

COMMISSION OF THE EUROPEAN COMMUNITIES

COM (89) 565 final

Brussels, 14 November 1989

Proposal for a

COUNCIL REGULATION (EEC)

amending Regulation (EEC) No 430/87 concerning the import arrangements applicable to products falling within CN codes 0714 10 10, 0714 10 90 and 0714 90 10 and originating in certain third countries

(presented by the Commission)

EXPLANATORY MEMORANDUM

- I. The agreements on imports of manioc and similar products signed by the Community in 1982 with Indonesia and Brazil at the conclusion of negotiations conducted pursuant to Article XXVIII of the GATT, were renewed for three years in 1986. As the Contracting Parties concerned did not denounce the agreements within the time limits laid down, it has meant that they will be renewed automatically on 1 January 1990 for a further three-year period.

These agreements relate to an import levy subject to a ceiling of 6% ad valorem on given quantities.

Council Regulation (EEC) No 430/87 of 9 February 1987, which constitutes the legal basis for the detailed rules adopted by the Commission for the administration of the quotas and specifies the quantities of products originating in countries which are Contracting Parties to the GATT and which benefit under the abovementioned arrangements should accordingly be amended.

The amendment does not relate to products originating in Thailand. As Thailand, which exports these products, was not a Contracting Party to the GATT In 1982, it concluded a separate agreement with the Community which was extended in 1986 and remains in force until 31 December 1990.

- II. As regards the non-member countries which are not Contracting Parties to the GATT, the aim of the Commission proposal is to maintain at the level existing in 1989 the annual quantity of imports benefiting under the levy subject to a ceiling of 6% ad valorem. This should cover the same three-year period 1990-92. However, as regards China, the Commission proposes to fix this quantity in respect of 1990 only.
- III. The Commission also proposes, by an amendment to Council Regulation (EEC) No 1471/88 of 18 May 1988 concerning the arrangements applicable to imports of sweet potatoes and manioc starch intended for certain uses, to maintain the quota for sweet potatoes originating in China and intended for uses other than human consumption at the 1989 level (600 000 tonnes). China will benefit in 1990 from zero-duty import arrangements.

The opening of this tariff quota in 1988 stemmed from the arrangement concluded in October 1986 with China, which provided in particular for exports of sweet potatoes to the Community from that country to be limited to a maximum of 600 000 tonnes per year and for exports of manioc to be limited to 350 000 tonnes per year.

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0714 10 90 and 0714 90 10 and originating in certain third countries

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the proposal from the Commission,

Whereas Council Regulation (EEC) No 430/87 of 9 February 1987 (1), as last amended by Regulation (EEC) No 2411/89 (2), lays down the arrangements applicable to manioc and similar products originating in certain third countries which qualify on import into the Community for a levy subject to a ceiling of 6% ad valorem for 1987, 1988, 1989 and, where applicable, 1990;

Whereas the Cooperation Agreement between the European Economic Community and the Kingdom of Thailand on manioc production, marketing and trade, renewed pursuant to Decision 86/222/EEC (3), remains in force for successive periods of four years; whereas the current period terminates at the end of 1990;

Whereas the agreements with Indonesia on the one hand and Brazil (4) and the other supplier countries which are Contracting Parties to the General Agreement on Tariffs and Trade (GATT), which are the result of the negotiations conducted pursuant to Article XXVIII of that Agreement with a view to the temporary suspension of the tariff concession granted by the Community on imports of products falling within former subheading 07.06A of the Common Customs Tariff remain in force for successive periods of three years; whereas they authorize the Community to suspend that concession; whereas the next period runs from 1 January 1990 to 31 December 1992;

(1) OJ No L 43, 13.2.1987, p. 9.

(2) OJ No L 228, 5.8.1989, p. 1.

(3) OJ No L 155, 10.6.1986, p. 3.

(4) OJ No L 219, 28.7.1982, pp. 50 and 58.

Whereas the Community has undertaken vis-à-vis Contracting Parties of the GATT to accept imports of certain quantities of the products in question at a levy subject to a ceiling of 6% ad valorem during the period of suspension of the existing binding; whereas, pursuant to the most-favoured-nation clause, it must treat third countries which are not Contracting Parties to the GATT and which benefit from that clause in the same way; whereas, pursuant to that undertaking, quantities of imported products originating in countries which are not Contracting Parties to the GATT which may qualify for a levy subject to a ceiling of 6% ad valorem should be fixed at the levels in force for 1989 for imports from China and for those from the other countries not Contracting Parties to the GATT;

Whereas the quantities of products qualifying under the abovementioned arrangements should be fixed depending on the origin and the tariff description of the products applying,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 430/87 is hereby amended as follows:

1. The title is replaced by the following:

"Council Regulation (EEC) No 430/87 of 9 February 1987 concerning the import arrangements applicable to certain products covered by CN codes 0714 10 and 0714 90 and originating in certain third countries".

2. Article 1(2) is replaced by the following:

"2. For products covered by CN codes 0714 10 91, 0714 10 99, 0714 90 11 and 0714 90 19 and originating in the third countries indicated below, the levy applicable to imports subject to a ceiling of 6% ad valorem shall be collected in respect only of the following quantities:

- (a) Indonesia: 825 000 tonnes a year for 1990, 1991 and 1992;
- (b) other countries which are at present Contracting Parties to the GATT, with the exception of Thailand and Indonesia: 145 590 tonnes a year for 1990, 1991 and 1992;
- (c) China: 350 000 tonnes for 1990;
- (d) third countries which are not Contracting Parties to the GATT, other than China, for 1990, 1991 and 1992:
 - 30 000 tonnes a year in the case of products covered by CN codes 0714 10 99 and 0714 90 19;
 - 2 000 tonnes a year in the case of products covered by CN codes 0714 10 91 and 0714 90 11.

The fact that the quotas referred to in (b) and (d) are used up may not prevent the release for free circulation, subject to the collection of the levy to which a ceiling has been applied, of the products in question originating in the least developed countries (LLDC) listed in the Annex hereto, within the limit of an overall quantity of 5 000 tonnes per year."

Article 2

This Regulation shall enter into force on 1 January 1990.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

FINANCIAL STATEMENT

Date:

1. Budget heading: 100 - Expenditure Appropriations: ECU 2 846 million (expenditure)
 100 - Revenue ECU 1 419 million (revenue)

2. Title: Amendment to Regulation (EEC) No 430/87

3. Legal basis: Article 113 of the Treaty establishing the EEC

4. Aims of project: To lay down limits on imports of products covered by CN codes
 0714 10 91, 0714 10 99, 0714 90 11 and 0714 90 19 from certain
 non-member countries at a levy subject to a ceiling of 6% ad valorem

5. Financial implications (ECU million):	period of	current	following
	12 months	financial year	financial year
		(1990)	(1991)
5.0 Expenditure			
- charged to the EC budget (refunds/intervention)	143	101	143
- national administration			
- other			
5.1 Receipts			
- own resources of the EC (levies/customs duties)	10	10	10
- national			
	1992	1993	
5.0.1 Estimated expenditure	143	42	
5.1.1 Estimated receipts	10	10	

5.2 Method of calculation: (1 tonne of cereals = 1,04 tonnes of manioc in fodder equivalent)
 Customs duty: 1,35 m tonnes x \$135/tonne x 6% x 0,897 (dollar/ecu ratio) =
 ECU 9,8 m, rounded up to ECU 10 m
 Export refunds on cereals replaced by imported manioc:
 1,35 m tonnes x ECU 100/t x 1,099 (DR) = ECU 142,7 m, rounded up to ECU 143 m
 1,04
 1990: 8,5/ 12 months x 142,7 = ECU 101,1 million (rounded down to ECU 101 million)
 1993: 3,5/ 12 Months x 142,7 = ECU 41,6 million (rounded up to ECU 42 million)

6.0 Can the project be financed from appropriations entered in the relevant chapter of the current budget ? yesXXX

6.1 Can the project be financed by transfer between chapters of the current budget ? XXXXXX

6.2 Is a supplementary budget necessary ? XXXXno

6.3 Will future budget appropriations be necessary ? yesXXX

Observations: The 1990 draft budget takes account of this measure.

IMPACT ON SMES

This proposal has no impact on SMEs.

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DOCUMENTS

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