Customs Tariff.

2. A system shall be introduced in the Community particularly to:

— support the production of cotton in regions of the Community where it is important for the agricultural economy,

— permit the producers concerned to earn a fair income,

— stabilize the market by structural improvements at the level of supply and marketing.

3. The system referred to in paragraph 2 shall include the grant of an aid to production.

In order to facilitate management and supervision, aid production shall be granted via cotton ginning undertakings. In this respect it will be advisable to ensure that there is no distortion of intra-Community competition in the ensuing processing stages.

The amount of this aid shall be established from time to time on the basis of the difference existing between:

— a guide price fixed for cotton, that has not been ginned, in accordance with the criteria referred to in paragraph 2,

— the world market price determined on the basis of offers and prices recorded on the world market.

The grant of aid to production shall be restricted to a quantity of cotton to be determined each year for the Community.

This quantity shall lie within a scale between:

- the quantity corresponding to Community production during the years 1978 to 1980 or to the production of one of those years, and
- the quantity fixed pursuant to the preceding indent, increased by 25 %.

If the actual production in a marketing year exceeds the quantity fixed for the marketing year concerned, the amount of aid shall be multiplied by a coefficient obtained by dividing the fixed quantity by the quantity actually produced.

4. In order to allow cotton producers to concentrate supply and to adapt production to market requirements, a system shall be introduced to encourage the formation of producer groups and federations of such groups.

This system shall provide for the grant of aids with a view to providing incentives for the formation and facilitating the functioning of producer groups.

The only groups that may benefit from this system must:

- be formed on the initiative of the producers themselves,
- offer a sufficient guarantee for the duration and effectiveness of their action,
- be recognized by the Member State concerned.

5. The Community trading system with third countries may not be affected. In this respect, in particular, no measure restricting imports may be laid down.

6. Member States and the Commission shall forward to each other the necessary data for the application of the system laid down in this Protocol.

7. The expenses relating to the measures laid down or to be adopted pursuant to this Protocol shall be the subject of Community financing in accordance with the provisions of the EEC Treaty.

8. The Council, acting by a qualified majority on a proposal from the Commission, and after consulting the Assembly shall adopt every year before 1 August for the marketing year beginning the following year the guide price referred to in paragraph 3.

9. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt the necessary measures for implementing the provisions laid down in this Protocol and in particular:

- (a) the rules of procedure and of sound management for its application;
- (b) the general rules of the system of aid to production referred to in paragraph 3 and the criteria for determining the world market price referred to in the same paragraph;
- (c) the general rules of the system for encouraging the formation of producer groups and federations of such groups;
- (d) the general rules concerning financing referred to in paragraph 7.

In accordance with the same procedure the Council shall fix:

- (a) each year and in good time before the beginning of each marketing year, the quantity referred to in paragraph 3;
- (b) the amount of aid referred to in paragraph 4;
- (c) the conditions under which transitional measures may be taken that are necessary in order to facilitate the transition from the previous system to that resulting from the application of this Protocol, particularly if the implementation of the new system on the date laid down meets with appreciable difficulties.

10. The Commission shall determine the world market price and the amount of the aid referred to in paragraph 3.

11. The Council shall examine, not later than five years after the implementation of the system introduced pursuant to this Protocol, on the basis of a report from the Commission, the functioning of this system. If the results of the examination render it necessary, the Council, acting by a qualified majority on a proposal from the Commission and after consulting the Assembly, shall decide on any necessary adjustments to the system.

12. The measures taken pursuant to this protocol shall be implemented not later than 1 August 1981 and shall apply for the first time to products harvested in 1981.

Until the date of this implementation the Hellenic Republic may maintain, by way of derogation, the system of aid in force in its territory before accession.