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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 10.7.2008
COM(2008) 445 final

ANNEX 2

Customs duties on products originating in the territory of the Central Africa Party

ANNEX II: Customs duties on products originating in the territory of the Central Africa Party

1. Subject to the provisions of paragraphs 2, 4, 5, 6 and 7, customs duties on imports to the EC Party (hereinafter "EC customs duties") shall be completely eliminated, on the date on which this Agreement enters into force, for all products originating in the territory of the Central Africa Party which fall within Chapters 1 to 97 of the Harmonised System, excluding Chapter 93. For products falling within Chapter 93, the EC Party shall continue to impose the duties applied to the most favoured nation (hereinafter "MFN").
2. EC customs duties on products falling within tariff heading 1006 and originating in the territory of the Central Africa Party shall be eliminated as of 1 January 2010, with the exception of EC customs duties on products falling within subheading 1006 10 10, which shall be eliminated on the date on which this Agreement enters into force.
3. The Parties agree that the provisions of Protocol 3 of the Cotonou Agreement (hereinafter referred to as the "Sugar Protocol") shall remain applicable until 30 September 2009. After that date, the EC Party and the signatory Central African State concerned agree that the Sugar Protocol shall no longer apply between them. For the purposes of Article 4(1) of the Sugar Protocol, the 2008/09 delivery period shall run from 1 July 2008 to 30 September 2009. The guaranteed price for the period from 1 July 2008 to 30 September 2009 shall be decided following the negotiations provided for in Article 5(4).
4. EC customs duties on products falling within tariff heading 1701 and originating in the territory of the Central Africa Party shall be eliminated as of 1 October 2009. Until EC customs duties are completely eliminated, and in addition to allocations of duty-free tariff quotas as defined in the Sugar Protocol, a duty-free tariff quota of 0 tonnes (white rice equivalent) shall be opened for the marketing year¹ 2008/2009 for products falling within tariff heading 1701 and originating in the territory of the Central Africa Party.
5. (a) During the period from 1 October 2009 to 30 September 2015, the EC Party may apply the MFN duty to products originating in the Central Africa Party which fall within tariff heading 1701, are imported in excess of the following levels (white sugar equivalent) and are deemed to cause a disturbance in the EC Party's sugar market:
 - (i) 3.5 million tonnes in a marketing year for products originating in States which are members of the African, Caribbean and Pacific Group of States (ACP States) signatory to the Cotonou Agreement, and
 - (ii) 1.38 million tonnes in the marketing year 2009/2010 for products originating in ACP States that are not recognised by the United Nations

¹ For the purposes of paragraphs 4, 5, 6 and 7, "marketing year" shall mean the period from 1 October to 30 September.

as least developed countries. The figure of 1.38 million tonnes shall increase to 1.45 million tonnes in the marketing year 2010/2011, and to 1.6 million tonnes in the following four marketing years.

- (b) Imports of products under tariff heading 1701 originating in any Central African State that is recognised by the United Nations as a least developed country shall not be subject to the provisions of sub-paragraph 5(a). However, such imports shall remain subject to the provisions of Article 3 of Chapter 2 in Title III (safeguard clause)².
 - (c) Application of the MFN duty shall cease at the end of the marketing year during which it was introduced.
 - (d) Any measure taken pursuant to this paragraph shall be notified immediately to the EPA Committee and shall be the subject of periodic consultations within that body.
6. As of 1 October 2015, in application of the provisions of Article 3 of Chapter 2 in Title III (safeguard clause), disturbances in the markets of products under tariff heading 1701 may be deemed to arise in situations where the Community average market price of white sugar falls during two consecutive months below 80% of the Community average market price for white sugar prevailing during the previous marketing year.
7. From 1 January 2008 until 30 September 2015, products under tariff heading 1704 90 99, 1806 10 30, 1806 10 90, 2106 90 59 and 2106 90 98 shall be subject to a special surveillance mechanism in order to ensure that the arrangements provided for in paragraphs 4 and 5 are not circumvented. In the event of a cumulative increase in imports of one or more of these products originating in the Central Africa Party by more than 20% in volume during a period of 12 consecutive months compared with the average of the yearly imports over the three previous 12 month periods, the EC Party shall analyse the pattern of trade, the economic justification and the sugar content of such imports and, if it concludes that such imports are used to circumvent the arrangements provided for in paragraphs 4 and 5, it may suspend the preferential treatment and introduce the specific MFN duties applied to imports pursuant to the European Community Common Customs Tariff for products under tariff headings 1704 90 99, 1806 10 30, 1806 10 90, 2106 90 59 and 2106 90 98 originating in the Central Africa Party. Sub-paragraphs 5(b), (c) and (d) shall apply *mutatis mutandis* to action under this paragraph.
8. With regard to products under tariff heading 1701, no import licenses shall be granted from 1 October 2009 until 30 September 2012 unless the importer undertakes to purchase such products at a price not lower than 90% of the reference price set by the EC Party for the relevant marketing year.

² For this purpose and by way of derogation from the Article of this Agreement relating to bilateral safeguard measures, a signatory Central African State recognised by the United Nations as a least developed country may be subject to safeguard measures.

9. Paragraph 1 shall not apply to products under tariff heading 0803 00 19 originating in the Central Africa Party and released for free circulation in the outermost regions of the EC Party. Paragraphs 1, 3 and 4 shall not apply to products under tariff heading 1701 originating in the Central Africa Party and released for free circulation in the French overseas departments. These provisions shall be applicable for a period of ten years. This period shall be extended for a further period of ten years unless the Parties agree otherwise.