

EN

EN

EN



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 10.9.2008
COM(2008) 540 final

2008/0176 (ACC)

Proposal for a

COUNCIL REGULATION

**amending Regulation (EC) No 55/2008 introducing autonomous trade preferences for
the Republic of Moldova**

(presented by the Commission)

EXPLANATORY MEMORANDUM

On 21 January 2008 the Council adopted Regulation (EC) No 55/2008¹ introducing autonomous trade preferences for the Republic of Moldova² (ATPs Regulation) and replacing the GSP preferences to which Moldova was previously entitled. It entered into force on 31 January and is applied since 1 March 2008. The regulation offers all products originating in Moldova free access to the EU markets, except for certain agricultural products listed in Annex I to the regulation for which limited concessions have been given either in the form of exemption from customs duties within the limit of tariff quotas or of reduction of customs duties. These are certain meat and dairy products, eggs, cereals, sugar, wine and certain fruits and vegetables.

Explanation of the provisions

Following the entry into force of this Regulation importers have brought to our attention that the current wording of Article 14 of the ATPs Regulation created a *de facto* gap between the application of the GSP preferences and the application of the ATPs, whereas the intention was to ensure that GSP preferences would continue to apply for all eligible exports until the ATPs were fully in place. According to the current wording goods covered by the GSP, which have been exported to the EU between the entry into force of the ATPs (31 January 2008) and the start of the application of the regime (1 March 2008) would not be covered by either regime if the purchase contract was not made before 31 January 2008 and it could be shown that the goods left Moldova no later than 31 January 2008. To correct this situation the wording in Article 14(1), 14(1)(a), 14(1)(b), 14(2)(a), 14(2)(b), 14(2)(c) and 14(2)(d) has to be changed from "the date of entry into force" to "the date of application".

Furthermore, in preparing the application of the regulation and the management of the quotas listed in Annex I, a few inconsistencies between the quota descriptions and the applicable CN codes were detected. The proposed corrections do not contradict or change the methodology used to determine the size of the quotas for each product group, which was based on the best export performance of the years 2004 -2006 with yearly increases corresponding to the potential increases in production and export capacity of Moldova until 2012. The proposed changes to Annex I of Regulation 55/2008 are the following:

1. *Quota nr. 09.0504 (meat)*: Delete the word "domestic" in the description to make the description correspond to the CN codes.
2. *Quota nr. 09.0509 (common wheat)*: The CN code 1001 90 99 was omitted by mistake and should be added in order to make the quota correspond to the offer which was based on exports of all common wheat and meslin in accordance with the methodology mentioned above.
3. *Quota nr. 09.0514 (wine)*: Delete "of an actual alcoholic strength by volume not exceeding 15%" in the description to make the description correspond to the CN codes.

¹ OJ L 20, 24.1.2008, p. 1

² Hereinafter referred to as Moldova

Budgetary implications

The proposed Regulation does not incur costs charged to the EC budget or have any impact on the EC budget in the form of loss of customs revenue beyond what was originally estimated for the entry into force of the additional preferences for Moldova.

Proposal for a

COUNCIL REGULATION

amending Regulation (EC) No 55/2008 introducing autonomous trade preferences for the Republic of Moldova

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133 thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) Council Regulation (EC) No 55/2008 of 21 January 2008 introducing autonomous trade preferences for the Republic of Moldova and amending Regulation (EC) No 980/2005 and Commission Decision 2005/924/EC³ entered into force on 31 January 2008 and is being applied as of 1 March 2008. The Regulation gives all products originating in the Republic of Moldova (hereinafter referred to as Moldova) free access to the Community markets, except for certain agricultural products listed in Annex I to the Regulation for which limited concessions have been given either in the form of exemption from customs duties within the limit of tariff quotas or of reduction of customs duties.
- (2) The wording of Article 14 of the Regulation created a gap between the application of the generalised system of preferences (GSP) to which Moldova was entitled until the entry into force of Regulation (EC) No 55/2008, and the application of the autonomous trade preferences (ATPs), whereas the intention was to ensure that the GSP would continue to apply for all eligible exports until the ATPs were introduced. According to Article 14 goods covered by the GSP, which have been exported to the Community between the entry into force of the ATPs and the start of the application of the regime would not be covered by either regime in case there was no purchase contract made before 31 January 2008 and it could be shown that the goods left Moldova no later than 31 January 2008. To correct this situation the wording in Article 14 should be amended so as to refer to the date of application of the Regulation and not its entry into force.
- (3) In preparing the application of the Regulation (EC) No 55/2008 and the management of the quotas listed in its Annex I, a few inconsistencies between the quota descriptions and the applicable CN codes were detected. In order to correct those errors the word "domestic" should be deleted in the description for quota No. 09.0504,

³ OJ L 20, 24.1.2008, p. 1

the CN code 1001 90 99 should be added to quota No. 09.0509, and the description "of an actual alcoholic strength by volume not exceeding 15%" should be deleted in the description of quota No. 09.0514. The proposed corrections do not contradict or change the methodology used to determine the size of the quotas for each product group, which was based on best export performance of the years 2004 -2006 with yearly increases corresponding to the potential increases in production and export capacity of Moldova until 2012.

- (4) Regulation (EC) No 55/2008 should therefore be amended accordingly.
- (5) In order to ensure that the measures provided for in this Regulation can be applied without undue delay, it should enter into force on the day following that of its publication.

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 55/2008 is amended as follows:

- 1. Article 14 is amended as follows:
 - (a) in the introductory phrase of paragraph 1, the words "the entry into force" are replaced by the words "the date of application";
 - (b) in paragraphs 1(a), 1(b), 2(a), 2(b), 2(c) and 2(d), the words "the date of entry into force" are replaced by the words "the date of application".
- 2. Annex I is replaced by the text set out in the Annex to this Regulation.

Article 2

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

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

Done at Brussels,

For the Council
The President

ANNEX

"ANNEX I

PRODUCTS SUBMITTED TO QUANTITATIVE LIMITS OR PRICE THRESHOLDS REFERRED TO IN ARTICLE 3

Notwithstanding the rules for the interpretation of the Combined Nomenclature, the wording for the description of the products is to be considered as having no more than an indicative value, the preferential scheme being determined, within the context of this Annex, by the coverage of the CN codes. Where ex CN codes are indicated, the preferential scheme is to be determined by application of the CN code and corresponding description taken together.

1. Products subject to annual duty free tariff quotas

Order No	CN Code	Description	2008 ⁽¹⁾	2009 ⁽¹⁾	2010 ⁽¹⁾	2011 ⁽¹⁾	2012 ⁽¹⁾
09.0504	0201 to 0204	Fresh, chilled and frozen meat of bovine animals, swine and sheep and goats	3 000 ⁽²⁾	3 000 ⁽²⁾	4 000 ⁽²⁾	4 000 ⁽²⁾	4 000 ⁽²⁾
09.0505	ex 0207	Meat and edible offal of the poultry of heading 0105, fresh, chilled or frozen, other than fatty livers of subheading 0207.34	400 ⁽²⁾	400 ⁽²⁾	500 ⁽²⁾	500 ⁽²⁾	500 ⁽²⁾
09.0506	ex 0210	Meat and edible meat offal of swine and bovine animals, salted, in brine, dried or smoked; edible flours and meals of meat or meat offals of domestic swine and bovine animals	400 ⁽²⁾	400 ⁽²⁾	500 ⁽²⁾	500 ⁽²⁾	500 ⁽²⁾
09.4210	0401 to 0406	Dairy products	1 000 ⁽²⁾	1 000 ⁽²⁾	1 500 ⁽²⁾	1 500 ⁽²⁾	1 500 ⁽²⁾
09.0507	0407.00	Birds' eggs, in shell	90 ⁽³⁾	95 ⁽³⁾	100 ⁽³⁾	110 ⁽³⁾	120 ⁽³⁾
09.0508	ex 0408	Bird's eggs, not in shell and egg yolks, other than unfit for human consumption	200 ⁽²⁾	200 ⁽²⁾	300 ⁽²⁾	300 ⁽²⁾	300 ⁽²⁾
09.0509	1001.90.91 1001.90.99	Other spelt (other than spelt for sowing), common wheat and meslin	25 000 ⁽²⁾	30 000 ⁽²⁾	35 000 ⁽²⁾	40 000 ⁽²⁾	50 000 ⁽²⁾
09.0510	1003.00.90	Barley	20 000 ⁽²⁾	25 000 ⁽²⁾	30 000 ⁽²⁾	35 000 ⁽²⁾	45 000 ⁽²⁾
09.0511	1005.90	Maize	15 000 ⁽²⁾	20 000 ⁽²⁾	25 000 ⁽²⁾	30 000 ⁽²⁾	40 000 ⁽²⁾
09.0512	1601 00 91 and 1601 00 99	Sausages and similar products, of meat, meat offal or blood; food preparations based on these products	500 ⁽²⁾	500 ⁽²⁾	600 ⁽²⁾	600 ⁽²⁾	600 ⁽²⁾
	ex 1602	Other prepared or preserved meat, meat offal or blood: - of fowls of the species Gallus domesticus, uncooked, - of domestic swine, - of bovine animals, uncooked					
09.0513	1701.99.10	White Sugar	15 000 ⁽²⁾	18 000 ⁽²⁾	22 000 ⁽²⁾	26 000 ⁽²⁾	34 000 ⁽²⁾
09.0514	2204 21 and 2204 29	Wine of fresh grapes other than sparkling wine	60 000 ⁽⁴⁾	70 000 ⁽⁴⁾	80 000 ⁽⁴⁾	100 000 ⁽⁴⁾	120 000 ⁽⁴⁾

(1) From 1 January until 31 December, except for 2008 from the first day of application of the Regulation until 31 December (2) tonnes (net weight). (3) million units, (4) hectolitres"

**LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS HAVING A
BUDGETARY IMPACT EXCLUSIVELY LIMITED TO THE REVENUE SIDE**

1. NAME OF THE PROPOSAL:

Council Regulation amending Council Regulation (EC) No 55/2008 introducing autonomous trade preferences for the Republic of Moldova

2. BUDGET LINES:

Chapter and Article: **Article 120**

Amount budgeted for the year concerned: **16 431 900 000**

3. FINANCIAL IMPACT

☒ Proposal has no financial implications

☐ Proposal has no financial impact on expenditure but has a financial impact on revenue – the effect is as follows:

(€ million to one decimal place)

Budget line	Revenue ⁴	12 month period, starting dd/mm/yyyy	[Year n]
Article ...	<i>Impact on own resources</i>		
Article ...	<i>Impact on own resources</i>		

Situation following action					
	[n+1]	[n+2]	[n+3]	[n+4]	[n+5]
Article ...					

⁴ Regarding traditional own resources (agricultural duties, sugar levies, customs duties) the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25 % of collection costs

Article ...					
-------------	--	--	--	--	--

4. ANTI-FRAUD MEASURES

5. OTHER REMARKS