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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 12.04.1999
COM(1999)159 final

99/0089 (ACC)

Proposal for a

COUNCIL REGULATION

**opening a Community tariff quota for barley
for malting falling within CN code 1003 00**

(presented by the Commission)

EXPLANATORY MEMORANDUM

An Agreement was signed with the United States of America, in the context of the conclusion of the GATT Article XXIV:6 negotiations, concerning EC's import regime for cereals and rice. According to the terms of that Agreement

"The United States and the European Community agree that in the first quarter of 1996 and subsequently at the request of either party, the United States Government and the Commission of the European Communities shall review the functioning of the "representative price" system for cereals and rice. If it appears to either party that the functioning of the system is materially impeding trade flows between the parties, the Commission in consultation with the United States Government shall promptly examine the problems identified with a view to implementing appropriate solutions."

Such problems were identified for barley for malting in 1996, 1997 and 1998, and a tariff quota of 30 000 tonnes was opened for the period 1 June to 31 December 1996, and annual tariff quotas of 50 000 tonnes were opened for 1997 and 1998. The problems identified in 1996-98 continue to persist, and it is therefore proposed to open an annual tariff quota of 50 000 tonnes for 1999 and 2000.

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opening a Community tariff quota for barley for malting falling within CN code 1003 00

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,

- (1) Whereas the Community has undertaken, in the conclusion of the GATT Article XXIV:6 negotiations, to examine problems identified if the functioning of the 'representative price' system for cereals appears to be impeding trade; whereas certain consignments of barley for malting have been subject to impediment;
- (2) Whereas in order to remedy such impediment an annual Community tariff quota for barley for malting falling within CN code 1003 00 should be opened for 1999 and 2000;
- (3) Whereas detailed rules for the application of this Regulation should be adopted pursuant to Article 23 of Council Regulation (EEC) No 1766/92 of 30 June 1992 on the common organisation of the market in cereals¹,

HAS ADOPTED THIS REGULATION:

Article 1

1. An annual Community tariff quota of 50 000 tonnes is hereby opened for 1999 and 2000 for high graded barley falling within CN code 1003 00 and intended for the production of malt to be used for the manufacture of certain beer aged in tanks containing beechwood.
2. The common customs tariff duty applicable to the quota shall be 50% of the full rate of duty in force, without the abatement applied on imports of barley for malting, on the day of import.

¹ OJ L 181, 1.7.1992, p. 21. Regulation as last amended by Commission Regulation (EC) No 923/96 (OJ L 126, 24.5.1996, p. 37).

Article 2

The Commission shall adopt detailed rules for the application of this Regulation in accordance with the procedure laid down in Article 23 of Regulation (EEC) No 1766/92, and in particular:

- i) provisions to guarantee the quality of the barley and, if necessary, provisions concerning recognition of documents enabling this guarantee to be verified;
- ii) provisions to verify that the barley is used for the production of malt for the manufacture of beer in tanks containing beechwood.

Article 3

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 1999.

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

Done at Brussels,

For the Council
The President

FINANCIAL STATEMENT

1. BUDGET HEADING: 1000		APPROPRIATIONS: EUR 1054,5 million			
2. TITLE: Proposal for a Council Regulation opening a Community tariff quota for barley for malting falling within CN code 1003 00.					
3. LEGAL BASIS: Article 113 of the Treaty					
4. AIMS: To resolve the impending malfunctioning of the "representative price" system for cereals.					
5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS (EUR million)	CURRENT FINANCIAL YEAR (1999) (EUR million)		FOLLOWING FINANCIAL YEAR (2000) (EUR 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	- 2	- 2		- 2	
	1999	2000	2001	2002	
5.0.1 ESTIMATED EXPENDITURE	- EUR 2 Mio	- EUR 2 Mio			
5.1.1 ESTIMATED REVENUE					
5.2 METHOD OF CALCULATION (12 months): 50 000 t x EUR 90/t x 50% x 90% = EUR 2 025 000 The average duty for 1998 is EUR 90/t. The same amount serves as the basis for calculating 1999.					
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 WILL A SUPPLEMENTARY BUDGET BE NECESSARY?					YES/NO
6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY?					YES/NO
OBSERVATIONS: The measure represents a loss of revenues for own resources, as the imports would have taken place also with the full customs duty.					