



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 19.07.1996  
COM(96)352 final

96/0188 (ACC)

Proposal for a

COUNCIL REGULATION (EC)

**amending Regulation (EEC) No 4088/87 fixing conditions for the application  
of preferential customs duties on imports of certain flowers originating in  
Cyprus, Israel, Jordan, Morocco, the West Bank and the Gaza Strip**

(presented by the Commission)



## EXPLANATORY MEMORANDUM

Council Regulation (EEC) No 4088/87 fixing conditions for the application of preferential customs duties on imports of certain flowers originating in Cyprus, Israel, Jordan, Morocco, the West Bank and the Gaza Strip provides for the tariff reduction to be granted on a quota (hence a limited quantity) and on condition for certain cut flowers (roses and carnations) that an import price is respected that is no lower than a percentage (85%) of the Community producer price for the product in question.

The method of calculating Community producer prices as defined in Article 3 uses three-year arithmetical averages excluding all extreme values. The figures arrived at are therefore far out of line with the actual situation.

It is therefore proposed that current weighted averages replace three-year arithmetical averages as the method for calculating Community producer prices. An amendment to the way in which import prices are compared with producer prices is also proposed.

Proposal for a  
**COUNCIL REGULATION (EC) No**  
**of**  
**amending Regulation (EEC) No 4088/87 fixing conditions for the application**  
**of preferential customs duties on imports of certain flowers originating in**  
**Cyprus, Israel, Jordan, Morocco, the West Bank and the Gaza Strip**

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 Additional Protocols to the Association or Cooperation Agreements between the European Economic Community and Cyprus, Israel, Jordan and Morocco provide for preferential customs duties on roses and carnations imported into the Community within the limit of tariff quotas opened for all fresh cut flowers of Combined Nomenclature subheading 0603 10 originating in these countries; whereas under Regulation (EEC) No 1134/91<sup>1</sup>, as amended by Regulation (EC) No 539/96<sup>2</sup>, the West Bank and the Gaza Strip enjoy preferential tariff treatment for certain agricultural products, including cut flowers of Combined Nomenclature subheading 0603 40, within annual quota limits; whereas these tariff advantages are applicable only to imports for which certain price requirements specified by Regulation (EEC) No 4088/87<sup>3</sup>, as last amended by Regulation (EEC) No 539/96, are met; whereas the actual prices to be respected for imported products are determined by comparing their prices with Community producer prices;

Whereas by a Decision of the Council of 22 December 1995 the Community concluded an Interim Agreement with Israel on trade and trade-related matters<sup>4</sup>; whereas this includes an exchange of letters on imports into the Community of fresh cut flowers and flower buds suitable for bouquets

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<sup>1</sup> OJ No L 112, 4.5.1991, p.1.

<sup>2</sup> OJ No L 79, 29.3.1996, p.6.

<sup>3</sup> OJ No L 382, 31.12.1987, p.22.

<sup>4</sup> OJ No L 71, 20.3.1996, p.1.

or ornamental purposes, by which it has been agreed to adjust the procedures for determining Community producer prices and recording import prices;

Whereas as a result of the negotiations with Morocco for conclusion of an Association Agreement, which led to agreement inter alia on adjustment, implemented by Council Regulation (EC) No 3057/95<sup>5</sup>, of the tariff quotas for flowers, the same adjustments as referred to above in the procedures for determining Community producer prices and recording import prices were agreed on;

Whereas the provisions of the Agreements with the other Mediterranean countries covered by Regulation (EEC) No 4088/87 on flower imports specify no method for determining Community producer and import prices; whereas since it is anticipated that the new procedures will be to the advantage of importers they should be applied to all imports originating in the Mediterranean countries covered by Regulation (EEC) No 4088/87;

Whereas Regulation (EEC) No 4088/87 should accordingly be amended,

HAS ADOPTED THIS REGULATION:

#### **Article 1**

Regulation (EEC) No 4088/87 is hereby amended as follows:

1. Article 2 is replaced by:

#### **"Article 2**

1. For a given product and origin, the preferential customs duty shall be applicable only if the price of the imported product is at least 85% of the Community producer price referred to in Article 3.

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<sup>5</sup> OJ No L 326, 30.12.1995, p.3.

2. Import prices applicable for two-week periods shall be determined for each of the products and origins indicated in Article 1. Determinations shall be made every fifteen days for the two weeks following the date on which they are made.

Import prices shall be determined on the basis of the weighted average of prices recorded on the representative import markets of the Community, full rate customs duty not deducted.

3. The preferential customs duty shall be suspended and the Common Customs Tariff duty introduced for any given product and origin if the import price determined as specified in paragraph 2 is less than 85% of the Community producer price determined as specified in Article 3.
  4. The preferential customs duty shall be reintroduced for any given product and origin if the import price determined as specified in paragraph 2 is 85% or more of the Community producer price determined as specified in Article 3."
2. Article 3 is replaced by:

"Article 3

1. Community producer prices applicable for two-week periods shall be determined for each of the four products indicated in Article 1. Determinations shall be made every fifteen days for the two weeks following the date on which they are made.
  2. Community producer prices shall be determined on the basis of the weighted average of producer prices recorded on the representative markets for Community production."
3. Article 4 is replaced by:

"Article 4

In the absence of prices or quotations sufficiently representative to permit determination of import and/or Community producer prices as specified in Articles 2(2) and 3(2) respectively they shall be determined on the basis of the latest determinations."

4. Article 5(2) is replaced by:

- "2. In accordance with the procedure referred to in paragraph 1 the Commission shall:
- a) determine import prices as provided for in Article 2(2) and Community producer prices as provided for in Article 3;
  - b) when appropriate suspend the preferential customs duty and reintroduce the Common Customs Tariff duty, or reintroduce the preferential customs duty.

However, between the periodic meetings of the Management Committee these measures shall be adopted by the Commission."

## **Article 2**

This Regulation shall enter into force on the seventh 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

For the Council

# FINANCIAL STATEMENT

DATE: 22.4.96

1. BUDGET HEADING: 120 (Customs duties) APPROPRIATIONS: ECU 14.281m

2. TITLE:  
Proposal for a Council Regulation amending Regulation (EEC) No 4088/87 fixing conditions for the application of preferential customs duties on imports of certain flowers originating in Cyprus, Israel, Jordan, Morocco, the West Bank and the Gaza Strip

3. LEGAL BASIS: Treaty Article 113

4. AIMS OF PROJECT:  
Application/suspension of preferential customs duty according to import price/Community producer price relationship

| 5.     | FINANCIAL IMPLICATIONS                                                                                      | PERIOD OF<br>12 MONTHS<br><br>million ecu | CURRENT<br>FINANCIAL<br>YEAR (96)<br>million ecu | FOLLOWING<br>FINANCIAL<br>YEAR (97)<br>million ecu |
|--------|-------------------------------------------------------------------------------------------------------------|-------------------------------------------|--------------------------------------------------|----------------------------------------------------|
| 5.0.   | EXPENDITURE<br>- CHARGED TO THE EC BUDGET<br>(REFUNDS/INTERVENTION)<br>- NATIONAL ADMINISTRATION<br>- OTHER |                                           |                                                  |                                                    |
| 5.1.   | REVENUE<br>- OWN RESOURCES OF THE EC<br>(LEVIES/CUSTOMS DUTIES)<br>- NATIONAL                               | *                                         | *                                                | *                                                  |
|        |                                                                                                             | 1998                                      | 1999                                             | 2000                                               |
|        |                                                                                                             |                                           |                                                  | 2001<br>(ECUmillion)                               |
| 5.0.1. | ESTIMATED EXPENDITURE                                                                                       | *                                         | *                                                | *                                                  |
| 5.1.1. | ESTIMATED REVENUE                                                                                           |                                           |                                                  |                                                    |

5.2. METHOD OF CALCULATION:

\* Not quantifiable

Application/non-application of the preferential customs duty is not known in advance being largely dependent on market trends. Any assessment of financial implications is therefore mere conjecture.

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. IS A SUPPLEMENTARY BUDGET NECESSARY?

6.3. WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY?

OBSERVATIONS:



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# DOCUMENTS

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