



COMMISSION OF THE EUROPEAN COMMUNITIES

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2007/0015 (ACC)

Proposal for a

COUNCIL REGULATION

amending Regulation (EC) No 2007/2000 introducing exceptional trade measures for countries and territories participating in or linked to the European Union's Stabilisation and Association process

(presented by the Commission)

EXPLANATORY MEMORANDUM

I. CONTEXT

1. By Regulation (EC) No 2007/2000¹, the European Communities have granted exceptional unlimited duty-free access to the EU market for nearly all products originating in the countries and territories benefiting from the Stabilisation and Association process.
2. The key aim of these measures is to revitalise the Western Balkan economies through a privileged access to the EU market. In turn, economic development is to foster political stability in the entire region.
3. In accordance with the EU Stabilisation and Association process, the granting of these exceptional trade preferences is subject to certain conditions, namely the respect by the beneficiary countries and territories of fundamental principles of democracy and human rights, the readiness of the countries concerned to develop economic relations between themselves and to engage in economic reforms and regional integration through trade. Entitlement to the exceptional trade preferences is conditional on the beneficiaries' involvement in effective administrative co-operation with the Community in order to prevent any risk of fraud. Finally, these exceptional trade preferences could only be maintained if the beneficiaries' respected a standstill in customs duties and measures having equivalent effect to import trade originating in the EU.
4. These trade preferences were granted for a period ending on 31 December 2005 and renewed in 2005 until the end of 2010.

II. JUSTIFICATION FOR THIS PROPOSAL

5. The present proposal aims at modifying the current system of trade preferences to take into account the signature of a Stabilisation and Association Agreement with Albania and, pending the conclusion of ratification procedures, the entry into force of an Interim Agreement on trade and trade-related matters between the European Communities and Albania.
6. Insofar as the Interim Agreement / Stabilisation and Association Agreement (SAA) grants trade concessions to Albania on the same products identified in the autonomous trade preferences, these have to be withdrawn from Regulation (EC) No 2007/2000. These concern the preferential tariff quotas for certain wines, sugar as well as for certain fishery products. This proposal withdraws the preferential tariff quota on sugar from the Regulation and modifies annex I of the Regulation, by deducting insofar as is practicable the volume of the tariff quotas granted to Albania in the context of the SAA from the global tariff quota levels provided for in the Regulation.

¹ OJ L 240, 23.9.2000, p.1 Regulation as last amended by Regulation (EC) No 1946/2005 (OJ L 312, 29.11.2005, p.1)

7. Following the conclusion of the Stabilisation and Association Agreement with the former Yugoslav Republic of Macedonia, the above mentioned modification concerning this country for concessions on certain fishery products was not made in a sufficiently consistent manner. It is therefore appropriate to also remove the former Yugoslav Republic of Macedonia from the list of beneficiaries for these concessions under Regulation (EC) No 2007/2000, following the same principle as illustrated above for Albania.

III. BUDGETARY IMPLICATIONS

8. The Regulation does not incur costs charged to the EC budget. Its application would also not entail any losses of customs revenue compared to the current situation.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133 thereof,

Having regard to the proposal from the Commission²,

Whereas:

- (1) Council Regulation (EC) No 2007/2000 of 18 September 2000 introducing exceptional trade measures for countries and territories participating in or linked to the European Union's Stabilisation and Association process³ provides for unlimited duty free access to the Community market for nearly all products originating in the countries and territories benefiting from the Stabilisation and Association process
- (2) A Stabilisation and Association Agreement between the European Communities and its Member States of the one part and the Republic of Albania of the other part was signed in Luxemburg on 12 June 2006. Pending the completion of the procedures necessary for its entry into force, an Interim Agreement between the European Community and the Republic of Albania covering trade and trade-related provisions was concluded and has entered into force on 1 December 2006⁴.
- (3) The Stabilisation and Association Agreements and the Interim Agreements establish a contractual trade regime between the Community and the beneficiary countries. The bilateral trade concessions on the Community side are equivalent to the concessions applicable within the unilateral autonomous trade measures under Regulation (EC) No 2007/2000.
- (4) It is therefore appropriate to amend Regulation (EC) No 2007/2000 to take into account these developments. In particular it is appropriate to remove the Republic of Albania from the list of beneficiaries of the tariff concessions granted for the same products under the contractual regime. In addition, it is necessary to adjust the global

² OJ C , , p.

³ OJ L 240, 23.9.2000, p.1. Regulation as last amended by Council Regulation (EC) No 1946/2005 (OJ L 312, 29.11.2005, p.1)

⁴ OJ L 300, 31.10.2006, p.1

tariff quota volumes for specific products for which tariff quotas have been granted under the contractual regimes.

- (5) The Republic of Albania, the Republic of Croatia and the former Yugoslav Republic of Macedonia will remain beneficiaries of Regulation (EC) No 2007/2000 insofar as that Regulation provides for concessions which are more favourable than the concessions existing under the contractual regimes.

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 2007/2000 is amended as follows:

- (1) Article 1 is replaced by the following:

"Article 1

1. Subject to the special provisions laid down in Articles 3 and 4, products originating in Bosnia and Herzegovina, in Montenegro or in the customs territories of Serbia or Kosovo, other than those of heading Nos 0102, 0201, 0202, 1604, 1701, 1702 and 2204 of the Combined Nomenclature, shall be admitted for import into the Community without quantitative restrictions or measures having equivalent effect and with exemption from customs duties and charges having equivalent effect.

2. Products originating in Albania, in the Republic of Croatia or in the former Yugoslav Republic of Macedonia will continue to benefit from the provisions of this Regulation when so indicated or for any measures provided in this Regulation which are more favourable than the trade concessions provided for in the framework of bilateral agreements between the European Community and these countries.

3. Imports of sugar products under heading Nos 1701 and 1702 of the Combined Nomenclature originating in Bosnia and Herzegovina, in Montenegro or in the customs territories of Serbia or Kosovo, shall benefit from concessions provided for in Article 4. "

- (2) Article 4, paragraph 4 is replaced by the following:

"4. Imports of sugar products under heading Nos 1701 and 1702 of the Combined Nomenclature originating in Bosnia and Herzegovina, Montenegro and the customs territories of Serbia or Kosovo, shall be subject to the following annual duty-free tariff quotas:

- (a) 12 000 tonnes (net weight) for sugar products originating in Bosnia and Herzegovina;
- (b) 180 000 tonnes (net weight) for sugar products originating in Montenegro and the customs territories of Serbia or Kosovo."

- (3) Annex I is replaced by the text in the Annex to this Regulation.

Article 2

The provisions of Regulation (EC) No 2007/2000 may be applied to goods which on the date of entry into application of this Regulation are either in transit or are in the Community in temporary storage in customs warehouses or in free zones and are covered by proofs of Albanian origin or origin of the former Yugoslav Republic of Macedonia properly issued before the entry into application of this Regulation according to the provisions of Commission Regulation (EEC) 2454/1993, articles 98-123. These proofs can be accepted by the customs authorities of the Member States within four months of the said date.

Article 3

This Regulation shall enter into force on the first day following that of its publication in the Official Journal of the European Union.

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

Done at Brussels,

*For the Council
The President*

ANNEX

"ANNEX I

CONCERNING THE TARIFF QUOTAS REFERRED TO IN ARTICLE 4(1)

Notwithstanding the rules for the interpretation of the Combined Nomenclature, the wording for the description of the products is to be considered as having no more than an indicative value, the preferential scheme being determined, within the context of this Annex, by the coverage of the CN codes. Where ex CN codes are indicated, the preferential scheme is to be determined by application of the CN code and corresponding description taken together.

Order No	CN Code	Description	Quota volume per year ¹	Beneficiaries	Rate of duty
09.1571	0301 91 10 0301 91 90 0302 11 10 0302 11 20 0302 11 80 0303 21 10 0303 21 20 0303 21 80 0304 19 15 0304 19 17 ex 0304 19 19 ex 0304 19 91 0304 29 15 0304 29 17 ex 0304 29 19 ex 0304 99 21 ex 0305 10 00 ex 0305 30 90 0305 49 45 ex 0305 59 80 ex 0305 69 80	Trout (<i>Salmo trutta</i> , <i>Oncorhynchus mykiss</i> , <i>Oncorhynchus clarki</i> , <i>Oncorhynchus aguabonita</i> , <i>Oncorhynchus gilae</i> , <i>Oncorhynchus apache</i> and <i>Oncorhynchus chrysogaster</i>): live; fresh or chilled; frozen; dried, salted or in brine, smoked; fillets and other fish meat; flours, meals and pellets, fit for human consumption	70 tonnes	Bosnia and Herzegovina, Montenegro, customs territories of Serbia or Kosovo	Exemption

Order No	CN Code	Description	Quota volume per year ^r	Beneficiaries	Rate of duty
09.1573	0301 93 00 0302 69 11 0303 79 11 ex 0304 19 19 ex 0304 19 91 ex 0304 29 19 ex 0304 99 21 ex 0305 10 00 ex 0305 30 90 ex 0305 49 80 ex 0305 59 80 ex 0305 69 80	Carp: live; fresh or chilled; frozen; dried, salted or in brine, smoked; fillets and other fish meat; flours, meals and pellets, fit for human consumption	120 tonnes	Bosnia and Herzegovina, Montenegro, customs territories of Serbia or Kosovo	Exemption
09.1575	ex 0301 99 80 0302 69 61 0303 79 71 ex 0304 19 39 ex 0304 19 99 ex 0304 29 99 ex 0304 99 99 ex 0305 10 00 ex 0305 30 90 ex 0305 49 80 ex 0305 59 80 ex 0305 69 80	Sea bream (<i>Dentex dentex</i> and <i>Pagellus</i> spp.): live; fresh or chilled; frozen; dried, salted or in brine, smoked; fillets and other fish meat; flours, meals and pellets, fit for human consumption	95 tonnes	Bosnia and Herzegovina, Montenegro, customs territories of Serbia or Kosovo	Exemption

Order No	CN Code	Description	Quota volume per year ^r	Beneficiaries	Rate of duty
09.1577	ex 0301 99 80 0302 69 94 ex 0303 77 00 ex 0304 19 39 ex 0304 19 99 ex 0304 29 99 ex 0304 99 99 ex 0305 10 00 ex 0305 30 90 ex 0305 49 80 ex 0305 59 80 ex 0305 69 80	Sea bass (<i>Dicentrarchus labrax</i>): live; fresh or chilled; frozen; dried; salted or in brine, smoked; fillets and other fish meat; flours, meals and pellets, fit for human consumption	80 tonnes	Bosnia and Herzegovina, Montenegro, customs territories of Serbia or Kosovo	Exemption
09.1579	1604 13 11 1604 13 19 ex 1604 20 50	Prepared or preserved sardines	70 tonnes	Bosnia and Herzegovina, Montenegro, customs territories of Serbia or Kosovo	6 %
09.1561	1604 16 00 1604 20 40	Prepared or preserved anchovies	260 tonnes	Bosnia and Herzegovina, Montenegro, customs territories of Serbia or Kosovo	12.5 %

Order No	CN Code	Description	Quota volume per year ¹	Beneficiaries	Rate of duty
09.1515	2204 21 79 ex 2204 21 80 2204 21 84 ex 2204 21 85 2204 29 65 ex 2204 29 75 2204 29 83 ex 2204 29 84	Wine of fresh grapes, of an actual alcoholic strength by volume not exceeding 15% vol, other than sparkling wine	145 000 hl ²	Albania ⁵ , Bosnia and Herzegovina, Croatia ³ , former Yugoslav Republic of Macedonia ⁴ , Montenegro, customs territories of Serbia or Kosovo	Exemption

¹ One global volume per tariff quota accessible to imports originating in the beneficiaries.

² The volume of this global tariff quota shall be reduced if the quota volumes of the individual tariff quotas applicable under order Nos 09.1588 and 09.1548, for certain wines originating in Croatia are increased.

³ Access for wine originating in the Republic of Croatia to this global tariff quota, is subject to the prior exhaustion of the individual tariff quotas provided for in the Additional Protocol on wine concluded with Croatia. These individual tariff quotas are opened under order Nos 09.1588 and 09.1589.

⁴ Access for wine originating in the former Yugoslav Republic of Macedonia to this global tariff quota is subject to the prior exhaustion of the individual tariff quotas provided for in the Additional Protocol on wine concluded with the former Yugoslav Republic of Macedonia. These individual tariff quotas are opened under order Nos 09.1558 and 09.1559.

⁵ Access for wine originating in the Republic of Albania to this global tariff quota is subject to the prior exhaustion of the individual tariff quotas provided for in the Additional Protocol on wine concluded with Albania. These individual tariff quotas are opened under order Nos 09.1512 and 09.1513.

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