



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 24.05.1996
COM(96)227 final

96/ 0137 (ACC)

96/ 0138 (ACC)

Proposal for a

COUNCIL DECISION

on the conclusion of the Agreement in the form of an Exchange of Letters between the European Community and the Arab Republic of Egypt modifying the arrangements for imports into the Community of rice originating in and coming from Egypt

(presented by the Commission)

Proposal for a

COUNCIL REGULATION (EC)

concerning rice imports from the Arab Republic of Egypt

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. Article 19 of the current Cooperation Agreement between the Community and the Arab Republic of Egypt provides that the Community shall take all necessary measures to ensure that the levy on imports into the Community of rice originating in Egypt is reduced by an amount equal to 25% of the average level of levies applicable during a reference period, within the limits of an annual quantity of 32 000 tonnes.

The reduction is accorded on condition that Egypt levy a special export charge equal to that amount and that the charge be reflected in the import price into the Community.

2. Under the agreements concluded within the GATT Uruguay Round, the levies applied to the product in question were replaced by customs duties on 1 July 1995. This effectively cancels the reduction stipulated in the Cooperation Agreement, and Egypt has therefore asked for the arrangements to be amended.

3. Article 22 of the Cooperation Agreement requires the Community, in the event of any modification of the existing rules, to take appropriate account of Egypt's interests and accord an advantage comparable to that provided for in the Agreement.

It is necessary to make provision for the said preferential treatment to continue, taking account of the change in circumstances.

4. Under an arrangement reached with Egypt, customs duties would be reduced by 25% from May within a quota of 32 000 tonnes and the condition dropped.

This arrangement, which is aimed at restoring earlier advantages, has been incorporated in the annexed exchange of letters. The conclusion of this agreement also entails the replacement of Council Regulation (EEC) No 1250/77 by a regulation reflecting the change in circumstances.

5. The Commission proposes that the Council adopt the Decision concerning the conclusion of the exchange of letters negotiated with Egypt and the proposal for a Regulation aimed at implementing the measures agreed in that exchange of letters.

COUNCIL DECISION
of ... 1996

96/c 137 (Acc)

on the conclusion of the Agreement in the form of an Exchange of Letters between the European Community and the Arab Republic of Egypt modifying the arrangements for imports into the Community of rice originating in and coming from Egypt
(96/ /EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 113 in conjunction with the first sentence of Article 228(2) thereof,

Having regard to the proposal from the Commission,

Whereas Article 19 of the Cooperation Agreement between the European Economic Community and the Arab Republic of Egypt¹ provides for a reduction in the levy on imports into the Community of rice originating in and coming from that country within the limits of a maximum quantity of 32 000 tonnes a year and on condition that an export levy be collected; whereas the Agreement provides that the Community may modify these arrangements, taking account of Egypt's interests, in the event of any change in its rules;

Whereas the Community, in the Uruguay Round agreement on agriculture, has undertaken to replace variable levies with customs duties; whereas this necessitates the modification of the Agreement with Egypt;

Whereas the Community has to that end negotiated with the Arab Republic of Egypt an Agreement in the form of an Exchange of Letters modifying the arrangements in question;

Whereas this Agreement should be approved,

HAS DECIDED AS FOLLOWS:

Article 1

The Agreement in the form of an Exchange of Letters between the European Community and the Arab Republic of Egypt modifying the arrangements for imports into the Community of rice originating in and coming from Egypt is hereby approved on behalf of the Community.

The text of the Agreement is annexed to this Decision.

Article 2

¹ OJ No L 266, 27.9.1978 p.1.

The President of the Council is hereby authorized to designate the person empowered to sign the Agreement in order to bind the Community.

Article 3

The provisions implementing the Agreement, including any surveillance measures, shall be adopted according to the procedure laid down in Article 27 of Council Regulation (EEC) No 1418/76 of 21 June 1976 on the common organization of the market in rice.²

Where the application of the Agreement calls for close cooperation with Egypt, the Commission may take all necessary measures to ensure such cooperation.

Done at Brussels, ... 1996

For the Council
The President

² OJ No L 166, 25.6.1976, p.1.

AGREEMENT

in the form of an Exchange of Letters between the European Community and the Arab Republic of Egypt modifying the arrangements for imports into the Community of rice originating in and coming from Egypt

Letter No 1

Brussels, ... 1996

Sir,

I have the honour to refer to the Agreement in the form of an Exchange of Letters between the European Community and the Arab Republic of Egypt concerning the arrangements for imports into the Community of rice originating in and coming from Egypt.

Under this Agreement the customs duties applicable to imports of rice (CN code 1006) originating in and coming from Egypt shall be those calculated in accordance with Article 12 of Regulation (EEC) No 1418/76 reduced by an amount equal to 25% of the value of the said duties.

The application of the reduction in customs duties accorded shall no longer be subject to the collection by Egypt of an export levy on the product.

This reduction in customs duties shall be applicable from 1 May 1996.

This Agreement shall be approved by the Contracting Parties in accordance with their own procedures. It shall enter into force on 1 May 1996.

I should be obliged if you would confirm your agreement with the contents of this letter.

Please accept, Sir, the assurance of my highest consideration.

On behalf of the Council of
the European Union

Letter No 2

Cairo, ... 1996

Sir, I have the honour to acknowledge receipt of your letter of today's date which reads as follows:

"I have the honour to refer to the Agreement in the form of an Exchange of Letters between the European Community and the Arab Republic of Egypt concerning the arrangements for imports into the Community of rice originating in and coming from Egypt.

Under this Agreement the customs duties applicable to imports of rice (CN code 1006) originating in and coming from Egypt shall be those calculated in accordance with Article 12 of Regulation (EEC) No 1418/76 reduced by an amount equal to 25% of the value of the said duties.

The application of the reduction in customs duties accorded shall no longer be subject to the collection by Egypt of an export levy on the product.

This reduction in customs duties shall be applicable from 1 May 1996.

This Agreement shall be approved by the Contracting Parties in accordance with their own procedures. It shall enter into force on 1 May 1996.

I should be obliged if you would confirm your agreement with the contents of this letter.

Please accept, Sir, the assurance of my highest consideration."

I have the honour to confirm the agreement of the Government of the Arab Republic of Egypt.

Please accept, Sir, the assurance of my highest consideration.

On behalf of the Arab
Republic of Egypt

COUNCIL REGULATION (EC) NO ...
of ...
concerning rice imports from the Arab Republic of Egypt

96/0138 (AEC)

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 the Contracting Parties have agreed, in an exchange of letters, that the customs duties to be applied to imports of rice (CN code 1006) originating in and coming from Egypt are to be those calculated in accordance with Article 12 of Council Regulation (EEC) No 1418/76 of 21 June 1976 on the common organization of the market in rice¹ reduced by an amount equal to 25% of the value of those duties, and that the reduction accorded is no longer to be subject to the collection by Egypt of an export levy on the product;

Whereas Regulation (EEC) No 1250/77 concerning imports of rice from the Arab Republic of Egypt should be repealed accordingly,²

HAS ADOPTED THIS REGULATION:

Article 1

The customs duties on imports of rice (CN code 1006) originating in and coming from Egypt shall be those calculated in accordance with Article 12 of Council Regulation (EEC) No 1418/76 reduced by an amount equal to 25% of the value of those duties, within the limits of an annual volume of 32 000 tonnes.

Article 2

The arrangements for the implementation of this Regulation, including any surveillance measures, shall be adopted in accordance with the procedure laid down in Article 27 of Regulation (EEC) No 1418/76.

Article 3

Regulation (EEC) No 1250/77 is hereby repealed.

¹ OJ No L 166, 25.6.1976, p.1.

² OJ No L 146, 14.6.1977, p.9.

Article 4

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 May 1996.

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

Done at Brussels, ... 1996

For the Council

FINANCIAL STATEMENT

DATE: _____

1. BUDGET HEADING: 1000

APPROPRIATIONS: ECU 864 million

2. TITLE:

Council Decision on the conclusion of the Agreement in the form of an Exchange of Letters between the European Community and the Arab Republic of Egypt modifying the arrangements for imports into the Community of rice originating in and coming from Egypt

3. LEGAL BASIS: Article 113

4. AIMS OF PROJECT:

Updating, in the light of the Uruguay Round agreements, the Agreement between the Community and Egypt in respect of the import into the Community of 32 000 tonnes of rice.

5. FINANCIAL IMPLICATIONS

PERIOD OF 12 MONTHS

CURRENT FINANCIAL YEAR (96)

FOLLOWING FINANCIAL YEAR (97)

million ecu

million ecu

million ecu

5.0. ~~EXPENDITURE~~
~~- CHARGED TO THE EC BUDGET~~
~~(REFUNDS/INTERVENTION)~~
~~- NATIONAL ADMINISTRATION~~
~~- OTHER~~

5.1. REVENUE
 - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)
 - NATIONAL

7.2

2.4

4.8

1998

1999

2000

2001

5.0.1. ESTIMATED EXPENDITURE

5.1.1. ESTIMATED REVENUE

7

-

-

-

5.2. METHOD OF CALCULATION:

$32\ 000\ \text{tonnes} \times (351 \times 1.8 - 300)\ \text{ECU/t} \times 75\% \times 90\% = \text{ECU } 7.2\ \text{million}$

ECU 351/t = intervention price

ECU 300/t = world market price

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

YES/NO

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

YES/NO

6.2. IS A SUPPLEMENTARY BUDGET NECESSARY?

YES/NO

6.3. WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY?

YES/NO

OBSERVATIONS: This proposal extends the Agreement between the Community and Egypt. As well as bringing the Agreement into line with the GATT agreements, this decision maintains the preferential treatment currently enjoyed by Egypt. The 25% reduction represents a loss of own resources of ECU 2.4 million.

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DOCUMENTS

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