



COMMISSION OF THE EUROPEAN COMMUNITIES

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**DECISION N° 2/98
OF THE EC/DENMARK-FAROE ISLANDS JOINT COMMITTEE**

AMENDING PROTOCOL 4 OF THE AGREEMENT

- Draft common position of the Community -

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. Under Protocol 4 of the Agreement between the European Community, of the one part, and the Government of Denmark and the Home Government of the Faroe Islands, of the other part, signed on 6 December 1996¹, the Community granted tariff concessions for certain preparations of Faeroese fish feed, within the framework of an annual tariff quota of 5 000 tonnes.
2. As the Faroese production of these products has, in 1997, for the first time exceeded 5 000 tonnes, all of which are traditionally being exported to the Community, the Faroese side put forward a request for increasing these tariff concessions of the Community by another 5 000 tonnes a year.
3. The Commission is of the opinion that, given the increased interest from Community operators, as well as the specific nature of these products, such an increase may be allowed, subject to it being spread over a three-year period.

It therefore proposes three annual increases of respectively 30, 30 and 40 % of the initial quantity.

4. The EC/Denmark-Faroe Islands Joint Committee, provided for under Article 31 of the Agreement, should therefore, in accordance with Article 34 (1) of the Agreement, adopt a Decision amending Protocol 4 of the Agreement.
5. In view of the above, the Commission proposes that the Council adopt at the earliest opportunity the text of the attached draft Decision as the Community's common position within the EC/Denmark-Faroe Islands Joint Committee.

¹ OJ N° L 53 of 22.02.1997, p. 2.

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**DECISION N° 2/98
OF THE EC/DENMARK-FAROE ISLANDS JOINT COMMITTEE
OF 1998**

AMENDING PROTOCOL 4 OF THE AGREEMENT

THE JOINT COMMITTEE,

Having regard to the Agreement between the European Community, of the one part, and the Government of Denmark and the Home Government of the Faroe Islands, of the other part, and in particular Article 34 (1) thereof,

Whereas, under Article 1 of Protocol 4 of the Agreement, the Community has granted tariff concessions for Faeroese fish feed, in respect of an annual tariff quota of 5 000 tonnes,

Whereas the Faroese authorities have put forward a request for increasing the tariff concessions of the Community for these products,

Whereas such an increase may be allowed, subject to it being spread over a three-year period,

Whereas to that end Article 1 of Protocol 4 of the Agreement should be amended,

HAS DECIDED AS FOLLOWS:

Article 1

1. In Article 1 of Protocol 4 of the Agreement, the text relating to CN codes ex 2309 90 10, ex 2309 90 31 and ex 2309 90 41 shall be replaced by the following text:

CN code	Description	Rate of duty	Tariff quota (TQ) in tonnes	
ex 2309 90 10 ex 2309 90 31 ex 2309 90 41	Fish feed	0	From 1 January 1998 to 31 December 1998	6 500
			From 1 January 1999 to 31 December 1999	8 000
			From 1 January 2000 onwards	10 000

2. For the calendar year 1998, the 1 500 tonnes increase in the volume of this tariff quota shall be adjusted *pro rata*.

Article 2

This Decision shall enter into force on the first day of the second month following its adoption.

Done at, 1998

For the Joint Committee

The Chairman

FINANCIAL STATEMENT

1. **Budget heading involved:** Chapter 12, Article 120.
2. **Legal basis:**
 - Article 34 (1) of the agreement between the European Community, of the one part, and the Government of Denmark and the Home Government of the Faroe Islands, of the other part,
 - and
 - Article 113 of the Treaty.
3. **Title of operation:** Draft Decision No 2/98 of the EC-Denmark/Faroe Islands Joint Committee amending Protocol 4 to the Agreement.
4. **Objective:** To increase an existing tariff quota for specific products from the Faroe Islands.
5. **Method of calculation**

Period	Description of the goods	CN code	Current quota volume (tonnes)	New quota volume (tonnes)	Quota duty	CN duty	Additional loss of revenue ² (ECU)
From 1.1.1998 to 31.12.1998	Fish feed	ex 2309 90 10 ex 2309 90 31 ex 2309 90 41	5 000	6 500	0	4,9 % 29,5 Ecu/t 70,5 Ecu/t	75 000
From 1.1.1999 to 31.12.1999	Fish feed	ex 2309 90 10 ex 2309 90 31 ex 2309 90 41	5 000	8 000	0	4,5 % 27,3 Ecu/t 65,3 Ecu/t	138 900
From 1.1.2000 onwards	Fish feed	ex 2309 90 10 ex 2309 90 31 ex 2309 90 41	5 000	10 000	0	4,2 % 25,2 Ecu/t 60,2 Ecu/t	213 500

6. Loss of revenue

The average loss of revenue is:

- ECU 75 000 for the year 1998;
- ECU 138 900 for the year 1999;
- ECU 213 500 from the year 2000 onwards.

² This calculation is based upon the import figures from previous years, which indicate that imports of Faroese fish feed are as follows:

- imports of products classified under CN code ex 2309 90 10 are negligible;
- 50 % of all imports concern products classified under CN code ex 2309 90 31;
- 50 % of all imports concern products classified under CN code ex 23 09 90 41.