



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 21.06.1996
COM(96) 290 final

Proposal for a

COUNCIL REGULATION (EC)

amending Annex I to Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff for certain processed agricultural products covered by Regulation (EC) No 3448/93

(presented by the Commission)

Explanatory memorandum

The Community's offer in the multilateral Uruguay Round negotiations led to increases in some of the duties applicable to certain goods not covered by Annex II to the Treaty and subject to the trade arrangements applicable to certain goods resulting from the processing of agricultural products laid down by Council Regulation (EC) No 3448/93. Some of these increases are due to peculiarities of these goods which were not taken into account in the Community's offer.

Accordingly, the duties which have applied to certain goods since 1 July 1995 no longer correspond to the principles established in Regulation (EC) No 3448/93.

It is therefore proposed to reinstate for these goods, on an autonomous basis, the method for calculating the duties that was used up to 30 June 1995, with effect from 1 July 1995.

COUNCIL REGULATION (EC)

amending Annex I to Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff for certain processed agricultural products covered by Regulation (EC) No 3448/93

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 28 thereof,

Having regard to the proposal from the Commission,

Whereas the goods referred to in Annex B to Council Regulation (EC) No 3448/93 of 6 December 1993¹ laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products were subject until 30 June 1995 to the application of a variable component; whereas a tariff has been established for these variable components and they are now replaced by specific amounts which were the subject of the Community's offer in the multilateral negotiations of the Uruguay Round;

Whereas for certain goods the previous arrangements, which were more favourable than those covered by the Community's offer, should be maintained;

Whereas particularly as regards sweet corn as covered by CN codes 0710 40 00, 0711 90 30, 2001 90 30, 2001 90 40, 2004 90 10, 2005 80 00, 2008 99 85 and 2008 99 91 the variable components were calculated on the basis of the net drained weight; whereas the specific amount should likewise be applied to the net drained weight; whereas, as regards extracts, essences and concentrates of roast coffee substitutes under CN code 2101 30 99, the *ad valorem* duty of 14% must be maintained so long as the rates agreed in the agreements concluded in the Uruguay Round lead to a higher rate of conventional duty; whereas this also applies to sorbitols containing more than 2% D-mannitol, falling within CN codes 2905 44 19, 2905 44 99, 3824 60 19 and 3824 60 99, to which an *ad valorem* duty of 9% applies autonomously; whereas yeast is a product essentially obtained from molasses and this connection should continue to be taken into account, so the amount of the agricultural component calculated on the earlier basis should not be applied, since this amount is less than ECU 2/100 kg;

Whereas the abovementioned duties are higher than the rates which were in force before 1 July 1995 without there being any need for such an increase; whereas the corrected rates should therefore be applied with retroactive effect from 1 July 1995, when the rates in question were introduced,

¹ OJ No L 318, 20.12.1993, p. 18.

HAS ADOPTED THIS REGULATION:

Article 1

Annex I to Regulation (EEC) No 2658/87 shall be amended as follows:

1. A reference to the following footnote shall be added to subheadings 0710 40 00, 0711 90 30, 2001 90 30, 2001 90 40, 2004 90 10, 2005 80 00, 2008 99 85 and 2008 99 91, in column 4 (conventional rates of duty):

"the specific amount is charged, as an autonomous measure, on the net drained weight"

2. Under subheading 2101 30 99, footnote (²) in column 3 (autonomous rates of duty) shall be reproduced in column 4 (conventional rates of duty).

This measure shall apply so long as the conventional rate is higher than 14%.

3. Under subheadings 2905 44 19, 2905 44 99, 3824 60 19 and 3824 60 99, footnote (²) in column 3 (autonomous rates of duty) shall be reproduced in column 4 (conventional rates of duty).

4. Under subheadings 2102 10 31 and 2102 10 39, footnote (¹) in column 3 (autonomous rates of duty) shall be replaced by the following note:

"(¹) Duty suspended at the level of the *ad valorem* conventional duty for an indefinite period."

Article 2

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

It shall apply as from 1 July 1995.

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

Done at Brussels,

For the Council

FINANCIAL STATEMENT

DATE:

1.	BUDGET HEADING: Art. 10	Item 1000	APPROPRIATIONS: ECU 864 000 000	
2.	TITLE: Council Regulation amending Annex I to Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff for certain processed agricultural products covered by Regulation (EC) No 3448/93.			
3.	LEGAL BASIS: Article 28 of the Treaty.			
4.	AIMS OF PROJECT: autonomous reduction of duties in order to maintain specific components of the previous arrangements applicable to certain goods mentioned in Annex B to Regulation (EC) No 3448/93.			
5.	FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR ()	FOLLOWING FINANCIAL YEAR ()
5.0.	EXPENDITURE CHARGED: - TO THE EC BUDGET (REFUNDS/INTERVENTION) - NATIONAL ADMINISTRATION - OTHER			
5.1.	REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)	max. -5 857 000 (duties not levied)		
5.0.1.	ESTIMATED EXPENDITURE			
5.1.1.	ESTIMATED REVENUE			
5.2.	METHOD OF CALCULATION: maximum loss: calculated on the part of average imports for 1993 and 1994 concerned by the project: sweet corn: 76 000 tonnes with an average reduction of ECU 62/tonne = ECU 4 712 000; extracts, essences and concentrates of roast coffee substitutes: 1.9% of ECU 2 697 000, or ECU 51 300; yeasts: ECU 595/tonne for 1165 tonnes + ECU 175/tonne for 2125 tonnes = ECU 1 065 000. Sorbitols: 2.6% of ECU 949.500 = ECU 24.687 The increase in duties from 1 July 1995 has affected the level of imports and hence of Community revenue; however, it cannot be determined on an annual basis for the time being. The proposal should help to restore the level of traditional trade in volume terms.			
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: The aim of the proposal is to reinstate the method of calculating import duties according to the arrangements in force until 30 June 1995. This should help restore the volume of trade, and hence also of revenue, to its level prior to that date. Given the lack of sufficient data on trade since 1 July 1995, it is not possible to determine the extent to which imports have been affected by the increase in duties and so calculate the precise impact on Community revenue compared with the duties currently in force.				

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