COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 22 May 1991

COMMUNICATION FROM THE COMMISSION TO THE COUNCIL
ON THE IMPLEMENTATION OF TRADE ARRANGEMENTS UNDER
THE NEW MEDITERRANEAN POLICY

Proposal for a COUNCIL REGULATION (EEC)

amending the arrangements for the import into the
Community of certain agricultural products originating in
Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco,
Syria, Tunisia and Yugoslavia

(presented by the Commission)

COMMUNICATION FROM THE COMMISSION TO THE COUNCIL ON THE IMPLEMENTATION OF TRADE ARRANGEMENTS UNDER THE NEW MEDITERRANEAN POLICY

A Council and Commission Resolution on trade arrangements with Mediterranean non-member countries was adopted at the Council meeting on 18 and 19 December 1990. It was agreed that measures would be taken to promote these countries' exports as a means of contributing to their economic development.

The measures have three main aims:

- (1) to improve the preferential arrangements applying to agricultural imports from Mediterranean non-member countries into the Community;
- (2) to abolish exceptions to the arrangements allowing free access to the Community market to some textiles from Egypt, Malta, Morocco, Tunisia, Turkey and Yugoslavia;
- (3) to improve if possible the origin rules applying under agreements with Mediterranean non-member countries.

Agricultural products

The Commission hereby presents a proposal for a Council Regulation unilaterally amending the import rules laid down in the Protocols to the Association or Cooperation Agreements with Mediterranean non-member countries for the bulk of their agricultural exports.

It was agreed in the Resolution that tariff dismantling under the protocols for these agricultural exports would be speeded up to enable it to be completed for all products by 1 January 1993.

¹ The list of protocols in question is given in Annex 1 to the proposed Regulation. The latter does not apply to Turkey, whose products already receive full relief from customs duty.

In the case of products on which duties are due to be abolished after this date pursuant to the protocols, the Commission proposes abolition in two equal stages, by 1 January 1992 and by 1 January 1993. However, for certain products tariffs will have to be abolished from 1 January 1992 as customs duties on these products will have reached a level of 2% or less as tariffs are dismantled at a faster rate. This rule must be applied as Regulation No 2573/90 already applies it across the board to Spain and Portugal.

As regards customs duties which would still apply at 1 January 1993 to Spain and Portugal, the Commission will adopt a Regulation under its powers under the Act of Accession to speed up within the Community the dismantling of tariffs applying to these two Member States. Such a Regulation will require tariffs for the same agricultural products from Spain and Portugal to be dismantled under arrangements identical to those applied to Mediterranean non-member countries.

In accordance with the Resolution referred to above the Regulation proposed by the Commission provides for an annual increase of 5% or 3% from 1992 to 1995 in the tariff quotas and reference quantities laid down in the protocols with Mediterranean non-member countries. Account has been taken of the Protocol concluded with Cyprus in 1987 which already provides for an annual increase in most tariff quotas. In accordance with the rule laid down in the Resolution the Commission's proposal excludes any additional increase for the quotas in question.

A similar increase for the Canary Islands as provided for by the Resolution is now redundant as, under POSEICAN, all quantitative limits must be abolished in the Community on exports from this region. The new arrangements will be adopted by 1 January 1992.

Textiles

Egypt, Morocco and Tunisia

The Resolution adopted on 18 and 19 December 1990 calls for negotiations with these countries on the earliest possible date for the complete abolition of quantitative limits on the assumption that they will progressively be raised in the wake of the Uruguay Round. Contrary to expectations the Uruguay Round has not reached a stage which enables this objective to be fulfilled. The Commission is hence unable, at this stage, to make a proposal on ways of giving textiles from these three countries full access to the Community market.

Malta, Turkey and Yugoslavia

This question must be seen in the context of the reciprocal trading links to be forged with these countries. Any arrangements for textiles from these countries to be given total free access to the Community market will have to be determined as part of negotiations on a customs union with Malta and Turkey and on reciprocal trade arrangements with Yugoslavia. The Commission will make appropriate proposals when the time is right.

Origin rules

The Commission has drawn up a draft new protocol to serve as a model for the Mediterranean countries. This has been put before the Committee on Origin for detailed discussion. It updates existing protocols by incorporating a number of changes which had already been adopted for reasons ranging from the accession of Spain and Portugal and the introduction of the Harmonized System to the raising of limits in ecus for facilities afforded to travellers and for postal consignments.

The draft protocol also provides for a simplified procedure for the issuing of documents providing evidence of origin.

The importance of this model protocol for the Mediterranean countries should not be underestimated providing, as it does, many simplifications in the implementation of the origin rules.

Lastly, it should be noted that the origin rules applying to a number of products under Chapter 85 of the Customs Tariff has been relaxed for transistors subject to certain conditions.

The Commission has not yet completed its examination of the improvements which might be made to the origin rules to accommodate the export aspirations of Mediterranean non-member countries. It will continue to explore these opportunities against the broader backcloth of its past and current measures for other countries or groups of countries.

Proposal for a COUNCIL REGULATION (EEC)

amending the arrangements for the import into the Community of certain agricultural products originating in Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia and Yugoslavia

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

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

Having regard to the proposal from the Commission,

Whereas in order to give effect to a new Mediterranean policy the Council and the Commission adopted a Resolution on trade with Mediterranean non-member countries at the Council meeting on 18 and 19 December 1990;

Whereas that Resolution provides for measures to promote agricultural exports from these countries to the Community; whereas the detailed arrangements for such measures must hence be defined;

Whereas in order to do this it is necessary to amend the arrangements for imports into the Community under the provisions of the Protocols to the Association or Cooperation Agreements with Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia and Yugoslavia,

HAS ADOPTED THIS REGULATION:

Article 1

- 1. The customs duties applying in the Community as constituted on 31 December 1985 to products listed in Annex II to the Treaty, for which tariff dismantling is to extend beyond 1 January 1993 pursuant to the Protocols to the Association or Cooperation Agreements shown in Annex 1 hereto, and which originate in the Mediteranean non-member countries in question, shall be abolished in two equal stages, from 1 January 1992 and from 1 January 1993.
- 2. The provisions of paragraph 1 shall apply within the limits, if any, of the tariff quotas and timetables laid down in the Protocols and shall take account of any special provisions laid down therein.
- 3. When, as a result of the application of paragraph 1, customs duties reach a level of 2% or less, they shall be suspended in full.

This measure shall apply <u>mutatis mutandis</u> to specific customs duties which do not exceed 2% <u>ad valorem</u>.

Article 2

1. The tariff quotas and reference quantities laid down for products listed in Annex II to the Treaty in the Protocols shown in Annex 1 hereto, shall be increased in four equal stages of 5% each year from 1992 to 1995.

This increase shall be 3% for tariff quotas for products listed in Annex 2 hereto.

2. The increase in tariff quotas shall be applied to products originating in Cyprus only if an increase is not already provided for in the Protocol concluded between the European Economic Community and the Republic of Cyprus referred to in Annex 1 hereto.

Article 3

This Regulation shall enter into force on 1 January 1992.

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

Done at Brussels,

For the Council
The President

LIST OF PROTOCOLS REFERRED TO IN ARTICLE 1

Additional Protocol to the Cooperation Agreement between the European Economic Community and the People's Democratic Republic of Algeria (OJ No L 297, 21.10.1987, p. 1);

Protocol laying down the conditions and procedures for the implementation of the second stage of the Agreement establishing an Association between the European Economic Community and the Republic of Cyprus and adapting certain provisions of the Agreement (OJ No L 393, 31.12.1987, p. 1);

Additional Protocol to the Cooperation Agreement between the European Economic Community and the Arab Republic of Egypt (OJ No L 297, 21.10.1987, p. 10);

Fourth Additional Protocol to the Agreement between the European Economic Community and the State of Israel (OJ No L 327, 30.11.1988, p. 35);

Additional Protocol to the Cooperation Agreement between the European Economic Community and the Hashemite Kingdom of Jordan (OJ No L 297, 21.10.1987, p. 18);

Additional Protocol to the Cooperation Agreement between the European Economic Community and the Lebanese Republic (OJ No L 297, 21.10.1987, p. 28);

Supplementary Protocol to the Agreement establishing an Association between the European Economic Community and Malta (OJ No L 81, 23.3.1989, p. 1);

Additional Protocol to the Cooperation Agreement between the European Economic Community and the Kingdom of Morocco (OJ No L 224, 13.8.1988, p. 17);

Additional Protocol to the Cooperation Agreement between the European Economic Community and the Syrian Arab Republic (OJ No L 327, 30.11.1988, p. 57);

Additional Protocol to the Cooperation Agreement between the European Economic Community and the Republic of Tunisia (OJ No L 297, 21.10.1987, p. 35);

Additional Protocol to the Cooperation Agreement between the European Economic Community and the Socialist Federal Republic of Yugoslavia establishing new trade arrangements (OJ No L 389, 31.12.1987, p. 72).

List of products referred to in Article 2(1) for which the annual increase in tariff quotas laid down in the protocols shall be 3%

CN	code		
060	3 10		Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh
070	1 90	51	
070	1 90	59	New potatoes
070	2 00	10	Tomatoes
ex 080	5 10		Fresh oranges
ex 080	5 20		Mandarines, clementines and similar citrus hybrids, fresh
200	9 11)	
200	9 19)	Orange Juice
	4 21 4 29	-	Wine

FICHEFINANCIERE

DATE : 17/4/91

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CHAP 12 ART 120

CREDITS :

2. INTITULE DE LA MESURE : Proposition de Reglement du Conseil modifiant le régime applicable à l'importation dans la Communauté ce certains produits agricoles originaires de l'Algérie, Chypre, l'Egypte, la Jordanie, le Liban, Malte, le Maroc, la Syrie, la tunisie et la Yougoslavie.

3. BASE JURIDIALE :

ART 113

4. OBJECTIFS DE LA MESUNE : RACCOURCISSEMENT DES PERIODES DE DEMANTELEMENT TARIFAIRE CE CONTRE LES PAYS MEDITERRANEENS POUR CERTAINS PRODUITS AGRICOLES ET AUGMENTATION DE CERTAINS CONTINGENTS

	S. INCIDENCES FINANCIERES	PERIODE DE 12 MCIS	EXERCICE EN C	:285 (92)	HATTE SULLANT (93)		
	5.0 DEPCASES A LA CHARGE + DU BUCGET DES CE (RESTITUTIONS/INTERVENTIONS) + DES BUCGETS MATICHAUX - D'AUTRES SECTEURS	-	36 MECU		73 MECU		
	5.1 RECETTES - RESSOURCES PROPRES DES CE (PRELEMENTS/EPCITS DE DOUANE) - SUR LE PLAN NATIONAL		-		-		
্ত্যাক্ষ্যকীয় আক্সাইক্ষ্যকীয় আক্সাইক্ষ্যকীয়		1991	1992	1993		1994	
and the second	510.11 PREVITIONS DES DEPENSES 5.11.11 PREVITIONS DES RECETTES		34 MECU	- 73 MECU		- 73 MECU	

5.2 MODE DE CALCUL :

VALEURS DES EXPORTATIONS DES PRODUITS

1989

=

: 1.450 MECU

1971 VALEUR TARIFAIRE

1.450 MECU

Χ 5 % 73 MECU

1992

73

MECU

Χ 50 % 36

1993

MECU

73 MECH

100 % Y

73

ALD FINANCEMENT POSSIBLE FAR CREDITS INSCRITS AN CHAPITRE CONCERNE ON BUDGET EN COURS D'EXECUTION

X-X X X X X ·

6.1 FINANCEMENT POSSIBLE PAR VIREMENT ENTRE CHAPITRES DU BUCGET EN COURS D'EXECUTION

XXXXXX

5.2 NECESSITE DION BUDGET SUPPLEMENTATES

XXXXXX

0.3 CREDITS A INSCRIRE DANS LES SUDGETS FUTURS

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OBSERVATIONS :

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DOCUMENTS

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