



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 17.02.1997  
COM(97)58 final

97/0041 (ACC)

Proposal for a  
**COUNCIL REGULATION (EC)**  
temporarily withdrawing access to generalized tariff preferences  
for agricultural goods  
from the Union of Myanmar

(presented by the Commission)



## Explanatory Memorandum

The proposal concerning the temporary withdrawal of preferences from Myanmar, which the Commission transmitted to the Council on 19 December 1996,<sup>1</sup> concerned industrial goods only, since only the industrial scheme provided for complaints to be lodged for that purpose.

The provisions of Council Regulation (EC) No 1256/96 of 20 June 1996<sup>2</sup> establishing the new agricultural scheme which provide for such withdrawal entered into force on 1 January this year. On 2 January the International Confederation of Free Trade Unions (ICFTU) and the European Trade Union Confederation (ETUC) formally notified the Commission that they were extending their complaint to encompass agricultural goods.

The evidence gathered by the Commission in its investigation - and the conclusions drawn on the basis of that evidence and presented to the Council in the proposal of 18 December 1996 (COM(96) 711 final - 96/0317 ACC) - remain valid and warrant the withdrawal of the preferences enjoyed by Myanmar in the agricultural sector too.

Such is the purpose of this proposal.

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<sup>1</sup> COM(96) 711 final - 96/0317 (ACC), 18.12.1996.

<sup>2</sup> OJ L 160, 29.6.1996, p. 1.

**Proposal for a  
Council Regulation (EC)  
temporarily withdrawing access to generalized tariff preferences  
for agricultural goods  
from the Union of Myanmar**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1256/96 of 20 June 1996 applying multiannual schemes of generalized tariff preferences from 1 July 1996 to 30 June 1999 in respect of certain agricultural products originating in developing countries, and in particular Article 12(3) thereof,

Having regard to the proposal from the Commission,<sup>1</sup>

Having regard to the opinion of the European Parliament,<sup>2</sup>

Having regard to the opinion of the Economic and Social Committee,<sup>3</sup>

Whereas pursuant to Regulation (EC) No 1256/96 the Union of Myanmar is a beneficiary of generalized tariff preferences;

Whereas Article 9 of Regulation (EC) No 1256/96 provides that the preferences in question may be withdrawn temporarily in whole or in part in circumstances including the practice of any form of forced labour as defined in the Geneva Conventions of 25 September 1926 and 7 September 1956 and International Labour Organization Conventions Nos 29 and 105;

Whereas on 2 January 1997 the International Confederation of Free Trade Unions (ICFTU) and the European Trade Union Confederation (ETUC) notified the Commission that they were extending the scope of the joint complaint lodged under Article 9 of Regulation (EC) No 3281/94 of 19 December 1994 applying a four-year scheme of generalized tariff preferences (1995 to 1998) in respect of certain industrial products originating in developing countries<sup>4</sup> with a view to obtaining the withdrawal of the preferences accorded to agricultural goods from Myanmar under Regulation (EC) No 1256/96;

Whereas the evidence gathered during the Commission's investigation of the initial complaint by the ICFTU and ETUC and the resulting conclusions are broad enough in scope to provide a valid basis for examining the extended complaint lodged by those

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<sup>1</sup> OJ C....., .....1997, p....

<sup>2</sup> OJ C....., .....1997, p....

<sup>3</sup> OJ C....., .....1997, p....

<sup>4</sup> OJ No L 348, 31.12.1994, p.1.

organizations on 2 January 1997, so rendering a specific investigation of the agricultural sector unnecessary;

Whereas, having completed its investigation, the Commission, on 18 December 1996, approved a proposal for a Regulation temporarily withdrawing the tariff preferences applicable to industrial goods originating in Myanmar until it has been established that the practices in question have been brought to an end

Whereas the generalized tariff preferences applicable to agricultural goods originating in Myanmar should temporarily be withdrawn for the same reasons and on the same conditions;

Whereas goods en route to the European Union should be exempted from this measure, provided that they were dispatched before this Regulation entered into force,

HAS ADOPTED THIS REGULATION:

#### Article 1

Myanmar's access to the tariff preferences granted by Regulation (EC) No 1256/96 of 29 June 1996 is hereby withdrawn.

#### Article 2

The Council, acting on a proposal from the Commission, shall bring the application of this Regulation to an end once it has observed on the basis of a Commission report that the use of forced labour in Myanmar has ceased.

#### Article 3

This Regulation shall enter into force on the third day following that of its publication in the Official Journal of the European Communities. It shall not apply to goods proven to have been dispatched to the European Union before that date.

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

Done at Brussels, 1997

For the Council,

The President

## Financial statement

### Title of operation

Draft proposal for a Council Regulation temporarily withdrawing access to generalized tariff preferences for agricultural goods from the Union of Myanmar.

### Legal basis

Article 113 of the Treaty

### Objective of the operation

The aim of this draft proposal is temporarily to withdraw access to the GSP scheme for agricultural goods from Myanmar.

### Estimate of customs revenue

On the basis of the GSP offer calculated using the figure for total imports of GSP-eligible agricultural goods from Myanmar in 1995 and Myanmar's average take-up of the GSP scheme for agricultural goods in 1994 (76%),<sup>1</sup> the increase in customs revenue which can be expected to result from the withdrawal of GSP access for agricultural goods in 1997 is ECU 1 975 000 (compared with ECU 287 000 for the industrial goods included in this table as a reminder):

(ECU 1000)

1995 imports of GSP-eligible industrial goods from Myanmar	24 205
<b>agricultural goods</b>	<b>19 122</b>
Estimated customs revenue for 1997 (industrial goods)	2 392
<b>(agricultural goods)</b>	<b>2 599</b>
Average take-up of GSP in 1994 (industrial goods)	12%
<b>(agricultural goods)</b>	<b>76%</b>
Estimate of customs revenue which will actually be collected (customs duties applicable in 1997):	
(industrial goods)	287
	(2 392 x 12%)
<b>(agricultural goods)</b>	<b>1 975</b>
	<b>(2 599 x 76%)</b>
<i>(Total for industrial and agricultural goods)</i>	<i>(2 262)</i>
Note: this revenue will drop during each year the withdrawal of access is in force in a manner reflecting the fall in duties resulting from the Uruguay Round	

<sup>1</sup> GSP figures for 1995 are not yet known.



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