

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(94) 580 final
Brussels, 07.12.1994

94/0288 (ACC)

Proposal for a

COUNCIL REGULATION (EC)

extending the validity of Council Regulation (EC) No 665/94 on the introduction of transitional tariff measures for Bulgaria, the Czech Republic, Slovakia, Hungary, Poland, Romania, Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Uzbekistan, Russia, Tajikistan, Turkmenistan, Ukraine, Croatia, Bosnia-Herzegovina, Slovenia and the former Yugoslav Republic of Macedonia, until 31 December 1994 to take account of German unification

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. By Regulation (EC) No 665/94 of 21 March 1994¹ and by Decision No 1478/94/ECSC of 27 June 1994², the Community had authorised Germany to maintain for its five new "Länders" for 1994 the preferences which ex-DDR used to grant certain countries of Central and Eastern Europe and of the current CIS within the framework of its policy for supplying some of its processing industries.
2. As these arrangements end on 31 December 1994, the German authorities have on 21 October and 9 November 1994 asked for a last extension for 1995.

Given the experience of administering these measures, the Commission considers it can propose this last extension.

¹ OJ No L 83 of 26.03.1994, p. 1.

² OJ No L 159 of 28.06.1994, p. 37.

Proposal for a
COUNCIL REGULATION (EC)

Forlængelse af gyldigheden af Rådets Forordning (EF) nr. 665/94 om indførelse af overgangsforanstaltninger for Bulgarien, den Tjekkiske republik, Slovakiet, Ungarn, Polen, Rumænien, Armenien, Aserbajdsjan, Hviderusland, Estland, Georgien, Kasakhstan, Kirgistan, Letland, Litauen, Moldova, Usbekistan, Rusland, Tadsjikistan, Turkmenistan, Ukraine, Kroatien, Bosnien-Hercegovina, Slovenien og den forhenværende jugoslaviske republik Makedonien indtil den 31. december 1994 for at tage hensyn til Tysklands forening

THE COUNCIL OF THE EUROPEAN UNION

Having regard to the Treaty establishing the European Community, and in particular Articles 28 and 113 thereof,

Having regard to the proposal from the Commission,

Whereas the Common Customs Tariff is fully applicable to the territory of the former German Democratic Republic as from 3 October 1990, the date of German unification;

Whereas the former German Democratic Republic had concluded numerous agreements with Bulgaria, Czechoslovakia, Hungary, Poland, Romania, the USSR and Yugoslavia which provided for a yearly exchange of specific goods in maximum quantities or to maximum values at a zero rate of duty; whereas the former German Democratic Republic had concluded long-term cooperation and investment agreements with Czechoslovakia, Poland and the USSR which will give rise to reciprocal deliveries of goods at zero rates of duty for many years to come;

Whereas agreements of the first type have not been renewed after 31 December 1990 and agreements of the second type will be re-negotiated at Community, German or private enterprise level, but whereas this process of re-negotiation will take some time;

Whereas the maximum quantities or values mentioned in these agreements do not entail legally binding obligations between the parties; whereas non-enforcement thereof cannot therefore give rise to any compensation by the Community;

Whereas it is necessary, therefore, during a transitional period to attenuate the impact resulting from German unification on both types of agreement as otherwise serious repercussions on enterprises in the territory of the former German Democratic Republic and in Bulgaria, the Czech Republic, Slovakia, Hungary, Poland, Romania, Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Uzbekistan,

Russia, Tajikistan, Turkmenistan, Ukraine, Croatia, Bosnia-Herzegovina, Slovenia and the former Yugoslav Republic of Macedonia could result and, indeed, the stability of the economies of these countries might be adversely affected thereby;

Whereas for these reasons it is appropriate to suspend temporarily the duties of the Common Customs Tariff for products originating in Bulgaria, the Czech Republic, Slovakia, Hungary, Poland, Romania, Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Uzbekistan, Russia, Tajikistan, Turkmenistan, Ukraine, Croatia, Bosnia-Herzegovina, Slovenia and the former Yugoslav Republic of Macedonia, which are covered by the abovementioned agreements between the former German Democratic Republic and these countries, up to the maximum quantities or values laid down therein;

Whereas it is appropriate, in view of the special circumstances of German unification, for the said suspension of duties to be applicable to the products concerned only in so far as they are put into free circulation in the territory of the former German Democratic Republic;

Whereas it is necessary to make provision for determining the origin of the goods which will be covered by the said suspension of duties;

Whereas, in view of the difficulties in applying these measures and the fact that some of their consequences are not foreseeable, it is appropriate to emphasize the transitional character of these measures and extend their duration to a one-year period up to 31 December 1995 for a last time;

Whereas a similar transitional arrangement was set up until 31 December 1992 by Regulation (EEC) No 3568/90 of 4 December 1990¹ and by Decision No 90/3788/ECSC² extended until 31 December 1993 by Regulation (EEC) No 1343/93³ and by Decision No 93/1535/ECSC⁴; these arrangements have been replaced by Regulation (EC) No 665/94⁵ and by Decision No 1478/94/ECSC⁶ for the year 1994;

¹ OJ No L 353, of 17.12.1990, p. 1.

² OJ No L 364, of 28.12.1990, p. 27.

³ OJ No L 133, of 27.05.1993, p. 1.

⁴ OJ No L 151, of 22.06.1993, p. 23.

⁵ OJ No L 83, of 26.03.1994, p. 1.

⁶ OJ No L 159, of 28.06.1994, p. 37.

Whereas it is appropriate to provide for special measures and a procedure to put them in place, in case the temporary suspension of duties causes or threatens to cause serious injury to a branch of Community industry;

Whereas these measures are solely related to the customs tariff and, in any event, must not prejudice the application of Community measures under the common commercial policy.

HAS ADOPTED THIS REGULATION:

Article 1

In Article 1 of Regulation (EC) No 665/94 the year 1994 is replaced by the year 1995.

Article 2

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

It shall apply from 1 January 1995.

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

Done at Brussels,

1995.

**For the Council
The President**

FINANCIAL STATEMENT

1. Budget heading involved: Chap. 12 Art. 120
2. Legal basis: Art. 28 and 113 of the Treaty
3. Title of tariff measure: Proposal for a Council Regulation (EC) extending the validity of Council Regulation (EC) No 665/94 of 21 March 1994 on the introduction of transitional tariff measures for Bulgaria, the Czech Republic, Slovakia, Hungary, Poland, Romania, Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Uzbekistan, Russia, Tajikistan, Turkmenistan, Ukraine, Croatia, Bosnia-Herzegovina, Slovenia and the former Yugoslav Republic of Macedonia, until 31 December 1994 to take account of German unification.
4. Purpose: to maintain the trade flows between companies in the ex-German Democratic Republic and their suppliers, which were traditional within the framework of relations between former members of COMECON.
5. Method of calculation: Following information communicated by the German authorities, the 1992 importations under the said preferential regime amounted to 786,9 millions of DM. Apart from steel and agricultural products, these importations amount to 352 millions DM. The average duty for the industrial products being 5 %, the duty losses may be estimated for one year at 17,6 millions of DM (9,16 millions of ecus).

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