



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 7.7.2004  
COM(2004) 484 final

2004/0144 (ACC)

Proposal for a

**COUNCIL DECISION**

**modifying the Community import regime with respect to rice**

(presented by the Commission)

## EXPLANATORY MEMORANDUM

1. On 26 June 2003, the Council authorised the Commission to notify the WTO that the European Community intended to modify concessions on items 1006 20 (husked rice), 1006 30 (milled rice) included in Schedule CXL of the European Community annexed to GATT. Accordingly, the European Community has notified the WTO on 2 July 2003 of its intention to modify certain concessions in EC Schedule CXL.
2. Negotiations have been conducted by the Commission in consultation with the Committee established by Article 133 of the EC Treaty and within the framework of the negotiating directives issued by the Council.
3. The Commission has negotiated with the United States of America, having a principal supplying interest in products of HS subheading 1006 20 (husked rice) and substantial supplier interest in products of HS subheading 1006 30 (milled rice), Thailand, having a principal supplying interest in products of HS subheading 1006 30 (milled rice) and substantial supplier interest in products of HS subheading 1006 20 (husked rice) and India and Pakistan, each having a substantial supplier interest in products of HS subheading 1006 20 (husked rice).
4. In spite of its efforts, the Commission could not negotiate an acceptable agreement with the United States and Thailand.
5. The Commission has negotiated an agreement in the form of an exchange of letters with India and Pakistan.
6. This proposal asks the Council to establish a new tariff rate for husked and milled rice. Once the Council adopts the present Decision, the Commission will notify the WTO of the necessary changes to the European Community's Schedule CXL.
7. As the necessary modifications to Council Regulation (EC) N° 1785/2003 require the European Parliament's opinion is required it is necessary to provide for the Commission to put in place the necessary transitional arrangements. Therefore, in order to ensure the application of these two agreements from 1 September 2004, the two decisions enable the Commission to derogate from Council Regulation (EC) N° 1785/2003 for a transitional period, i.e. until the modification has entered into force, but not later than 30 June 2005.

The Commission will present a proposal for the necessary modification to the Council Regulation as soon as possible.

Proposal for a

**COUNCIL DECISION**

**modifying the Community import regime with respect to rice**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133 in conjunction with the first sentence of the first subparagraph of Article 300(2) thereof,

Having regard to the proposal from the Commission<sup>1</sup>,

Whereas:

- (1) On 26 June 2003, the Council authorised the Commission to open negotiations under Article XXVIII of the GATT 1994 with a view to modify certain concessions for rice. Accordingly, the European Community notified the WTO on 2 July 2003 of its intention to modify certain concessions in EC Schedule CXL.
- (2) Negotiations have been conducted by the Commission in consultation with the Committee established by Article 133 of the Treaty and within the framework of the negotiating directives issued by the Council.
- (3) The Commission has negotiated with the United States of America, having a principal supplying interest in products of HS subheading 1006 20 (husked rice) and substantial supplier interest in products of HS subheading 1006 30 (milled rice), Thailand, having a principal supplying interest in products of HS subheading 1006 30 (milled rice) and substantial supplier interest in products of HS subheading 1006 20 (husked rice) and India and Pakistan, each having a substantial supplier interest in products of HS subheading 1006 20 (husked rice).
- (4) The Commission has negotiated an agreement with India and Pakistan in the form of an exchange of letters but has not been able to negotiate an acceptable agreement with the United States of America and Thailand.
- (5) In order to allow the modifications of certain concessions concerning husked and milled rice in European Communities Schedule CXL, a new tariff rate for husked and milled rice should be established.

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<sup>1</sup> OJ C [...], [...], p. [...].

- (6) As the fixing of a new tariff rate for husked and milled rice requires modification of Council Regulation (EC) No 1785/2003 of 29 September 2003 on the common organisation of the market in rice<sup>2</sup>, the Commission should be authorised to adopt temporary derogations from that Regulation
- (7) The measures necessary for the implementation of this Decision should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission<sup>3</sup>,

HAS DECIDED AS FOLLOWS:

*Article 1*

The tariff rate for husked rice (CN code 1006 20) shall be 65€/ton.

The tariff rate for milled rice (CN code 1006 30) shall be 175€/ton.

*Article 2*

To the extent necessary to permit the full application of this decision by 1 September 2004, the Commission may derogate from Council Regulation (EC) No 1785/2003, in accordance with the procedure referred to in Article 3(2) of this Decision, until that Regulation is amended but at the latest until 30 June 2005.

*Article 3*

1. The Commission shall be assisted by the Management Committee for Cereals instituted by Article 25 of Regulation (EEC) No 1784/2003.
2. Where reference is made to this paragraph, Articles 4 and 7 of Decision 1999/468/EC shall apply.

The period provided for in Article 4(3) of Decision 1999/468/EC shall be one month.

Done at Brussels, [...]

*For the Council*  
*The President*  
[...]

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<sup>2</sup> OJ L 270, 21.10.2003, p. 96.

<sup>3</sup> OJ L 184, 17.7.1999, p. 23.

# FINANCIAL STATEMENT

1. BUDGET HEADING: Article 100		APPROPRIATIONS: EUR 839.1 Mio.		
2. TITLE: Proposal for a Council decision concerning the modification of certain concessions with respect to rice provided for in Schedule CXL annexed to the GATT.				
3. LEGAL BASIS: Article 133 of the Treaty				
4. AIMS: To modify concessions with respect to rice provided for in Schedule CXL annexed to the GATT.				
5. FINANCIAL IMPLICATIONS	12 MONTH PERIOD (EUR million)	CURRENT FINANCIAL YEAR 2004 (EUR million)	FOLLOWING FINANCIAL YEAR 2005 (EUR million)	
5.0 EXPENDITURE				
- CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)	-	-	-	
- NATIONAL AUTHORITIES				
- OTHER				
5.1 REVENUE	(1)	-	(1)	
- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)				
- NATIONAL				
	2006	2007	2008	2009
5.0.1 ESTIMATED EXPENDITURE	-	-	-	-
5.1.1 ESTIMATED REVENUE	(1)	(1)	(1)	(1)
5.2 METHOD OF CALCULATION:				
6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?				YES / <del>NO</del>
6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?				YES / <del>NO</del>
6.2 WILL A SUPPLEMENTARY BUDGET BE NECESSARY?				<del>YES</del> / NO
6.3 WILL APPROPRIATIONS NEED TO BE ENTERED IN FUTURE BUDGETS?				<del>YES</del> / NO
OBSERVATIONS:				
(1) The measure should not lead to a change in own resources.				