

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(74) 537 Final

Strasbourg, 24 April 1974

PROPOSAL FOR A REGULATION OF THE COUNCIL

to extend the list of products falling within Chapters 1 to 24 of the Common Customs Tariff, in respect of which the scheme of generalized preferences in favour of developing countries is applicable under Regulation (EEC) No 3506/73 of the Council of 18 December 1973

(submitted to the Council by the Commission)

COM(74) 537 Final

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EXPLANATORY MEMORANDUM

At the Council session of 3 and 4 December 1973, it was agreed, with regard to generalized tariff preferences, that the Commission should examine the requests put forward by the Danish, Dutch and British delegations and place its conclusions in good time before the Council.

Having completed this examination, the Commission has reached conclusions which have led to its now presenting to the Council a proposal to extend the list of products falling within Chapters 1 to 24 of the CCT subject to the Generalized Preferences Scheme of the Community.

1. Examination of the Danish, Dutch and British requests

Close examination of the requests put forward by Denmark, the Netherlands and the United Kingdom resulted in the following facts coming to light.

- A number of products included in the lists presented by these three Member States are already imported duty-free under the CCT.
- 36 tariff items are already covered by the Generalized Preferences Scheme for 1974.
- A number of items in the three lists are in fact primary commodities which, in principle, according to Resolution 21 (II) of UNCTAD, should not be included under the GSP. Furthermore, for many of these products, the African, Caribbean and Pacific States are among the principal suppliers of the Community.
- Notwithstanding the above, inclusion under GSP of a number of other products does appear feasible.

2. The Commission's conclusions

The Commission recalls, first of all, that the GSP exercise at world level should be based in particular - as was agreed in UNCTAD and UNO - on the principle of burden-sharing between donor countries. For this reason, it seems difficult for the Community to introduce yet further improvements into its scheme,

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going beyond its UNCTAD commitments in particular, so long as the other major economic powers have not made a comparable effort or even, in some cases, have not implemented general preferences at all.

Nevertheless, the Commission is well aware of the serious difficulties with which a number of developing countries have to contend as a result of the crisis and the uncertainties currently affecting international economic relations. For such countries, generalized preferences are one of the ways which could, in time, improve their economic situation.

Accordingly, the Commission is of the opinion that, over and above the important improvements introduced into its scheme for 1974, the Community should agree to make yet a further effort to extend its offer on processed agricultural goods by including a few new items.

The Commission is fully conscious of the limited scope of these additions. It would call to mind, however, that other possibilities for improving the GSP offer in the agricultural sector at a later stage are contemplated, notably in the Community's "over-all conception" (agreed general guidelines) for the GATT multilateral negotiations.

3. The Commission's proposals

On the basis of its examination of the Danish, Dutch and British requests and of the conclusions it has drawn therefrom, the Commission proposes to the Council to include under its scheme of generalized preferences for 1974, beginning in September 1974 18 new items falling under Chapters 1 to 24 of the CCT.

To that end, the appended draft Regulation is submitted to the Council for approval.

The coverage of this proposal would amount to 28.7 mill. U.A. for EEC imports from GSP beneficiaries (1971 values), as against a total of 70.7 mill. U.A. for extra-EEC imports. For these same products, imports into the EEC from Associated States are either insignificant or even inexistent.

The Commission draws attention to the reference made in the proposed Regulation to Article 43 of the Treaty of Rome, and to the consequent need to seek the opinion of the European Parliament in good time.

The Commission further emphasizes that, since this is a measure of commercial policy in an area of particular interest to the Associated States, and especially the AASM, it will have to be submitted, at the appropriate moment, to the information and/or consultation procedures provided for under the operative agreements.

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Draft

REGULATION (EEC) N° /74 OF THE COUNCIL

to extend the list of products falling within Chapters 1 to 24 of the Common Customs Tariff, in respect of which the scheme of generalized preferences in favour of developing countries is applicable under Regulation (EEC) N° 3506/73 of the Council of 18 December 1973.

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 Council Regulation (EEC) N° 1059/69 of 28 May 1969 laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products (1), and in particular Article 12 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Whereas, by Regulation (EEC) N° 3506/73 of 18 December 1973 (2) the Council has established for certain products falling within Chapters 1 to 24 of the Common Customs Tariff a scheme of generalized preferences in favour of developing countries;

Whereas, in order to improve the aforesaid scheme, it is expedient to include in Annex A of the above-mentioned Regulation (EEC) N° 3506/73 certain agricultural products falling within Chapters 2, 3, 4, 5, 8, 9, 15, 21 and 24 of the Common Customs Tariff,

HAS ADOPTED THIS REGULATION :

Article 1

From 1 Sept. to 31 December 1974 there shall be added to the list of products set out in Annex A of Regulation (EEC) N° 3506/73 of the Council of 18 December 1973 the following products :

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(1) OJ N° L 141, 12 June 1969, p. 1

(2) OJ N° L 358, 28 December 1973, p. 94

CCT Heading number	Description	CCT rate of duty	Proposed rate
02.04	Other meat and edible meat offals, fresh, chilled or frozen : A. Of domestic pigeons and domestic rabbits C. Other : II. other	13 % 14 %	8 % 8 %
03.03	Crustaceans and molluscs, whether in shell or not, fresh (live or dead), chilled, frozen, salted, in brine or dried; crustaceans, in shell, simply boiled in water : A. Crustaceans : IV. Shrimps and prawns : c) other	18 %	8 %
04.07	Edible products of animal origin, not elsewhere specified or included	12 %	7 %
05.13	Natural sponges : B. other	8 %	Free

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CCT Heading number	Description	CCT rate of duty	Proposed rate
08.01	Dates, bananas, coconuts, Brazil nuts, cashew nuts, pineapples, avocados, mangoes, guavas and mangosteens, fresh or dried, shelled or not : ex A. Dates : - in immediate packings of a net capacity not exceeding 35 kg and intended for putting up for sale by retail (a)	12 %	Free
08.02	Citrus fruit, fresh or dried : A. Oranges : II. Other : ex a) from 1 April to 15 October : - Bitter or Seville oranges ex b) from 16 October to 31 March : - Bitter or Seville oranges	15 % 20 %	8 % 8 %
08.12	Fruit, dried, other than that falling within heading No 08.01, 08.02, 08.03, 08.04 or 08.05 : A. Apricots	7 %	6 %
09.06	Cinnamon and cinnamon-tree flowers : A. Ground	13 %	10 %
09.08	Nutmeg, mace and cardamoms : B. Crushed or ground : I. Nutmeg II. Mace	12 % 8 %	10 % 5 %

(a) Entry under this sub-heading is subject to conditions to be determined by the competent authorities.

CCT Heading number	Description	CCT rate of duty	Proposed rate
09.09	Seeds of anise, badian, fennel, coriander, cumin, caraway and juniper : A. Neither crushed nor ground : II. Badian seed B. Crushed or ground : I. Badian seed	23 %	14 %
15.07	Fixed vegetable oils, fluid or solid, crude, refined or purified : C. Castor oil : II. other	8 %	7 %
21.05	Soups and broths, in liquid, solid or powder form; homogenised composite food preparations : B. Homogenised composite food preparations	24 %	13 %
24.02	Manufactured tobacco; tobacco extracts and essences : B. Cigars C. Smoking tobacco	52 % 117 %	42 % 94 %

Article 2

This Regulation shall enter into force on 1 September 1974.

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

Done at Brussels, 1974.

For the Council

The President

September 1974

ANNEXFinancial implications

The loss in customs revenues resulting from extending the list of products in Chapters 1 - 24 for the generalized preferences scheme cannot be calculated exactly. However, it will be relatively low because the volume of trade covered by the products which it is proposed to add is a limited amount (approximately 28 million units of account of imports into the Community in 1971) and because of the general moderate level of preferential tariff reductions anticipated for these products (10 points on average).

