COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 12.03.1999 SEC(1999)377 final

Draft

DECISION No __/99 OF THE EC/DENMARK-FAROE ISLANDS JOINT COMMITTEE

(presented by the Commission)

Explanatory Memorandum

Negotiations between the Commission, on behalf of the European Community, and the Faroe Islands to amend Protocol I, and the Annexes thereto, of the Agreement between the European Community and the Government of Denmark and the Home Government of the Faroe Islands, have been concluded.

The amendments concern a series of adjustments to the import regime applied by the Community for fish and fishery products originating in the Faroe Islands and falling within the scope of Protocol I to the above mentioned Agreement.

According to Article XXIV:8 of GATT 1994, a Free Trade Area is formed by a group of two or more customs territories in which the customs duties and other restrictive regulations of commerce are eliminated in substantially all trade between the constituent territories in the products originating in such territories. In this Agreement a considerable number of fisheries concessions are conditional upon respect of reference prices, or are limited by quota. In the light of the consideration of this Agreement within the terms of GATT Article XXIV currently underway in Geneva, it has been necessary to review the Agreement to ensure that it complies with these conditions.

The amendments resulting from the negotiations between the Commission and the Faroe Islands foresee:

- the removal of the reference price condition, the reference ceilings and the statistical surveillance which currently apply to a substantial number of products at zero import duty;
- the replacement of a duty free quota for imports of salmon by unlimited duty free imports of this product;
- the re-establishment of the most-favoured nation (MFN) import duty for four products which at present benefit from preferential import treatment subject to quotas:
- the maintenance of preferential import treatment, subject to quota, into the Community for four products.

As a result of these changes, more than 95 % of all imports from the Faroe Islands would now benefit from completely liberalised conditions for import into the Community.

In order to ensure that these improvements do not pose any risk to the stability of the markets for the products in question, it is also proposed that Protocol I be amended to include a safeguard clause to be applied if price decreases of imports for either Contracting Party create market disturbances for the other Contracting Party.

In view of the above, the Commission proposes that the Council adopt, at the earliest opportunity, the text of the attached draft Decision to amend Protocol I, and the Annexes thereto, of the Agreement, as the Community position within the EC/Denmark-Faroe Islands Joint Committee. This, with a view to its adoption by the Joint Committee pursuant to Article 34.1 of the Agreement.

DECISION No __/99 OF THE EC/DENMARK-FAROE ISLANDS JOINT COMMITTEE

.0	of	
Replacing	Protocol 1 of tl	he Agreement
THE JOINT COMMITTEE	•	
Having regard to the Agreement and the Government of Denmark the other part (1), and in particular	and the Home	Government of the Faroe Islands, of the one particle.
Whereas, in the light of the examinules for free trade agreements in the it is considered appropriate to revi	he context of th	greement and its conformity with the World Trade Organisation (WTO of the Agreement:
Whereas this review requires certa	in amendments	to that Protocol and its Annexes;
Whereas, it is equally appropriate context of that review do not pose for the products concerned,	e to ensure that e any risk to the	the amendments carried out in the stability of the Community marks
European Community and the Gov	vernment of Der	opean Commission, on behalf of the numers and the Home Government of and its Annexes shall be replace
HAS DECIDED AS FOLLOWS:		
	Article 1	
Protocol 1 of the Agreement and it he Annex to this decision.	s Annexes shall	be replaced by the text contained in
	Article 2	
This Decision shall enter into force of its adoption.	on the first day	of the second month following tha
Done at	· ,	
		For the Joint Committee The Chairman

PROTOCOL 1

concerning the tariff treatment and arrangements applicable to certain fish and fishery products released for free circulation in the Community or imported into the Faroes

Article 1

As regards the products listed in the Annex to this Protocol and originating in the Faroes:

- 1. No new customs duties shall be introduced in trade between the Community and the Faroes;
- 2. The preferential customs duties and other conditions to be applied on import into the Community shall be as indicated in the Annex.

Article 2

Any reference price fixed, or to be fixed, by the Community shall not apply to the products covered by this Protocol.

Article 3

Where a price decrease in imports of a given fishery product from one Contracting Party is or is likely to be seriously detrimental to the production activity concerned in the other Contracting Party, the Contracting Party concerned may take appropriate measures.

- 1. In the selection of measures, priority must be given to those which least disturb the functioning of this Agreement.
- Before taking such measures, the Contracting Party in question shall supply the Joint Committee with all relevant information required for a thorough examination of the situation with a view to seeking a solution acceptable to the Contracting Parties.
- Except in cases of urgency, as described in paragraph 4 below, the Contracting Party concerned may not take measures until one month

has elapsed after the date of notification, unless the Joint Committee procedure has been concluded before the expiration of the stated time limit.

- Where circumstances require urgent action, the Contracting Party concerned may apply the measures strictly necessary to remedy the situation at the earliest three days after having informed the other Contracting Party.
- Any safeguard measures shall be notified immediately to the Joint Committee and shall be the subject of periodical consultations within the Committee, particularly with a view to their abolition as soon as circumstances permit.

Article 4

The Faroes shall abolish tariffs and duties on imports of fish and fishery products originating in the Community.

ANNEX

The preferential customs duties and other conditions to be applied on import into the Community of products originating in and coming from the Faeroes shall be as indicated below.

TABLE 1

CN Code	Description	Rate of duty	Tariff quota (TQ)
(1)	(2)	(3)	(4)
0301	Live fish:		<u> </u>
× 0301 9 1 90	Trout of the species Oncorbynchus mykiss	0	TQ No 1
0301 92 00	Eels (Anguilla spp.)	0	
x 0301 99 11	- Atlantic salmon (Salmo salar)	0	
0302	Fish, fresh or chilled, excluding fish fillets and other fish meat of heading No 0304:		
x 0302 11 90	Trout of the species Oncorhynchus mykiss	0	TQ No
x 0302 12 00	Atlantic salmon (Salmo salar)	0	
0302 19 00	Other	0	
0302 21 10	Lesser or Greenland halibut (Reinhardtius hippoglossoides)	0	
0302 21 30	Atlantic halibut (Hippoglossus hippoglossus)	0	
0302 22 00	Plaice (Pleuronectes plutessa)	0	
0302 23 00	Sole (Solea spp.)	0	
0302 29 10	Megrim (Lepidorhombus spp.)	0	
0302 29 90	Other	0	
0302 40	- Herrings (Clupea barengus, Clupea pallasii), excluding livers and roes:		
0302 40 05	From 1 January to 14 February	0	
0302 40 98	- From 16 June to 31 December	0	
0302 50 10	Cod of the species Gadus morbua	0	
0302 62 00	Haddock (Melanogrammus aeglefinus)	0	
0302 63 00	Coalfish (Pollachius virens)	0	
ex 0302 64 05	Mackerel of the species Scomber scombrus, from 1 January to 14 February	0	
cx 0302 64 98	Mackerel of the species Scomber scombrus, from 16 June to 31 December	0	
0302-65	Dogfish and other sharks:		
0302 65 20	Dogfish of the species Squalus acanthias	0	
0302 65 50	Dogfish of the species Scyliorhinus spp.	0	
0302 65 90	Other	0	
0302 66 00	Eels (Anguilla spp.)	0	
	Redfish (Sehastes spp.):		
0302 69 31	Of the species Sebastes marinus	O	
ex 0302 69 33	Of the species Sebastes mentella	0	
0302 69 41	Whiting (Merlangus merlangus)	0	
0302 69 45	Ling (Molea spp.)	0	
ex 0302 69 68	Hake of the species Merluccius merluccius	0	

	(2)	(3)	(4)
0302 69 81	Monkfish (Lophius spp.)	0	
0302 69 85	- Blue whiting (Micromesisthus poutasson or Gadus poutasson)	0	
0302 69 99	Other	0	
9302 70 00	- Livers and roes	0	
0303	Fish, frozen excluding fish fillets and other fish meat of heading No 0304:		
x 0303 21 90	- Trout of the species Oncorbynchus mykiss		
x 0303 22 00	- Atlantic salmon (Salmo salar)	0	TQ No 1
0303 29 00	- Other	0	
0303 31 10	Lesser or Greenland halibut (Reinhardtius hippoglossoides)	0	
9303 31 30	- Atlantic halibut (Hippoglossus hippoglossus)	С	
0303 32 00	- Plaice (Pleuronectes platessa)	0	
0303 33 00	- Sole (Solea spp.)	0	,
0303 39 10		0	
0303 39 30	Flounder (Platichthys flesus)	0	
0303 19 30	Fish of the genus Rhombosolea	0	
	Other	0	
0303 50	- Herrings (Clupea harengus, Clupea pallasi), excluding livers and roes:		
0303 50 05	From 1 January to 14 February	0	
0303 50 98	From 16 June to 31 December	0	
0303 60 11	Cod of the species Gadus morbua	0	
0303 73 00	Coalfish (Pollachius virens)	0	
0303 74 10	Mackerel of the species Scomber scombrus, from 1 January to 14 February	0	
: 0303 74 20	Mackerel of the species Scomber scombrus, from 16 June to 31 December	0	·
0303.75	Dogfish and other sharks:		1
0303 75 20	Of the species Squalus acanthias	0	
0303 75 50	Of the species Scyliarhinus spp.	0	
0303 75 90	Other	0	
0303 79	Other:	·	
	Redfish (Sehastes spp.):		
0303 79 35	Redfish of the species Sebastes marinus	0	
0303 79 37	Redfish of the species Schastes mentella	0	
0303 79 45	Whiting (Merlangus merlangus)	0	
0303 79 51	Ling (Molva spp.)	0	
0303 79 81	= Monkfish (Lophius spp.)	. 0	
0303 79 83	Blue whiting (Micromesistius poutassou or Gadus poutassou)	0	
0303 79 96	Other	0	
0303-80			
0303 80 90	- Livers and roes	0	
	- Other	0	
0304	Fish fillets and other fish meat (whether or not minced), fresh, chilled or frozen:		
0304 10	- Fresh or chilled:		
	Fillets:	# - '	
	Of freshwater fish:		1

(1)	(2)	(3)	(4)
ex 0304-10-11	- Of trout of the species Oncorhynchus mykiss	0	TQ No 1
ex 0304 10 13	Of Atlantic salmon (Salmo salar)	0	
	Other		
ex 0304 10 31	Of cod of the species Gadus morbua	0	
0304 10 33	Of coalfish (Pollachius virens)	O	
0304 10 35	Of redfish (Sebastes spp.)	0	
0304 10 38	Other	0	
	- Other fish meat (whether or not minced):	,	
0304 10 91	- Of freshwater fish		
	Other:		
0304 10 94	From 1 January to 14 February	0	
0304 10 96	From 16 June to 31 December	0	ļ
0304 10 98	Other	0	
0304.20	Frozen fillets:		
	Of freshwater fish:		
ex 0304 20 11	Of trout of the species Oncorbynchus mykiss	0	TQ No 1
ex 0304 20 13	Of Atlantic salmon (Salmo salar)	0	
	Of cod (Gadus morbua, Gadus macroephalus, Gadus Ogae) and of fish of the species Boreogadus saida:		
ex 0304 20 29	Of cod of the species Gadus morbua	0	
0304 20 31	- Of coalfish (Pollachius virens)	0	
0304 20 33	Of haddock (Melanogrammus aeglefinus)	0	
	Of redfish (Sebastes spp.):		
0304 20 35	Of the species Sebastes marinus	0	
ex 0304 20 37	Of the species Sebastes mentella	0	
0364 20 41	Of whiting (Merlangus merlangus)	0 .	
0304.20,43	Of ling (Molva spp.)	0	
ex 0304 20 53	Of macketel of the species Scomber scombrus	0	
	Of hake of the genus Merluccius:		
0304 20 71	Of place (Pleuronectes platessa)	0	
0304-20-75	Of herring (Clupea barengus, Clupea pallasii)	0	
0304 20 96	- Other:		
	- Of blue whiting (Micromesistius poutassou or Gadus poutassou)	0	
	Other than of blue whiting (Micromesistivs poutassou or Gadu poutassou)	s 0	
0304-90	- Other:		
0304 90 05	– – Surimi	0	
	- Other:		
ex 0304 90 10	- Of freshwater fish:		
	Of trout of the species Oncorbynchus mykiss	0	TQ No
		0	
	- Other:		
	Of herring (Clupea harengus, Clupea pallasii):		I

(1)	43)	7	i .
0304 90 20	(2)	(3)	, (4)
0304 90 20	From 1 January to 14 February	0	
0304 90 38	From 16 June to 31 December	0	
0304 90 41	Of cod of the species Gadus morhua	0	1 .
0304 90 45	Of coalfish (Pollachius virens)	0	
0304 90 47	Of haddock (Melanogrammus aeglefinus)	0	
0304 90 57	Of hake of the genus Merluccius	0	
0304 90 59	Of monkfish (Lophius spp.)	0	
0304 90 97	Of blue whiting (Micromesistius poutassou or Gadus poutassou)	0	
5.70 77	Other	0	
0305	Fish, dried, salted or in brine; smoked fish, whether or not cooked before or during the smoking process; flours, meals and pellets of fish, fit for human consumption:		•
0305 10 00	- Flours, meals and pellets of fish, fit for human consumption	0	1
0305 20 00	- Livers and roes, dried, smoked, salted or in brine	0	
0305 30	- Fish fillets, dried, salted or in brine, but not smoked:		
ex 0305 30 19	Of cod of the species Gadus morbua		
ex 0305 30 30	- Of Atlantic salmon (Salmo salar), salted or in brine	0	
0305 30 50	- Of lesser or Greenland halibut (Reinhardtius hippoglossoides), salted or in brine	0	
0305 30 90	Other	0	
	- Smoked fish, including fillets:		
ex 0305 41 00	Atlantic salmon (Salmo salar)	0	
0305 42 00	Herrings (Clupea harengus, Clupea pallasii)	0	
0305 49 10	Lesser or Greenland halibut (Reinhardtius hippoglossoides)	0	
0305 49 20	Atlantic halibut (Hippoglossus hippoglossus)	0	
ex 0305 49 30	Mackerel of the species Scomber scombrus	0	
ex 0305 49 45	Trout of the species Onocorhynchus mykiss	0	İ
0305 49 50	Eels (Anguilla spp.)	0	
0305 49 80	Other	0	
	- Dried fish, whether or not salted but not smoked:	U	
ex 0305 51 10	Cod of the species Gadus morbua, dried, unsalted	•	
ex 0305 51 90	Cod of the species Gadus morhua, dried, salted	. 0	
0205 50 00		0	
ex 0305 5 9 90	Other:		
	Of ling (Molva molva)	0	
	Of blue ling (Molva dipterygia dipterygia) Of tusk (Brosme brosme)	. 0	
	- Fish, salted but not dried or smoked and fish in brine:	. 0	
0305 61 00	- Herrings (Clupea harengus, Clupea pallasii)	j	
x 0305 62 00	Cod of the species Gadus morhua	0	
0305 69	- Other:	0	
0305 69 90	Other		
0306	,	0	
	Crustaceans, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; crustaceans, in shell, cooked by steaming or by boiling in water, whether or not chilled, frozen, dried, salted or in brine; flours, meals and pellets of crustaceans, fit for human consumption:		
	- Frozen:	1	•
0306 13	Shrimps and prawns:		
0306 13 10	Of the family Pandalidae		
0306 13 40	Deepwater rose shrimps (Parapenaeus longirostris)	0	*

(1)	(2)	(3)	(4)
0306 13 50	Shrimps of the genus Penaeus	0	
0306 13 80	Other	0	
0306 19 30	Norway lobsters (Nephrops norvegicus)	0	
0306 12 30	- Not frozen:		
0306 29 30	Norway lobsters (Nephrops norvegicus)	0	
0307	Molluscs, whether in shell or not, live, fresh, chilled, frozen dried, salted or in brine; aquatic invertebrates other than crustaceans and molluscs, live, fresh, chilled, frozen, dried, salted or in brine; flours, meals and pellets of aquatic invertebrates other than crustaceans, fit for human consumption:		
	Scallops, including queen scallops, of the genera Pecten, Chlamys or Placopecten:		
0307 21 00	Live, fresh or chilled	0	
0307 29	Other:		
0307 29 10	- Common scallop (Pecten maximus), frozen	0	
0307 27 10	- Other	0	
	Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs:		
1604	- Fish, whole or in pieces, but not minced:		
	<u> </u>	0	TQ No 2
x 1604 11 00	Atlantic salmon (Salmo salar)		
1604-12	Herrings:		
	Other:		
		0	
1604 12 91	- In airtight containers	0	
1604 12 99	Other		
1604-19	Other:	0	TQ No 2
ex 1604 19 10	- Trout of the species Oncorhynchus mykiss - Fillets, raw, merely coated with batter or breadcrumbs, whether or not	0	
1604 19 91	prefried in oil, deep frozen	'	1
	Other:		
1604 19 92	Cod (Gadus morhua, Gadus ogac, Gadus macrocephalus)	0	TQ No 3
1604 19 93	Coalfish (Pollachius virens)	0	TQ No 3
1604 19 94	Hake (Merluccius spp., Urophycis spp.)	0	TQ No 3
1604 19 95	Alaska pollack (Theragra chalcogramma) and pollack (Pollachius pollachius)	0	TQ No 3
1604 19 98	Other	0	TQ No 3
1604-20	- Other prepared or preserved fish:		-
1604 20 05	- Preparations of surimi	0	TQ No 3
	Other:		TON
cx 1604 20 10	Of Atlantic salmon (Salmo salar)	0	TQ No 2
ex 1604 20 30	- Of Trout of the species Oncorhynchus mykiss	0	TQ No 1
1704 20 00	Of other fish:		
1604 20 90	Of outer fish.		
	Other than of herring	O	TQ No

(1)	(2)	(3)	(4)
1605	Crustaceans, molluses and other aquatic invertebrates, prepared or preserved:		
1605 20	- Shrimps and prawns:		
1605 20 10	In airtight containers	0	TQ No 4
	Other:		
1605 20 91	In immediate packings of a net content not exceeding 2 kg	0	TQ No 4
1605 20 99	Other	0	
1605 40 00	- Norway lobsters (Nephrops norvegicus)		TQ No 4
2201		0	TQ No 4
2301	Flours, meals and pellets, of meat or meat offal, of fish or of crustaceans, molluses or other aquatic invertebrates, unfit for human consumption; greaves:		
2301-20-00	Flours, meals and pellers, of fish or of crustaceans, molluses or other aquatic invertebrates	0	
			1

TABLE II

CN code	Description	Rate of duty	Tariff quota
(1)	(2)		
0301	Live fish:	(3)	(4)
ex 0301 91 90	Trout of the species Oncorbynchus mykiss	. 0.	TQ No 1(1)
0302	Fish, fresh or chilled, excluding fish fillets and other fish meat of heading. No 0304:	•	70σ
ex 0302 11 90	Trout of the species Oncorhynchus mykiss	. 0	
0303	Fish, frozen, excluding fish fillers and other fish meat of heading No 0304:	·	
ex 0303 21 90	- Trout of the species Oncorhynchus mykiss	0	
0304	Fish fillets and other fish meat (whether or not minced), fresh, chilled or frozen:		
0304 10	- Fresh or chilled:		
	Fillets:		
ex 0304 10 11	Of trout of the species Oncorhynchus mykiss		
x 0304 20	- F.ozen fillets:	0	
ex 0304 20 11	Of trout of the species Oneorhynchus mykiss	0	
0304 90	- Other:		
x 0304 90 10	Of trout of the species Oneorhynchus mykiss	0	

^{(&#}x27;) Figures refer to the commercial presentation 'whole and gutted'. For imports falling within H5-code 0304, a coefficient of 2 shall be applied for quantities drawn from this tariff quota.

		T	
		(3)	(4)
	(2)	137	
(1)			T

Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs:		-	TQ No 2 400
ex 1604 11 00	Fish, whole or in pieces, but not minced: Atlantic salmon (Saimo salar)	0	
1604 19 ex 1604 19 10	Other: Trout of the species Oncorhynchus mykiss	0	
1604-20	Other prepared or preserved fish: Other:	0	
ex 1604 20 10 ex 1604 20 30	Of Atlantic salmon (Salmo salar) Of trout of the species Oncorhynchus mykiss	0	
		4	

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(1)		10.		
	<u></u>	(2)		
			(3)	(4)
			 	L

1604	Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs:	i i	TQ No 3
	- Fish, whole or in pieces, but not minced:	ŀ	1 200
1604 19 92	Cod (Gadus morhua, Gadus ogac, Gadus macrocephalus)		
1604 19 93	Coalfish (Pollachius virens)	0	
1604 19 94	Hake (Merluccius spp., Urophycis spp.)	0	
1604 19 95	Alaska pollack (Theragra chalcogramma) and pollack (Pollachius pollachius)	0	
1604 19 98	Other		
1604 20	- Other prepared or preserved fish:	0	
1604 20 05	Preparations of surimi		
	Other	0	
ex 1604 20 90	- Of other fish:		
	- Other than of herring	0	
10.75	Crustaceans, molluses and other aquatic invertebrates, prepared or preserved:		TQ No 4
1605-20	- Shrimps and prawns:		2 000
1605 20 10	In airtight containers		
20.00	- Other:	0	
1605 20 91			
	In immediate packing of a net content not exceeding 2 kg	0	
1605 20 99	Other	0	
x 1605 40 00	- Norway lobsters (Nephrops norvegicus)	0	
**	1	V	