



COMMISSION OF THE EUROPEAN COMMUNITIES

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REPORT FROM THE COMMISSION TO THE COUNCIL

**Application of Council Regulation (EC) No 1522/96 opening and providing for the administration of certain tariff quotas for imports of rice and broken rice under GATT Article XXIV (6).**



## **1. Introduction**

Under the negotiations conducted pursuant to GATT Article XXIV(6) in the wake of the accession of Austria, Finland and Sweden to the European Union, it was agreed to open from 1 January 1996 annual import quotas for 63 000 tonnes of semi-milled and wholly milled rice at zero duty and for 20 000 tonnes of husked rice at a fixed duty of ECU 88 per tonne.

Under the consultations with Thailand pursuant to GATT Article XXIII, an annual quota for 80 000 tonnes of broken rice at an import duty reduced by ECU 28 per tonne was opened from 1 January 1996.

The arrangements for managing these quotas were laid down by Council Regulation (EC) No 1522/96.<sup>1</sup> The quotas are broken down by country of origin and, in order to prevent them causing disturbance in the normal marketing of Community-grown rice, the issue of import licences is staggered over the year in a number of tranches so that the quantities imported can be absorbed more easily by the Community market.

Management of the quotas for imports from Thailand, Australia and the United States is the responsibility of the supplier countries acting by means of export licences. The Commission, pursuant to Article 9(2) of Regulation (EC) No 1522/96, is required make an annual report to the Council on the application of the Regulation, and in particular on compliance with the maximum quantity of 33 428 tonnes of rice imported in small packages, any changes in flows of trade with the Community and the risk of cross-subsidy between exports to the Community benefiting directly from Regulation (EEC) No 1522/96 and exports subject to the normal duties on imports.

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<sup>1</sup> OJ No L 190, 31.7.1996, p. 1.

The measures proposed by the Commission were not in accordance with the opinion of the Management Committee for Cereals as regards imports in small packages (5 kilograms or less) and the risk of cross-subsidy. In accordance with Article 23(3) of Regulation (EEC) No 1766/92, the Council therefore took a different decision.

The quota allocated to the United States has not yet been opened. Under Article 1(4) of Regulation (EC) No 1522/96 import quotas cannot be opened for wholly milled or semi-milled rice originating in the United States until consultations with that country have been completed.

However, although consultations are still in progress, a quota equivalent to one year's quantity was opened in December 1997 but no rice had yet been imported at the time of writing.

## **2. Small packages**

The quantities imported in packages of five kilograms or less are entered on the relevant import licence (Article 9(3)). The Member States are required to notify the Commission "by the last working day of each month following the month of release for free circulation, of the quantities, broken down by CN code and country of origin, actually released for free circulation." (Article 8(b)).

According to the information sent by the Member States to the Commission, the quantity of rice in small packages imported during the first year of application of this Regulation (August 1996 to July 1997) was 1 940 tonnes, well below the 33 428 tonnes allowed.

The Annex shows the imports into the Community of small packages broken down by country of origin.

## **3. Cross-subsidy**

During the first year of application of the Regulation, the Commission received no proof of cross-subsidy.

The Thai authorities issue export licences on the basis of past exports to the rest of the world, excluding the European Union.

## **4. Flows of trade with the Community**

Applications for import licences submitted in 1996 and 1997 for rice originating in Thailand and Australia did not exceed the maximum quantities laid down in the quotas. This meant that, in terms of compliance with quantities, the management of export licences by those supplier countries did not give rise to complications.

As regards the quantities allocated to Thailand in 1996 and 1997, it may be noted that the annual quantities of 1 812 tonnes of husked rice and 21 455 tonnes of wholly milled or semi-milled rice were almost fully used while the quota of 31 200 tonnes of broken rice was not filled. In January 1997, in order to take account of certain administrative problems experienced by Thailand in managing the quota for broken rice, a supplementary tranche of almost 12 500 tonnes of broken rice was granted to that country. That tranche has not been fully used.

The 1996 and 1997 quotas allocated to Australia resulted in the issue of import licences for all the quantities available.

**Regulation (EC) No 1522/96 - Article 9(2)**

Packages of 5 kg or less: maximum (t) 33 428

Total notified to date (t): 1 940

Member States	CN code	Origin	Date	Tonnes
Sweden	1006 30	Thailand	17 October 1996	539.020
Sweden	1006 40	Thailand	17 October 1996	163.200
Portugal	1006 20	Argentina	29 October 1996	17.560
Portugal	1006 30	Argentina	29 October 1996	61.868
France	1006 40	Thailand	December 1996	20.000
France	1006 30	Thailand	January 1997	10.500
Sweden	1006 30	Thailand	January 1997	94.043
UK	1006 30	Thailand		26.510
UK	1006 30	India		10.000
UK	1006 40	Thailand		20.000
France	1006 40	Thailand	May 1997	19.500
France	1006 40	Thailand	May 1997	21.000
France	1006 30	Thailand	June 1997	378.000
France	1006 40	Thailand	July 1997	20.000
Sweden	1006 30	Thailand	April 1997	213.000
Sweden	1006 30	Thailand	April 1997	25.500
Sweden	1006 30	Thailand	April 1997	300.600

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