

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(77) 86 final.

Brussels, 18 March 1977.

Proposal for a
COUNCIL REGULATION (EEC)

amending Regulations (EEC) No 1599/75 and No 706/76
on the arrangements applicable to agricultural
products and certain goods resulting from the
processing of agricultural products originating in
the African, Caribbean and Pacific States or in the
overseas countries and territories

(presented by the Commission to the Council)

COM(77) 86 final.

EXPLANATORY MEMORANDUM

1. The regulations concerning prior and definitive application of the import regime regarding agricultural products and certain goods resulting from the processing of agricultural products originating in the African, Caribbean and Pacific States (ACP) or in the "overseas countries and territories" (OCT) lay down the measures to avoid deflection of trade of products subject to the application of levies or variable components during the time when accession monetary compensatory amounts are applied for trade in these products between the Community as originally constituted and the new Member States.

The perception of accession compensatory amounts upon the products in question originating in the ACP or OCT is, as a rule, likely to create deflection of trade. Nonetheless, for rice, it has been noted that the condition for the levy advantage granted, which concerns the respect of a certain level of C.I.F. price for obtaining a reduced levy, which together come towards the threshold price, ensures that the importers are subject to normal competition, irrespective of the importing Member State, when account is taken of the accession compensatory amounts.

Under these conditions the Commission proposes to exclude rice from the said provisions, to be effective retroactively, for the first period of application during which these provisions were effectively in operation.

2. Financial implication

From a financial point of view the proposed regulation does not involve sums other than those already noted in the proposed regulations concerning the regime applicable to agricultural products and certain goods resulting from the processing of agricultural products originating in the ACP and OCT (Doc. COM (76) 174 final, page III and Doc. COM (76) 31 final).

as last amended by Regulation (EEC) No...; whereas the total suspension of the Common Customs Tariff duties, subject to the observance of the reference price, would achieve this purpose;

Whereas, to ensure that the arrangements operate properly, it is necessary to extend to these importations some of the provisions of Council Regulation (EEC) No 2506/75 of 29 September 1975 laying down special rules for the importation of products in the wine-growing sector originating in certain third countries ⁽¹⁾,

HAS ADOPTED THIS REGULATION:

Article 1

Imports into the Community of wine of fresh grapes and of grape must with fermentation arrested by the addition of alcohol, falling within heading No 22.05 of the Common Customs Tariff originating in Greece, shall be exempt from customs duties for the quantities that observe the reference price.

Article 2

For the purposes of the arrangements provided for in Article 1, Articles 1, 2, 3 (1) and (2) and 5 of Regulation (EEC) No 2506/75 as regards preferential

⁽¹⁾ OJ No L 256, 2. 10. 1975, p. 2.

tariff concessions shall apply *mutatis mutandis* and the free-at-frontier reference price shall be for the purposes of this Regulation, the reference price referred to in Article 9 of Regulation (EEC) No 816/70 less the countervailing charge actually levied.

Article 3

In the event of transitional measures being necessary to facilitate the introduction of the arrangements provided for by this Regulation, such measures shall be laid down in accordance with the procedure laid down in Article 7 of Regulation No 24 on the progressive establishment of a common organization of the market in wine ⁽²⁾, as last amended by the Council Decision of 1 January 1973 adjusting the documents concerning the accession of new Member States to the European Communities ⁽³⁾. They shall remain applicable until 1 July 1977 at the latest.

Article 4

This Regulation shall enter into force on 29 April 1977.

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

⁽²⁾ OJ No 30, 20. 4. 1962, p. 989/62.

⁽³⁾ OJ No L 2, 1. 1. 1973, p. 1.

Proposal for a Council Regulation amending Regulations (EEC) No 1599/75 and (EEC) No 706/76 on the arrangements applicable to agricultural products and certain goods resulting from the processing of agricultural products originating in the African, Caribbean and Pacific States or in the overseas countries and territories

(Submitted by the Commission to the Council on 22 March 1977)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 43 and 113 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas Council Regulation (EEC) No 706/76 of 30 March 1976 on the arrangements applicable to agricultural products and certain goods resulting from the processing of agricultural products originating in the African, Caribbean and Pacific States or in the overseas countries and territories ⁽¹⁾ provides in particular for the reduction of import levies for certain agricultural products;

⁽¹⁾ OJ No L 85, 31. 3. 1976, p. 2.

Whereas some of these products are subject to the system of accession compensatory amounts in trade between the Community as originally constituted and the new Member States; whereas the application of such amounts to products benefiting from the regime provided for by Regulation (EEC) No 706/76 is in principle likely to lead to deflection of trade; whereas Article 21, second paragraph, of that Regulation provides that measures may be taken to prevent such deflection;

Whereas no risk of trade deflection can exist for the products listed in Article 8 of Regulation (EEC) No 706/76; whereas this is due to the provision in Article 9 of that Regulation whereby the cif export price, increased by the amount of the reduced levy, must be equal to or greater than the threshold price, adjusted if necessary for the product in question, reduced by a certain amount; whereas the effect is that importers are subject to normal competition irrespective of the importing Member State, account being taken of accession compensatory amounts;

Whereas the second paragraph of Article 21 of Regulation (EEC) No 706/76 is thus not relevant as regards the products listed in Article 8 of that Regulation; whereas it is therefore necessary to amend the provision in question;

Whereas the considerations just outlined are also applicable during the period of application of the regime laid down by Council Regulation (EEC) No 1599/75 of 24 June 1975 on the arrangements applicable to agricultural products and certain goods resulting from the processing of agricultural products originating in the African, Caribbean and Pacific States or in the overseas countries and territories ⁽¹⁾, as last amended by Regulation (EEC) No 405/76 ⁽²⁾; whereas, however, the regime resulting from the abovementioned Regulation need be modified

retrospectively only for the period when specific measures to avoid trade deflections were in operation,

HAS ADOPTED THIS REGULATION:

Article 1

The second paragraph of Article 21 of Regulation (EEC) No 706/76 is amended to read as follows:

'However, during the period of application of accession compensatory amounts in trade between the Community as originally constituted and the new Member States, measures to prevent deflections of trade for products other than those specified in Article 8 shall be taken in accordance with the procedure laid down in Article 22, if this proves necessary.'

Article 2

At the request of those concerned, the provisions of the second subparagraph of Article 22 (1) of Regulation (EEC) No 1599/75 in force during the period 1 July 1975 to 31 December 1975 shall not apply to the products specified in Article 8 of that Regulation.

Article 3

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

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

⁽¹⁾ OJ No L 166, 28. 6. 1975, p. 67.

⁽²⁾ OJ No L 50, 26. 2. 1976, p. 1.