COUNCIL REGULATION (EC) No 2580/2000

of 20 November 2000

amending Regulation (EC) No 3448/93 laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 37 and 133 thereof,

Having regard to the proposal from the Commission [1],

Having regard to the Opinion of the European Parliament [2],

Having regard to the Opinion of the Economic and Social Committee [3],

Whereas:

(1) Article 8 of Council Regulation (EC) No 3448/93 of 6 December 1993 laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products [4], lays down that on exportation of the goods, the agricultural products which have been used may qualify for refunds established pursuant to the regulations on the common organisation of the market in the sectors concerned. This Article should be supplemented to take account of the constraints arising from the agreement on agriculture concluded in the multilateral trade negotiations under the Uruguay Round.

(2) In particular, there should be checks on expenditure on the basis of commitments through the issuing of certificates. However, as regards expenditure which has not been covered by obtaining a certificate or certificates, accounting of such expenditure will continue to be carried out on the basis of refund payments, if necessary in the form of an advance.

(3) The Commission will take into consideration agricultural products processing enterprises as a whole, and, in particular, the situation of small and medium-sized enterprises, taking account of the impact of targeted measures relating to savings on export refunds.

(4) In Europe, 2,5 million jobs depend on the sector concerned, thus constituting an important factor in social stability and regional planning. In view of their specific interests, small exporters should be exempted from submission of certificates under the export refund arrangements.

(5) Under agreements concluded in accordance with Article 300 of the Treaty, it is possible that the requirements for the processing industries in terms of agricultural raw materials may not be covered completely, under competitive conditions, by Community raw materials. Article 117(c) of Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code [5] admits goods under the inward processing arrangements subject to fulfilment of the economic conditions as defined by Commission Regulation (EEC) No 2454/93 [6]. Having regard to the abovementioned agreements, there should also be provision for considering the economic conditions to have been fulfilled for the admission of certain quantities of certain agricultural products under the processing arrangements.

(6) In order to safeguard the interests of producers of agricultural raw materials, in successive financial years, the necessary appropriations should be made available so that goods not covered by Annex I to the Treaty may benefit fully from maximum use of the current WTO ceiling. There should also be overall checks, though the procedure laid down should be flexible, on the basis of a regularly revised forward estimate, of the quantities admitted under inward processing arrangements not subject to prior individual checks of the economic conditions (excluding those used for processing, the usual forms of handling or the manufacture of goods not eligible for refunds) and in compliance with the other general conditions relating to the inward processing arrangements. Finally, account should also be taken of the situation on the Community market for the commodities concerned, to ensure prudent management of the said quantities.

(7) Likewise, certain references and definitions should be updated following the codification of the Treaty establishing the European Community.

(8) The measures necessary for the implementation of Regulation (EC) No 3448/93 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 [7].

[1] OJ C 89 E, 28.3.2000, p. 81.
[2] Opinion delivered on 24 October 2000 (not yet published in the Official Journal).
[3] OJ C 117, 26.4.2000, p. 51.
[4] OJ L 318, 20.12.1993, p. 18. Regulation as last amended by Commission Regulation (EC) No 2491/98 (OJ L 309, 19.11.1998, p. 28).
[5] OJ L 302, 19.12.1992, p. 1. Regulation as last amended by Regulation (EC) No 955/1999 of the European Parliament and of the Council (OJ L 119, 7.5.1999, p. 1).
[6] OJ L 253, 11.10.1993, p. 1. Regulation as last amended by Regulation (EC) No 1602/2000 (OJ L 188, 26.7.2000, p. 1).
[7] OJ L 184, 17.7.1999, p. 23.

(9) As a result, Regulation (EC) No 3448/93 should be amended,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 3448/93 is hereby amended as follows:

1. Article 1(2) shall be replaced by the following:

'2. For the purposes of this Regulation:

— "agricultural products" shall mean products covered by Annex I to the Treaty,

— "goods" shall mean products not covered by Annex I to the Treaty and listed in Annex B to this Regulation.

However, the term "goods" used in Chapter 2 of Title 1 and in Article 11 shall relate to products not covered by Annex I to the Treaty and contained in the corresponding Annexes to the Regulations on the common organisation of markets in the agricultural sector.'

2. The following paragraphs shall be added to Article 8:

'5. Compliance with the limits arising from agreements concluded in accordance with Article 300 of the Treaty shall be ensured on the basis of certificates issued in respect of the reference periods laid down, supplemented by the amount provided for in respect of small exporters.

6. The amount below which small exporters may be exempted from presentation of certificates under the export refund arrangements shall be set at EUR 50 000 per year. This ceiling may be adjusted, in accordance with the procedure referred to in Article 16.'

3. Article 11 shall be replaced by the following:

'*Article 11*

1. Admission of agricultural products under the inward processing arrangements shall be subject to a prior check on compliance with the economic conditions referred to in Article 117(c) of Regulation (EEC) No 2913/92. These conditions shall be considered fulfilled in accordance with Article 552 of Commission Regulation (EEC) No 2454/93 (*).

Moreover, and in accordance with Regulation (EEC) No 2454/93, the economic conditions referred to in Article 117(c) of Regulation (EEC) No 2913/92 shall also be considered fulfilled for certain quantities of basic products used for the manufacture of goods. These quantities shall be determined with the aid of a balance drawn up by the Commission, based on a comparison between the required available funds and the forecast refund requirements, and taking account, in particular, of the estimated volume of exports of the goods concerned and the internal and external market situation of the relevant basic products. This balance, and hence these quantities, shall be reviewed at regular intervals in order to take account of developments in economic and regulatory factors.

The detailed rules for the application of the second subparagraph, making it possible to determine the basic products to be admitted under inward processing arrangements and check and plan the quantities thereof, shall guarantee greater clarity for operators through prior publication of indicative import quantities for each individual COM. These shall be published on a regular basis, depending on the use of such quantities. The detailed application rules shall be adopted in accordance with the procedure referred to in Article 16.

The term "basic product" used in this Article shall concern the products listed by CN code in the table in Annex A, including solely footnote 1 concerning cereals.

2. The quantity of goods, admitted under inward processing arrangements other than those referred to in the second subparagraph of paragraph 1 and therefore not subject to the charge provided for in Article 2 for the purpose of, or as a result of, exporting other goods shall be that actually used in the manufacture of the goods.

(*) OJ L 253, 11.10.1993, p. 1. Regulation as last amended by Regulation (EC) No 1602/2000 (OJ L 188, 26.7.2000, p. 1).'

4. Article 15 shall be deleted.

5. Article 16 shall be replaced by the following:

'*Article 16*

1. The Commission shall be assisted by a committee on horizontal questions concerning trade in processed agricultural products not listed in Annex I (hereinafter referred to as "the Committee").

2. Where reference is made to this Article, Articles 4 and 7 of Decision 1999/468/EC shall apply.

The period laid down in Article 4(3) of Decision 1999/468/EC shall be set at one month.

3. The Committee shall adopt its rules of procedure.'

Article 2

The Commission shall submit a report to the European Parliament and to the Council at the end of the first year of implementation of the amendments which this Regulation has made to Regulation (EC) No 3448/93 with regard to inward processing arrangements.

Article 3

This Regulation shall enter into force on the seventh day following that of 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 November 2000.

For the Council

The President

J. GLAVANY