



Press and Information

General Court of the European Union

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Judgments in Case T-243/07

Poland v Commission; Case T-247/07 Slovakia v Commission; Case T-248/07 Czech Republic v Commission; Case T-262/07 Lithuania v Commission

The General Court annuls the decision of the Commission requiring the new Member States to pay financial amounts linked to the elimination of surpluses of agricultural products existing within their territory at the date of their accession to the European Union

Such a payment to the Community budget is contrary to the Act of Accession of those States

In the context of the enlargement of the EU which resulted in the accession, on 1 May 2004, of 10 new Member States, the EU and the States concerned entered into negotiations relating to agriculture and, more specifically, to the legal position of surpluses of agricultural products, that is to say, the stocks of those products in free circulation within the territory of the new Member States at the date of accession exceeding the quantity which could be regarded as constituting a normal carryover of stock.

According to the 2003 Act of Accession¹, all the surpluses – private or public – had to be eliminated at the expense of the new Member States and the Commission had to make the necessary arrangements in that regard.

In 2007, the Commission adopted, on the basis of the provisions of that Act, a decision in which it quantified the surpluses existing within the territory of the new Member States on 1 May 2004 and set out the financial amounts to be imposed on those States ‘in consequence of the expense of elimination’². It therefore required the payment to the Community budget of the following amounts, calculated on the basis of the volume of the surpluses of each agricultural product concerned:

<i>Member State</i>	<i>Total amount in euros</i>
Poland	12 449 000
Slovakia	3 634 000
Czech Republic	12 287 000
Lithuania	3 181 000

Poland, Slovakia, the Czech Republic and Lithuania subsequently brought an action for annulment of that decision.

¹ Point 4(2) and (4) of Annex IV to the Act concerning the conditions of accession of the new Member States and the adjustments to the Treaties on which the European Union is founded (OJ 2003 L 236, p. 39).

² Commission Decision 2007/361/EC of 4 May 2007 on the determination of surplus stocks of agricultural products other than sugar and the financial consequences of their elimination in relation to the accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia (OJ 2007 L 138, p. 14).

By the judgments delivered today, the Court has annulled the decision of the Commission.

The Court states, first of all, that, according to the 2003 Act of Accession, the Commission must implement a system which serves to ensure either that the disruption caused by the sale of the surpluses on the internal market is prevented or that the economic effects of that disruption are compensated for. It observes that, under that system, the surpluses existing within the territory of the new Member States on 1 May 2004 are in principle withdrawn from the internal market (*inter alia* by export or destruction). The Court takes the view that the Commission could decide that the withdrawal would be carried out by those Member States or by the Community, which in that case would pass on the cost to those Member States.

The Court then states that the system provided for by the contested decision for the elimination of surpluses is not based on destruction or export. It is a system by which the surpluses may become permanently integrated in the internal market as from 1 May 2004 and which means that the new Member States have to pay into the Community budget a financial amount reflecting the cost which would have had to be borne by that budget if the Community had financed the export of those surpluses. It concludes that the financial amounts referred to by the contested decision are not financial contributions envisaged by the Act of Accession to cover the costs of eliminating the surpluses, but straightforward payments imposed on the new Member States for the benefit of the Community.

The Court rejects the Commission's arguments that the measure provided for by the contested decision is, however, the only one which can ensure that the objective pursued by the Act of Accession is achieved.

First, it takes the view that, even though the surpluses existing within the territory of the new Member States on 1 May 2004 could have been absorbed by the internal market before the adoption of the contested decision, the elimination provided for by the Act of Accession may be effected by destruction or export.

Secondly, the Court observes that the expense of the organisation of such a system for the elimination of the surpluses cannot result in the conclusion that the Act of Accession must be interpreted as requiring the adoption of a different measure (such as the imposition of a financial amount).

Thirdly, the Court states that the elimination of the surpluses, by destruction or export, contributes to correction of the economic disruption linked to the existence of the surpluses within the territory of the new Member States at the date of accession, even after the sale of the surpluses on the market has taken place. The elimination of the surpluses may generate an increase in demand on the internal market for the agricultural products concerned and, consequently, offset, wholly or in part, the adverse effect of the existence of the surpluses on the stability of the markets concerned.

NOTE: An appeal, limited to points of law only, may be brought before the Court of Justice against the decision of the General Court within two months of notification of the decision.

NOTE: An action for annulment seeks the annulment of acts of the institutions of the European Union that are contrary to European Union law. The Member States, the European institutions and individuals may, under certain conditions, bring an action for annulment before the Court of Justice or the General Court. If the action is well founded, the act is annulled. The institution concerned must fill any legal vacuum created by the annulment of the act.

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The [full text](#) of the judgments ([T-243/07](#), [T-247/07](#), [T-248/07](#) & [T-262/07](#)) is published on the CURIA website on the day of delivery

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