



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 06.09.1995
COM(95) 399 final

95/0222 (ACC)

Proposal for a

COUNCIL REGULATION (EC)

providing for suspension of in-quota tariff rates for
certain agricultural products.

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. In the Uruguay Round the Communities converted the so-called balance sheet arrangement for import of certain live bovine animals into a tariff quota. The in-quota tariff rate was fixed at 16% + 582 ECU/t which corresponded to the import levy applied in the period 1986 to 1988. According to the Europe Agreements the CEC countries had to pay 25% of the levy fixed for import of such animals i.e. around 400 ECU/t (plus the ad valorem duty). In order not to increase the import charge for imports from these countries it is proposed to reduce the specific amount, constituting part of the in-quota tariff rate, to 25% of the amount applicable on 1 July 1995.
2. Furthermore, the European Communities undertook to open minimum access tariff quotas for agricultural products. For a number of these tariff quotas the Communities indicated the following condition:
"Import under the Europe Agreements may be taken into account when implementing this quota."
3. The purpose of that condition is to establish a system whereby countries covered by the Agreements avail themselves of their right under the World Trade Organization (WTO) in the first instance and secondly by the arrangements provided for in the Europe Agreements. In order to implement such a system it is necessary to ensure that the benefit for an importer would be the same whether the import is made under WTO commitments or under the bilateral arrangements. This means in practice that the in-quota rates applied under the two systems shall be identical.
4. As regards imports from the CEC countries the Commission has submitted to the Council a proposal stipulating, as an autonomous and transitional measure, that imports under tariff quotas shall be subject to an in-quota tariff rate equal to 20 % of the normal duty rates for import under the "most favoured nation" clause. These rates will in several cases be lower than the in-quota rates bound in the WTO. Consequently, it will be necessary to suspend the rates under WTO to the same level as those proposed to CEC countries. In cases where the in-quota tariff under WTO are lower than those applicable towards CEC countries no changes are required.
5. When the in-quota tariff rates are aligned, the Commission services will have the possibility to administer the WTO tariff quotas in such a way that import under the European Agreements will be counted against the EC's commitments under the WTO.

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providing for suspension of in-quota tariff rates for certain agricultural products.

The Council of the European Union,

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

Having regard to the proposal from the Commission,

Whereas a tariff quota for certain live bovine animals has been opened from 1 July 1995 in accordance with the Community's obligations under the Agreement on Agriculture concluded in the framework of the Uruguay Round of Multilateral Trade Negotiations; whereas when imports from The Republic of Hungary, the Republic of Poland, the Slovak Republic, the Czech Republic, Romania and the Republic of Bulgaria take place under this tariff quota, the present level of import charge for imports from those countries is not maintained; whereas the in-quota tariff rate bound in the WTO should be reduced on an autonomous basis; whereas the reduced rate should, in accordance with the WTO rules, be applied erga omnes;

Whereas the European Community has in the framework of the WTO undertaken to open a number of tariff quotas; whereas in implementing these commitments imports under the Europe Agreements should be taken into account; whereas in order to achieve this aim in conformity with the rules of the WTO, the in-quota tariff rates of these tariff quotas should be reduced to the same levels as those applicable for imports from CEC countries; whereas, consequently, the in-quota rates bound in WTO should be suspended to a lower level;

Whereas, except for the provisions on live animals, the provisions of this Regulation shall be applied when detailed rules for the application of Council Regulation (EC) No. of providing for the adjustment, as an autonomous and transitional measure, of certain agricultural concessions provided for in the Europe Agreements to take account of the Agreement on Agriculture concluded during the Uruguay Round Multilateral Trade Negotiations⁽¹⁾, have been adopted;

Whereas the concessions provided for in Regulation (EC) No. are transitional measures applicable from 1 July 1995 until 31 December 1995; whereas the provisions of the present Regulation should, where possible, be applied during the same period,

HAS ADOPTED THIS REGULATION:

(1) OJ No. L

Article 1

1. The in-quota tariff rates for the tariff quotas listed in the Annex shall be suspended and the level indicated in column 5 applied.
2. Paragraph 1 shall apply to products for which import licenses are issued:
 - in the period 1 July to 31 December 1995 in respect of the products listed in the Annex under a),
 - in the period 1 October to 31 December 1995 in respect of the products listed in the Annex under b).
3. The Commission shall adopt the detailed rules for the application of this Regulation in accordance with the procedure laid down in Article 30 of Regulation (EEC) No 804/68⁽¹⁾, as last amended by the Act of Accession of Austria, Finland and Sweden and by Regulation (EEC) No 3290/94⁽²⁾, and the corresponding provisions of the other Regulations on the common organization of the markets.

Article 2

The provisions of this Regulation shall apply for the products listed in the Annex under b) where detailed rules for the application of (EC) have been adopted.

Article 3

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

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

Done at Brussels,

For the Council
The President

(1) OJ N° L 148, 28.6.1968, p. 13

(2) OJ N° L 349, 31.12.1994, p. 105

ANNEX

CN code	Description	Quota quantity 1995/96	Bound in-quota tariff rate 1 000 kg/net	Applied in-quota tariff rate 1 000 kg/net
1	2	3	4	5
a) ex 0102 90 05 ex 0102 90 29 ex 0102 90 49	Live young male bovine animals weighing 300 kg or less intended for fattening	169 000 head	16% + 582 ECU 16% + 582 ECU 16% + 582 ECU	16% + 341,7 ECU 16% + 341,7 ECU 16% + 341,7 ECU
b)	Cheese and curd:			
----- ex 0406 30 10 ex 0406 90 07 ex 0406 90 12	Processed Emmentaler Emmentaler	4 000 t	719 ECU 858 ECU 858 ECU	425,6 ECU 504,4 ECU 504,4 ECU
----- ex 0406 30 10 ex 0406 90 08 ex 0406 90 14	Processed Gruyère Gruyère, sbrinz	1 000 t	719 ECU 858 ECU 858 ECU	425,6 ECU 504,4 ECU 504,4 ECU
----- 0406 90 01	Cheese for processing	4 000 t	835 ECU	490,8 ECU
----- 0406 10 20	Fresh (unripened or uncured) cheese including whey cheese, and curd, other than pizza cheese	5.189 t	926 ECU	543,8 ECU
0406 10 80			1 064 ECU	649,8 ECU
0406 20 90	Other grated or powdered cheese		941 ECU	552,8 ECU
0406 30 31	Other processed cheese		690 ECU	408,6 ECU
0406 30 39			719 ECU	425,6 ECU
0406 30 90			1 029 ECU	631,6 ECU
0406 40 10	Blue-veined cheese		704 ECU	414,0 ECU
0406 40 50			704 ECU	414,0 ECU
0406 40 90			704 ECU	414,0 ECU
0406 90 90	Bergkäse and Appenzell		858 ECU	504,4 ECU
0406 90 16				
0406 90 18	Fromage fribourgeois, Vacherin Mont d'Or and Tête de Moine		755 ECU	504,4 ECU
0406 90 23	Edam		755 ECU	443,6 ECU
0406 90 25	Tilsit		755 ECU	443,6 ECU
0406 90 27	Butterkäse		755 ECU	443,6 ECU
0406 90 29	Kashkaval		755 ECU	443,6 ECU
0406 90 31	Feta		755 ECU	443,6 ECU
0406 90 33			755 ECU	443,6 ECU
0406 90 35	Kefalo-Tyri		755 ECU	443,6 ECU
0406 90 37	Finlandia		755 ECU	443,6 ECU

CN code	Description	Quota quantity 1995/96	Bound in-quota tariff rate 1 000 kg/net	Applied in-quota tariff rate 1 000 kg/net
1	2	3	4	5
	Cheese and curd: (continued)			
0406 90 39	Jarlsberg	(5 189 t)	755 ECU	443,6 ECU
0406 90 50	Cheese of sheep's milk or buffalo milk		755 ECU	443,6 ECU
0406 90 61	Grana Padano, Parmigiano Reggiano		941 ECU	552,8 ECU
0406 90 63	Fiore Sardo, Pecorino		941 ECU	552,8 ECU
0406 90 69	Other		941 ECU	552,8 ECU
0406 90 73	Provolone		755 ECU	443,6 ECU
0406 90 75	Asiago, Caciocavallo, Montasio, Ragusano		755 ECU	443,6 ECU
0406 90 76	Danbo, Fontal, Fontina, Fynbo, Havarti, Maribo, Samsø		755 ECU	443,6 ECU
0406 90 78	Gouda		755 ECU	443,6 ECU
0406 90 79	Esrom, Italico, Kernhem, Saint-Nectaire, Saint-Paulin, Taleggio		755 ECU	443,6 ECU
0406 90 81	Cantal, Cheshire, Wensleydale, Lancashire, Double Gloucester, Blarney, Colby, Monterey		755 ECU	443,6 ECU
0406 90 82	Camembert		755 ECU	443,6 ECU
0406 90 84	Brie		755 ECU	443,6 ECU
0406 90 85	Kefalograviera, Kasseri		755 ECU	443,6 ECU
0406 90 86	Exceeding 47% but not exceeding 52%		755 ECU	443,6 ECU
0406 90 87	Exceeding 52% but not exceeding 62%		755 ECU	443,6 ECU
0406 90 88	Exceeding 62% but not exceeding 72%		755 ECU	443,6 ECU
0406 90 93	Exceeding 72%		926 ECU	543,8 ECU
0406 90 99	Other		1 064 ECU	649,8 ECU

FINANCIAL STATEMENT

1. BUDGET HEADING: Chapter 10: Levies, premiums, etc.

APPROPRIATIONS: ECU 946.2 million

2. TITLE:

Proposal for a Council Regulation providing for suspension of in-quota tariff rates for certain agricultural products

3. LEGAL BASIS:

Article 113 of the Treaty

4. AIMS:

To bring the rates for products for which a "minimum access" quota exists and in respect of which a reduction in rates has been negotiated under the "Europe Agreements" with the countries of eastern and central Europe into line with the rates under those Agreements.

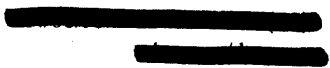
5. FINANCIAL IMPLICATIONS:	PERIOD OF 12 MONTHS (ECU million)	CURRENT FINANCIAL YEAR (95) (ECU million)	FOLLOWING FINANCIAL YEAR (96) (ECU million)	
5.0. EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTION) - NATIONAL AUTHORITIES - OTHER				
5.1. REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL		p.m.	- 10	
	1997	1998	1999	2000
5.0.1. ESTIMATED EXPENDITURE	-	-	-	-
5.1.1. ESTIMATED REVENUE				

5.2. METHOD OF CALCULATION:

The loss of own resources as compared with the amending and supplementary budget corresponds to the part of the GATT quota not utilized by the countries of eastern and central Europe and absorbed by other countries for which a hypothetical reduction of 20% of the full rate of duty was not taken into account in calculations for the amending and supplementary budget.

6.0. CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?

6.1. CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?



6.2. WILL A SUPPLEMENTARY BUDGET BE NECESSARY?

6.3. WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY?

OBSERVATIONS For the 169 000 head of cattle, it is assumed that the countries of eastern and central Europe will make the maximum possible use of the "minimum access" GATT quotas.

ISSN 0254-1475

COM(95) 399 final

DOCUMENTS

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02 03 11

Catalogue number : CB-CO-95-426-EN-C

ISBN 92-77-92635-X

Office for Official Publications of the European Communities
L-2985 Luxembourg