EUROPEAN COMMUNITIES - TRANSITIONAL MEASURES TO TAKE ACCOUNT OF THE EXTERNAL ECONOMIC IMPACT OF GERMAN UNIFICATION

Draft Decision

Addendum¹

COUNCIL REGULATION (EC) No. 665/94 of 21 March 1994

on the introduction of transitional tariff measures for Bulgaria, the Czech Republic, the Slovak Republic, Hungary, Poland, Romania, Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Uzbekistan, Russia, Tajikistan, Turkmenistan, Ukraine, Croatia, Bosnian-Herzegovina, Slovenia and the former Yugoslav Republic of Macedonia, until 31 December 1994 to take account of German unification

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 28 and 113 thereof,

Having regard to the proposal from the Commission,

Whereas the Common Customs Tariff will be fully applicable to the territory of the former German Democratic Republic as from 3 October 1990, the date of German unification;

Whereas the former German Democratic Republic had concluded numerous agreements with Bulgaria, Czechoslovakia, Hungary, Poland, Romania, the USSR and Yugoslavia which provided for a yearly exchange of specific goods in maximum quantities or to maximum values at a zero rate of duty; whereas the former German Democratic Republic had concluded long-term cooperation and investment agreements with Czechoslovakia, Poland and the USSR which will give rise to reciprocal deliveries of goods at zero rates of duty for many years to come;

Whereas agreements of the first type have not been renewed after 31 December 1990 and agreements of the second type will be renegotiated at Community, German or private enterprise level, but whereas this process of renegotiation will take some time;

¹See footnote 2 to C/W/821
Whereas the maximum quantities or values mentioned in these agreements do not entail legally binding obligations between the parties; whereas non-enforcement thereof cannot therefore give rise to any compensation by the Community;

Whereas it is necessary, therefore, during a transitional period to attenuate the impact resulting from German unification on both types of agreement as otherwise serious repercussions on enterprises in the territory of the former German Democratic Republic and in Bulgaria, the Czech Republic, the Slovak Republic, Hungary, Poland, Romania, Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Uzbekistan, Russia, Tajikistan, Turkmenistan, Ukraine, Croatia, Bosnia-Herzegovina, Slovenia and the former Yugoslav Republic of Macedonia could result and, indeed, the stability of the economies of these countries might be adversely affected thereby;

Whereas for these reasons it is appropriate to suspend temporarily the duties of the Common Customs Tariff for products originating in Bulgaria, the Czech Republic, the Slovak Republic, Hungary, Poland, Romania, Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Uzbekistan, Russia, Tajikistan, Turkmenistan, Ukraine, Croatia, Bosnia-Herzegovina, Slovenia and the former Yugoslav Republic of Macedonia, which are covered by the above-mentioned agreements between the former German Democratic Republic and these countries, up to the maximum quantities or values laid down therein;

Whereas it is appropriate, in view of the special circumstances of German unification, for the said suspension of duties to be applicable to the products concerned only in so far as they are put into free circulation in the territory of the former German Democratic Republic;

Whereas it is necessary to make provision for determining the origin of the goods which will be covered by the said suspension of duties;

Whereas, in view of the difficulties in applying these measures and the fact that some of their consequences are unforeseeable, it is appropriate to emphasize the transitional character of these measures and restrict their duration to a one-year period up to 31 December 1994;

Whereas a similar transitional arrangement was set up until 31 December 1992 by Regulation (EEC) No. 3568/90¹ and by Decision No. 3788/90/ECSC² extended until 31 December 1993 by Regulation (EEC) No. 1343/93³ and by Decision No. 1535/93/ECSC⁴; whereas in the light of experience since 1990 it seems suitable to exclude products of Annex II to the Treaty from the benefit of the present arrangements;

Whereas it is appropriate to provide for special measures and a procedure to put them in place, in case the temporary suspension of duties causes or threatens to cause serious injury to a branch of Community industry;

Whereas measures must be solely related to the customs tariff and, in any event, must not prejudice the application of Community measures under the common commercial policy,

⁴OJ No. L 151, 22.6.1993, p. 23.
HAS ADOPTED THIS REGULATION:

Article 1

1. From 1 January to 31 December 1994, import duties within the meaning of Article 4 (10) of Council Regulation (EEC) No. 2913/92 of 12 October 1992 establishing the Community Customs Code including the anti-dumping duties to be applied on 3 October 1990, shall be suspended for goods originating in Bulgaria, the Czech Republic, the Slovak Republic, Hungary, Poland, Romania, Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Uzbekistan, Russia, Tajikistan, Turkmenistan, Ukraine, Croatia, Bosnia-Herzegovina, Slovenia and the former Yugoslav Republic of Macedonia, covered by the agreements listed in Annexes I and II concluded between those countries and the former German Democratic Republic - the essential elements of which have been published in communications No. 91/C151/01 of 10 June 1991 - up to the maximum quantities or values established by the said agreements.

The agricultural products which are referred to in Annex II to the Treaty shall be excluded from the benefit of these tariff measures.

2. The provision of paragraph 1 shall be applicable only if:

- the goods in question are released for free circulation in the territory of the former German Democratic Republic and are consumed there or undergo processing conferring Community origin there,

- a licence issued by the relevant German authorities stating that the goods in question fall within the scope of the provisions contained in paragraph 1 is submitted in support of the declaration of entry for release for free circulation.

3. The Commission and the competent German authorities shall take whatever measures are needed to ensure that the final consumption of the products in question, or the processing by which they acquire Community origin, takes place in the territory of the former German Democratic Republic.

Article 2

To determine the origin of the goods referred to in Article 1, Articles 22 to 26 of Regulation (EEC) No. 2913/92 shall apply.

Article 3

1. If the suspension of the Common Customs Tariff duties referred to in Article 1 causes serious injury to Community producers of like or directly competitive products in one or more Member States, the Commission may, on its own initiative or at the request of a Member State, restore the normal duty for the products concerned.

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³Checks on this use shall be carried out pursuant to the relevant Community provisions on end-use (Article 82 of Regulation (EEC) No. 2913/92).
Any Member State may refer any difficulties to the Commission. The Commission shall, as a matter of urgency, examine the question and submit its conclusion, possibly accompanied by appropriate measures.


3. These measures shall not prejudice the application of Community measures under the common commercial policy.

Article 4

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

It shall apply from 1 January 1994.

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

Done at Brussels, 21 March 1994.

For the Council
The President

Y. PAPANTONIOU

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ANNEX 1


ANNEX II


- Agreement of 28 October 1987 between the Government of the German Democratic Republic and the Government of the Union of Soviet Socialist Republics on cooperation in the construction of mining and processing combines for oxidic ores including the Agreement of 28 October 1987 on residence and employment conditions for the contracting organizations.

- Agreement of 15 April 1985 between the Government of the German Democratic Republic and the Government of the Union of Soviet Socialist Republics on cooperation in shipbuilding and the mutual supply of ships and ship’s fittings.


- Agreement of 3 June 1987 between the Government of the German Democratic Republic and the Government of the Union of Soviet Socialist Republics on cooperation in the rehabilitation of 210 m W thermal power units.

- Ministerial Agreement of 6 June 1980 concerning specialization and cooperation in the manufacture of, and trade in, types of paper and cardboard and cooperation in science and technology.

- Ministerial Agreement of 24 May 1989 concerning cooperation in the development and production of computerized scanning machines.

- Agreement of 23 December 1976 between the Government of the German Democratic Republic and the Government of the Union of Soviet Socialist Republics on cooperation in the manufacture of products of rubber technology.
- Agreement of 27 June 1977 between the Government of the German Democratic Republic and the Government of the Union of Soviet Socialist Republics on cooperation in developing the production and ensuring the supply of roller bearings

- Ministerial Agreement of 14 December 1985 concerning specialization and cooperation in the manufacture of type 1532 cotton-combing machinery

- Agreement of 14 December 1984 between the Government of the German Democratic Republic and the Government of the Union of Soviet Socialist Republics on cooperation in the manufacture of patented colour formers

- Agreement of 28 June 1979 between the Government of the German Democratic Republic and the Government of the Union of Soviet Socialist Republics on cooperation in the manufacture of feeding yeasts in Mosyr

- Ministerial Agreement of 17 December 1986 concerning specialization and cooperation in the field of catalytic reactors

- Agreement of 9 December 1975 between the Government of the German Democratic Republic and the Government of the Union of Soviet Socialist Republics on the further development of integration in the chemical industry

- Agreement of 18 June 1982 between the Government of the German Democratic Republic and the Government of the Union of Soviet Socialist Republics on cooperation in developing production and user technology in the field of nitrification inhibitors for nitrogenous fertilizers

- Agreement of 15 June 1973 between the Government of the German Democratic Republic and the Government of the Union of Soviet Socialist Republics on the foundation of an international economic body for the phototechnical industry (Assofoto)

- Agreement of 30 October 1986 between the Government of the German Democratic Republic and the Government of the Union of Soviet Socialist Republics on cooperation in the construction of the Stendal II nuclear power-station

- Agreement of 9 December 1983 between the Government of the German Democratic Republic and the Government of the Union of Soviet Socialist Republics on cooperation in the construction and rehabilitation of cold storage depots for potatoes, fruit and vegetables

- Agreement of 9 December 1983 between the Government of the German Democratic Republic and the Government of the Union of Soviet Socialist Republics on cooperation in the production of lucerne seed

- Agreement of 14 December 1984 between the Government of the German Democratic Republic and the Government of the Union of Soviet Socialist Republics on cooperation in expanding the production of kieselguhr (filter powder) for the food-processing industry

- Agreement of 22 December 1977 between the Government of the German Democratic Republic and the Government of the Union of Soviet Socialist Republics on cooperation in the improvement, development and establishment of new technological processes and installations for the treatment of waste water from cities and industrial plants
- Agreement of 18 December 1959 between the Government of the German Democratic Republic, the Government of the Polish People’s Republic and the Government of the USSR on the construction of an oil pipeline from the USSR to the GDR via Poland

- Agreement of 18 January 1961, amended on 12 November 1972, between the Government of the German Democratic Republic and the Government of the Polish People’s Republic on the construction and financing of the oil pipeline from the USSR to Poland and the GDR

- Agreement of 18 October 1969 between the Government of the German Democratic Republic and the Government of the Polish People’s Republic on the construction and financing of a second pipeline for transporting oil from the USSR to Poland and across Polish territory to the GDR

- Agreement of 17 August 1983 between the Government of the German Democratic Republic and the Government of the Polish People’s Republic on the construction and financing of a crossing of the Vistula at Plock for the first and second strands of the “Friendship” oil pipeline

- Agreement of 12 June 1972 between the Government of the German Democratic Republic and the Government of the Polish People’s Republic on the joint construction, management and running of a cotton-spinning mill on the territory of the latter

- Agreement of 28 November 1973 between the Government of the German Democratic Republic and the Government of the Polish People’s Republic on the construction of a feeding yeast production plant in the GDR and the supply of feeding yeast to Poland

- Agreement of 6 September 1985 between the Government of the German Democratic Republic and the Government of the Polish People’s Republic on the supply of sulphur with deferment of the GDR’s credit balance

- Agreement of 2 July 1971 between the Government of the German Democratic Republic and the Czechoslovak Socialist Republic on the transport of natural gas from the USSR to the GDR across the territory of the CSSR, and the Protocols to this Agreement of 12 January 1973 and 31 May 1989
COMMISSION DECISION No. 1478/94/ECSC
of 27 June 1994

on the introduction of transitional tariff measures for products covered by the Treaty establishing the ECSC for Bulgaria, the Czech Republic, Slovakia, Hungary, Poland, Romania, Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Uzbekistan, Russia, Tajikistan, Turkmenistan, Ukraine, Croatia, Bosnia-Herzegovina, Slovenia and the former Yugoslav Republic of Macedonia, until 31 December 1994 to take account of German unification.

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel Community, and in particular the first paragraph of Article 95 thereof,

Whereas, from the date of German unification onwards, the tariff applied to products governed by the ECSC Treaty will be fully applicable to the territory of the former German Democratic Republic;

Whereas the former German Democratic Republic had concluded numerous agreements with Bulgaria, Czechoslovakia, Hungary, Poland, Romania, the USSR and Yugoslavia which provided for a yearly exchange of specific goods in maximum quantities or to maximum values at a zero rate of duty; whereas the former German Democratic Republic had concluded long-term cooperation and investment agreements with Czechoslovakia, Poland and the USSR which, according to the terms of these agreements, will give rise to deliveries of goods covered by the Treaty establishing the ECSC at zero rates of duty for many years to come;

Whereas agreements of the first type not renewed after 31 December 1990 and agreements of the second type will be renegotiated at Community, German or private enterprise level, but this process of renegotiation will take some time;

Whereas the maximum quantities or values mentioned in these agreements do not entail legally binding obligations between parties and non-performance therefore cannot lead to compensation by the European Coal and Steel Community;

Whereas it is necessary, therefore, during a transitional period to attenuate the impact resulting from German unification on both types of agreement as otherwise serious repercussions on enterprises in the territory of the former German Democratic Republic and in Bulgaria, the Czech Republic, Slovakia, Hungary, Poland, Romania, Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Uzbekistan, Russia, Tajikistan, Turkmenistan, Ukraine, Croatia, Bosnia-Herzegovina, Slovenia and the former Yugoslav Republic of Macedonia, could result and indeed the stability of the economies of these countries might be adversely affected thereby;

Whereas for these reasons it is appropriate to suspend temporarily the customs duties applied to products covered by the ECSC Treaty originating in Bulgaria, the Czech Republic, Slovakia, Hungary, Poland, Romania, Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Uzbekistan, Russia, Tajikistan, Turkmenistan, Ukraine, Croatia, Bosnia-Herzegovina, Slovenia and the former Yugoslav Republic of Macedonia, which are covered by the
above-mentioned agreements between the former German Democratic Republic and these countries up to the maximum quantities or values laid down therein;

Whereas it is appropriate, in view of the special circumstances of German unification, for the said suspension of duties to be applicable to the products concerned only in so far as they are put into free circulation in the territory of the former German Democratic Republic;

Whereas it is necessary to make provision for determining the origin of the goods which will be covered by the said suspension of duties;

Whereas in view of the difficulties in applying these measures and the fact that some of their consequences are unforeseeable, it is appropriate to emphasize the transitional character of these measures and restrict their duration to a one-year period up to 31 December 1994;


Whereas it is appropriate to provide for special measures and a procedure to implement them, in case the temporary suspension of duties causes or threatens to cause serious injury to a branch of Community industry;

Whereas this Decision implies a derogation from recommendation No. 1-64 of the High Authority of the ECSC concerning an increase in the protective duty on iron and steel products at the external frontiers of the Community;

Whereas this Decision does not otherwise affect the powers of the Member States with regard to commercial policy referred to in Article 71 of the Treaty;

Whereas these measures are solely related to the customs tariff and, in any event, must not prejudice the application of any Community measures under the common commercial policy;

Having consulted the Consultative Committee and with the unanimous assent of the Council,

HAS ADOPTED THIS DECISION:

Article 1

1. From 1 January 1994 to 31 December 1994 the customs duties applied to products covered by the ECSC Treaty including the anti-dumping duties to be applied on 3 October 1990, shall be suspended for goods originating in Bulgaria, the Czech Republic, Slovakia, Hungary, Poland, Romania, Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova,

⁴OJ No. L 151, 22.6.1993, p. 23.
Uzbekistan, Russia, Tajikistan, Turkmenistan, Ukraine, Croatia, Bosnia-Herzegovina, Slovenia and the former Yugoslav Republic of Macedonia, covered by the agreements listed in Annexes I and II of Council Regulation (EC) No. 665/94 concluded between those countries and the former German Democratic Republic - the essential elements of which have been published in communication No. 91/C151/01 of 10 June 1991 up to the maximum quantities or values established by the said agreements.

2. The provisions of paragraph 1 shall be applicable only if:

- the goods in question are released for free circulation on the territory of the former German Democratic Republic and are consumed there or undergo processing conferring Community origin there³,

- a licence issued by the relevant German authorities stating that the goods in question fall within the scope of the provisions contained in paragraph 1 is submitted in support of the entry for release for free circulation.

3. The Commission and the competent German authorities shall take whatever measures are needed to ensure that the final consumption of the products in question, of the processing by which they acquire Community origin, takes place on the territory of the former German Democratic Republic.

**Article 2**

To determine the origin of the goods referred to in Article 1, Articles 22 to 26 of Regulation (EEC) No. 2913/92 shall apply.

**Article 3**

1. If the suspension of the duties referred to in Article 1 causes serious injury to Community producers in one or several Member States of like or directly competitive products, the Commission, either on its own initiative or at the request of a Member State, may terminate the suspension of the duty for the product concerned.


3. These measures shall not prejudice the application of any Community measures under the common commercial policy.

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³Checks on this use shall be carried out pursuant to the relevant Community provisions on end-use (Articles 82 of Regulation (EEC) No. 2913/92).

Article 4

This Decision shall enter into force on 1 January 1994.
This Decision shall be binding in its entirety and directly applicable in all Member States.

For the Commission
Leon BRITTAN
Member of Commission