COUNCIL REGULATION (EEC) No 594/78

of 20 March 1978

amending Regulation (EEC) No 1418/76 on the common organization of the market in rice with respect to the French overseas department of Reunion

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 43 and 227 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament (1),

Whereas pursuant to the first subparagraph of Article 227 (2) of the Treaty, the common organization of the market in rice applies to the French overseas departments; whereas import levies are considered as own resources of the Community;

Whereas no rice is cultivated in the overseas department of Reunion; whereas this department is therefore completely dependent on imports;

Whereas rice constitutes the basic foodstuff of the least favoured categories of the population of Reunion; whereas *per capita* consumption considerably exceeds that of the Community; whereas the supply situation should be improved by the introduction of special arrangements for rice for local consumption;

Whereas import levies should therefore no longer be applied in the overseas department of Reunion;

Whereas the threshold price for milled rice includes a component for the protection of the industry which is currently fixed at 11·50 units of account per tonne; whereas, in order to continue to protect the industry established in Reunion, a levy equal to the amount of this protection component should be maintained;

Whereas rice imported into Reunion comes not only from third countries but also from Member States; whereas, in the interests of equal treatment and Community preference, rice from the Member States should enjoy an advantage corresponding to that accorded to rice from third countries; whereas this must imply a subsidy equal to the amount of the levy;

Whereas the expenditure incurred by the Member States as a result of their obligations under Council Regulation (EEC) No 1418/76 of 21 June 1976 on the common organization of the market in rice (2), as amended by Regulation (EEC) No 1158/77 (3), are financed by the Guarantee Section of the European Agricultural Guidance and Guarantee Fund pursuant to Articles 2 and 3 of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy (4), as last amended by Regulation (EEC) No 2788/72 (5); whereas provision should therefore be made for the Community to finance the subsidy for rice from the Member States,

HAS ADOPTED THIS REGULATION:

Article 1

The following Article shall be added to Regulation (EEC) No 1418/76:

'*Article 11a*

1. This Article shall apply to products intended for consumption in the French overseas department of Reunion.

2. By way of derogation from Article 11 (1) (a), (b), (c), (d) and (i), no levy shall be charged on imports of products falling within subheadings 10.06 A and C in the French overseas department of Reunion.

3. By way of derogation from Article 11 (1) (e), (f), (g) and (h), the levy to be charged on imports of products falling within subheading 10.06 B in the French overseas department of Reunion shall be equal to the amount for the protection of the industry referred to in Article 14 (3).

4. For deliveries to the French overseas department of Reunion of products falling within heading No 10.06 from the Member States and covered by one of the situations referred to in Article 9 (2) of the Treaty, a subsidy shall be granted, on application, which is equal to the levy applicable to the product concerned. However, for products falling within subheading 10.06 B, this subsidy shall be reduced by the amount for the protection of the industry referred to in paragraph 3.

(1) Opinion delivered on 17 March 1978 (not yet published in the Official Journal).

(2) OJ No L 166, 25. 6. 1976, p. 1.
(3) OJ No L 136, 2. 6. 1977, p. 13.
(4) OJ No L 94, 28. 4. 1970, p. 13.
(5) OJ No L 295, 30. 12. 1972, p. 1.

5. The Regulations relating to the financing of the common agricultural policy shall apply to the subsidy referred to in paragraph 4.

6. The detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 27.'

Article 2

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.

Done at Brussels, 20 March 1978.

For the Council

The President

K. HEINESEN