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Database on European Agricultural Tariffs DBTAR

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Database on European agricultural tariffs
DBTAR

Customs duties applied by the European Union on agricultural products differ greatly compared to WTO bound duties. This difference is essentially due to the importance of preferential regimes in the EU's trade agreements. It is estimated that nearly half of EU agricultural imports benefit from a preferential tariff (Gallezot, 2003). For this reason, an analysis of the tariffs applied by the EU cannot be limited to the multilateral framework of duties that respect the Most Favoured Nation clause but must be broadened to include all preferential systems.

The objective of this project is to undertake a detailed assessment of European tariffs by relying on official regulations. The aim here is to realize a database which enables an easier analysis of all EU tariffs. The great difficulty of this operation being the simplification, without a loss of information, of a complex legislation which sometimes applies to very short periods of time (a few days only in the case of cereals) or, even more generally, which concerns specific duties (tax in monetary unit per unit of measurement of products). This is why, in order to meet the requirements for comparing and aggregating duties, a transformation of specific duties into ad-valorem equivalents will be undertaken.

We will first present the sources mobilized for this study, then the principal considerations on European agricultural protection. To this end, the hypotheses adopted for this project will be discussed. Finally, a description of the resulting database and the methods for using it will be evoked.

1. Data sources

The main source mobilized to undertake this project is the Integrated Tariff of the European Community (TARIC). It is a database managed by the European Directorate General for Taxation and Customs Union (DG-TAXUD). As we will see further on, understanding tariff aspects also requires to resort to legislative texts (base regulations, cf. Annexe) available at EurLex (http://europa.eu.int/eur-lex/en/). Finally, the operations for transforming specific or complex duties into ad-valorem equivalents use an estimation of unit values based on EU import statistics from the COMEXT database (external trade) of Eurostat.

1.1. The Integrated Tariff of the European Communities (TARIC). The TARIC contains a nomenclature in each of the 11 official languages with approximately 15,000 tariff lines (the harmonised system contains only 5,000 lines). It shows all current third country rates and preferential duties and all trade measures. The TARIC includes all elements of Community legislation published in the Official Journal of the European Communities (series C) and serves as the direct basis for the preparation of Member States' current tariffs.[1]

Based on the combined nomenclature (CN), the integrated tariff of the European Community includes:

- All customs regulations (Common Customs Tariff), 8-digit CN codes, a description of the goods and the amount of duty.

[1] TARIC codes are also used for automated customs clearance. TARIC codes are mandatory in customs and for statistical declarations in trade with third countries (Article 5.2 of Regulation 2658/87).

- The "TARIC sub-positions" identified by a ninth and tenth digit, which are required for the application of specific Community measures (tariff suspensions and quotas, tariff preferences, GSP, etc.). Together with the CN, these additional Community sub-divisions constitute the TARIC code.

- An additional 4-digit TARIC code beginning in the eleventh position can also be used to apply specific Community regulations. At present, for example, the code is used for coding anti-dumping elements and countervailing duties relating to companies, agricultural components (AC) and export refunds.

Considering here only measures relating to imports, the TARIC database, using CN codes and sub-divisions (9 and 10 digits or an additional code), contains all information relating to:

- tariff suspensions,
- tariff quotas (conventional, WTO),
- tariff preferences,
- preferential quotas,
- the generalised system of preferences (GSP) applicable to developing countries,
- anti-dumping duties and countervailing duties,
- countervailing charges,
- agricultural components,
- unit and flat-rate values for imports,
- reference and minimum prices,
- import bans,
- surveillance of imports.

The TARIC takes up regulatory variations in tariff measures that sometimes have several periods of validity within a given year. In addition, and more specifically for agricultural products, duties are sometimes specified with additional components or entry prices:

- Agricultural components (AC), an additional duty applied to certain processed products using primary agricultural products subject to tariff protection (dairy products, for example);

- Additional components on sugar (AD Z) or flour (AD F/M), the specific amount of which will differ according to the treatment (preferential or MFN);

- Entry prices for fruit and vegetables (tomatoes, cucumbers, artichokes, courgettes, lemons, grapes, apples, apricots, cherries, peaches, plums, fruit juices) with seasonal variations (generally January, 1 February to 31 March, 1 to 20 April, 21 April to 31 May, 1 June to 31 July, 1 August to 30 September, 1 October to 31 December). Duties will naturally differ according to entry price levels, season and preferential origin. However, importers often use a simplified system based on a choice between unit values or flat-rate values.

1.2. External trade (COMEXT). Comext is the database of the Statistical Office of the European Communities (Eurostat) for the European Union's (EU) external trade statistics. Comext covers all products traded within the EU between its Member States, and outside the Union with their 250 partner countries in the world.

The goods declared in customs are classified according to the combined nomenclature. The Combined Nomenclature (CN) is used in the European Union to collect and process data on external trade. It is in force since 1988, and is based on the Harmonized Commodity Description and Coding System (HS). The 8 digit CN includes the 6 digit codification of the *Harmonized*

System (HS) and adds to it an additional level of detail entitled the *CN subheading*. This subdivision is created at the Community level to meet the statistical requirements of the EU's external trade and customs tariffs. The statistics on extra-Community trade (http://epp.eurostat.cec.eu.int) are developed from the customs declarations (single administrative documents, SAD). The statistical values are transmitted by the Member States in their national currency and converted, if necessary, into euros by Eurostat. The quantities are expressed in 100kilos (on the Website) or in tons. For certain products the quantity is expressed in additional units (litres, number of copies…).

2. Principal considerations on European agricultural tariffs

A detailed analysis of EU agricultural protection is well beyond the scope of this presentation. The ambition is here more modest and the aim is to provide elements of comprehension concerning the elaboration of the database that has been realized (DBTAR). To this end, we will review the main tariff components that are included in the integrated tariff of the European Community (TARIC). These components being, moreover, the structuring elements of tariff information (the product's code, the tariff measure and regime, the period of application), their presentation will allow to better clarify the hypotheses retained for the realization of DBTAR. This analysis will be completed by more precise considerations regarding how the protection of fruit and vegetables and cereal products works. Finally, we will introduce the general framework of European preferential systems.

2.1 DBTAR and the characteristics of the integrated tariff of the European Community

The TARIC is a relational database that includes all the regulatory components of EU tariffs. With regards to taxation, EU decisions are taken by regulations, and they concern questions relating to both tariff and non-tariff aspects (quotas, health standards, labelling, rules of origin, etc…). All these elements are part of the TARIC, without forgetting the export-related measures (restitutions). If we add to this the fact that, in the field of applied duties, the rate of occurrence or of modification of regulations is for certain products every week and sometimes even more frequent (the case of standard values for fruit and vegetables), the volume of information mobilized is very important. There are over 250 tables in the TARIC's relations and several million lines. This is why the aim of DBTAR is to reduce this volume of information to only those elements relating to the calculation of customs duties. These elements, which constitute a duty's selection attributes, are presented and discussed below in relation to DBTAR's realization.

2.1.1. Tariff measures

There are a great number of tariff measures that determine the exercise of the applied duty (about sixty). The four main tariff measures concern:

- The duty applied to all third countries (the majority complying with the MFN clause, measure 103 according to TARIC)
- The duty applied to quotas open to all third countries (WTO quota, measure 122 according to TARIC)
- The preferential duty applied in the case of the different preferential agreements (or regimes), this being measure 142 according to TARIC.

- The duty applied to quotas opened in the case of the different preferential agreements (measure 143 according to TARIC)

In order to be comprehensive from the point of view of the processing of the applied duty, these main measures must also take into account other tariff measures that determine the amount of additional duties or the restrictive actions:

- Amount of the additional duty on sugar (measure 630)
- Amount of the additional duty on flour (measure 673)
- Additional amount (measure 691)
- Agricultural component (measure 674)
- Preferential ceiling (measure 144)
- Import prohibition (measure 277)
- Temporary exclusion (measure 166)
- Reference price (fish, measure 624)
- Unit value (fruit and vegetables, measure 488)
- Standard value (fruit and vegetables, measure 490)

The terms and conditions of these measures, which are necessary for understanding the applied duty, will be different depending on whether they concern a duty whose field of application is reserved to all third countries (MFN duty and WTO quotas) or to the framework of preferential agreements. This is why the processing of these conditions has been included in the realization of DBTAR. Thus, for example, the additional duty measure (measure (691) is directly specified in the duty's calculation (dsup variable in DBTAR), or the exclusion measure concerning certain countries and products (variable exclus in DBTAR). This measure concerns mainly the temporary exclusions of the Generalized System of Preferences (GSP, see graduation), but it can also affect products and countries within the framework of WTO quotas (example of high quality bovine meats from Canada or the USA in 2001).

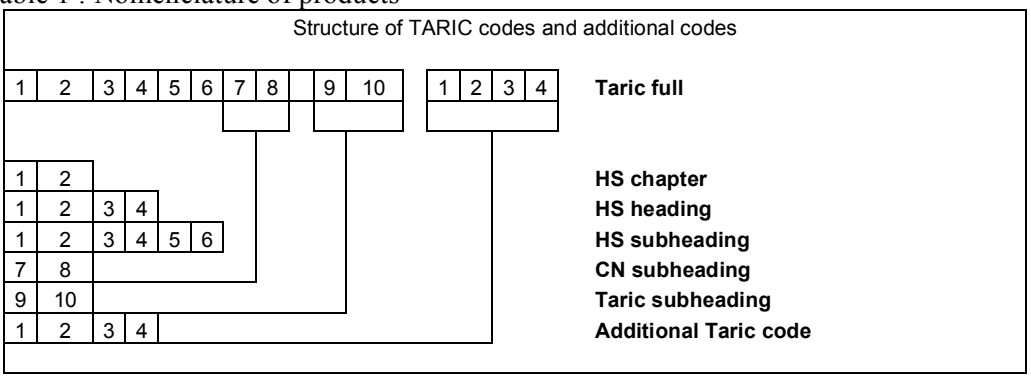
To calculate the applied duty, the DBTAR processing excludes from the database all monitoring or authorization measures included in the TARIC. Similarly, the anti-dumping measures (measure 551, mainly for fish) targeting certain specific companies, or the all third country (measure 112) and preferential (measure 141) tariff suspension measures are also excluded in the calculation of the applied duty. The reason being that the conditions for implementing these measures are either related to cyclical market situations or associated with restrictions of usage linked to the product's destination in transformation processes (suspension measures), both for which it is difficult to establish a general hypothesis regarding the application of the duty.

2.1.2. Nomenclature of products

Based on the Harmonised system (HS) the integrated tariff of the European Communities incorporates:

- All the custom regulation measures (CCT), the 8 digit codes of the CN, the description of goods and the value of customs duties.
- The "TARIC subheadings", identified by a ninth and tenth digit, which are necessary for the implementation of specific Community measures (tariff preferences, GSP, tariff suspensions and quotas, etc.).
- An additional TARIC code (of four characters and starting at the eleventh position) may also be used for the application of specific Community rules. This additional code is currently used, for example, to code anti-dumping elements and countervailing duties referring to companies, agricultural components (AC), or export restitutions.

Table 1 : Nomenclature of products



The additional import codes which refer essentially to agricultural components and other additive components of the tax have been processed within the DBTAR database. They are included in the variables of type AC, ADSZ (sugar), ADFM (flour)… As a result the product code in the DBTAR is clearly identified with 10 positions.

2.1.3. Tariff regimes or group of countries

As with the measures mentioned above, there are numerous tariff regimes or should we say more precisely geographic regroupings. In a general way these regroupings allow to manage the tariffs applied to all third countries (regime 1011, variable cgeo 1011 in DBTAR), as opposed to those that are applied to the different preference agreements (cgeo 2020 for the GSP, cgeo 2005 for the EBA, etc…). Are only kept in DBTAR the geographical groupings and regimes which have a direct incidence on a duty's calculation. Monitoring regimes are therefore excluded here.

In a great number of cases, these regimes target a particular country, as in the case of bilateral agreements concluded with the EU (the country is identified by its alpha numeric ISO code), or concern a derogation that this country enjoys (or a specific preference) in the case of its regime membership (geographic group). For instance, Botswana, an ACP country (LOME regime, cgeo 1031 in DBTAR), is going to specifically benefit from the opening of a quota concerning live bovines (code 01029005).

Table 2 : Regimes and groups of countries (CGEO) in DBTAR

Regimes Group of countries CGEO	Libel
1011	ERGA OMNES
1015	Countries excluded from Reg. 1964/2003
1018	Countries covered by Reg. 658/2004
1031	ACP AFRICAN, CARIBBEAN, PACIFIC
1040	Countries excluded from Reg. 1447/2004 (farmed salmon)
1045	Countries covered by Reg. 206/2005 (farmed salmon)
1099	AL, BA, CS
2005	GSP (R96/1256 - ANNEXE IV)
2010	GSP LESS DEVELOPED COUNTRIES
2012	EUROPEAN ECONOMIC AREA
2015	GSP -GSPC - BA, XM, HR, AL (R98/2820)
2020	GSP (R 01/2501) – General regime
2022	GSP (R03/0815 - Art. 1(1)) - MX
2027	GSP (R 01/2501) - Annexe I Column I
2080	OCT OVERSEAS ASSOCIATES
2300	Silk or cotton products, woven on handlooms

Source : TARIC processing (2001-2004)

As mentioned in the chapter devoted to the analysis of preferential regimes (see section 3 below) and the table in annexe, countries can adhere to two preferential agreements simultaneously. An extension of the processing of duties applied to third countries must therefore take into account both the definition of the countries belonging to different regimes, and the specific agreements that might exist between the EU and each one of them. In terms of relational language, this entails creating a join between the regimes and the table describing the regimes by country. This table is annexed to the DBTAR project. This is a fairly heavy operation[2], and although it does not raise any particular difficulties it is not undertaken within DBTAR so as to simplify its use. In order to carry out successfully this extension of the DBTAR application, it must be noted that the regimes or country regroupings, as well as the agreements referring to particular countries (CGEO variable), have a precise period of validity identified by an implementation start date and eventually an application end date.

2.1.4. Periods of application

As was specified in the introduction, all European actions on tariffs are taken by regulations. These refer to the framework of definition for products and the nomenclature as well as to the amount of duty. A period of validity is associated with each of these actions (application start date and sometimes end date). This also applies to the regimes and the countries concerned. The periods of application of a duty can be in some cases very short, as with cereals or fruit and vegetables. It is therefore necessary to adopt a principal of aggregation for these situations. On the whole, the time set which has been retained in DBTAR is the semester. This is motivated by what has just been said on the periods of validity, but also by the fact that WTO constraints on EU engagements imply a change in tariffs every year at the end of the month of June. However this general option, which consists in retaining the semester as the time unit, does not apply in DBTAR to fruit and vegetables that are subjected to a seasonalized tariff with entry prices. In this case, the adopted time set is the first month and the final month of application (md and mf in

[2] This operation leads to a Cartesian product of several million lines.

DBTAR). It must be specified that even in this case certain periods of application are sometimes shorter than a month.

The aggregation method which has been retained consists in taking the maximum duty of the period considered. In the vast majority of situations, this hypothesis allows to find in DBTAR the value of the applied duty as it can appear on the TARIC website[3].

2.1.5. Units of measurement

The existence of numerous specific agricultural duties (amount in Euros/by unit of measurement) entails, for purposes of comparisons or calculations, a transformation into ad-valorem equivalents (cf. following section). Given the great diversity of the units of measurement, a conversion operation is realized within DBTAR in order to translate all specific measures into taxes per 100kg. To this end the statutory rates in use are retained in the case of certain products[4] (density of alcohol, wheat, rice, etc…).

Table 3 : units of measurement

Example of Units of measurement	
g	gram
GT	gross tonnage
kg	kilogram
kg/br	kilogram gross weight
kg/net	kilogram net weight
kg/net eda	kilogram net weight drained
kg/net mas	kilogram net weight on the dry matter
kg tot/alc.	kilogram of total alcohol
l	litre
l alc. 100 %	litre pure (100 %) alcohol
hl	hectolitre
1 000 l	1 000 litres
b/f	per flask
m	metre
m2	square metre
m3	cubic metre
1 000 m3	1 000 cubic metres
pa	number of pairs
p/st	number of items
100 p/st	100 items
1 000 p/st	1 000 items

[3] http://europa.eu.int/comm/taxation_customs/dds/cgi-bin/tarchap?Lang=EN

[4] Concerning the coefficients for conversion into 100kg equivalent (wheat, meat carcasses, wholly milled rice, white sugar, eggs in a shell), the rates retained are the statutory rates applied to the products. Thus, for example, a coefficient of 0.45 must be applied for the conversion of paddy rice into wholly milled rice, of 0.69 for husked rice and 0.93 for semi-milled rice (Annexe E, OJ L177).

2.1.6. The expression of duties and the transformation into ad-valorem equivalents (AVE)

In its simplest form a duty is expressed in % of the monetary value of the imported product (ad-valorem). The duty can also be applied as a specific amount (amount of duty per unit of measurement). This expression of the specific duty is not economically equivalent to the ad-valorem duty, for the levied duty increases if the product's price diminishes. This form of expression of a duty is important in EU tariffs (more than half of the tariff lines). It sometimes combines under a more complex form an ad-valorem duty to a specific duty with considerations of maximum and additional duties. For instance, the "all third country" duty (MFN) applied in 2001 on white chocolate (code 1704903000) is of: 9.1 % + 45.1 EUR / 100 kg MAX 18.9 % + 16.5 EUR / 100 kg. In this case the main duty of 9.1 % + 45.1 EUR / 100 kg must not exceed the 18.9% ad-valorem ceiling and shall be completed by an additional duty of 45.1 Euros per 100kg (for the rules on the methods of calculation of a duty see the TARIC instructions, C103, in annexe).

For a certain number of processed products that contain primary products subjected to a duty, an additional duty will be levied: AC (agricultural component), ADSZ (additional duty on sugar), and ADFM (additional duty on flour). These duties depend on the composition of the products (level of fat, amount of sugar or flour, etc…). This composition is calculated, according to the product, with the help of a matrix of technical coefficients (Meursing Table, included in TARIC). The applied regulations do not provide values for these additional elements. Thus, one can read in the TARIC for "sugar confectionary, containing less than 70% by weight of sucrose" (code 1704905190): 9 % + AC MAX 18.7 % +ADSZ. In the DBTAR processing, the value of these additional elements (AC, ADFM, ADSZ) is estimated by considering the average of the additional duties applying to this product in the Meursing composition table. This indicative value must be considered as an approximation[5]. Concerning these additional duties, it must be noted that they are sensitive to tariff regimes and that they will differ depending on whether or not they concern a preferential or MFN duty.

In the end, the necessity of being able to compare and manipulate specific or complex duties leads us to transform them into ad-valorem equivalents (AVE).

$$AVE = taxe + \frac{specific\ duty}{price}$$

This operation, which aims to express a duty as a percentage of a product's price, is inevitably an approximation insofar as the prices of products are not known at the time of customs clearance. To this end, we use as the approximate value of the price the unit value: monetary value of import / quantity or unit of goods. The estimation of the unit value is based on the data of the COMEXT database of Eurostat. Furthermore, in order to be able to compare variations in customs duties over time, the same unit value is used for all the periods from 2001 to 2004[6]. This value is estimated by retaining the average unit values per product for the whole period (prixm variable in DBTAR).

[5] The hypothesis would be that all the additional elements enter into the composition of processed products in the same proportions (weight=1).

[6] Estimating AVEs with prices that vary according to the periods can very well be justified, but this would result in attributing to a tariff a change in duty when in fact there is only a movement linked to the price.

2.2. Fruit and vegetable tariffs

Due to its complexity, the European protection of fruit and vegetables deserves a particular examination, notably to specify the role of entry prices and the functioning of seasonalized tariffs.

2.2.1 Principles of the tariff protection applied by the EU to third countries

For the majority of fruit and vegetables, the variable levies applied until 1994 have been abolished and replaced by an ad-valorem tax to which, for certain products, specific duties have been added (often expressed in Euros per 100kg). If variable levies allowed to compensate for differentials between world prices and those of the European market, thereby guarantying a high price for European producers, they also allowed to disconnect the European market from world market fluctuations. By transforming protection into ad-valorem taxes, the risk of transmitting world price fluctuations within the European market is now greater. Protection through a specific duty allows on the contrary to limit market access for low-priced products.

For certain products deemed too sensitive –- tomatoes, cucumbers, artichokes, courgettes, lemons, table grapes, apples, apricots, cherries, peaches, plums, grape juice –- it has been necessary to guarantee a certain price level while limiting the transmission of world market fluctuations. A system of protection dependent on the entry-price of products on the European market has been established.

2.2.1.1. The protection of products with an entry price: the case of the tomato

Whatever the origin of the product, the European protection is based on a threshold price, called « trigger price ». When a product enters the European market at a price that is above this trigger price (84.6 €/100kg in the present case of tomatoes, table 4), then the importer has only to pay the ad-valorem part of the duty (8.8%). If the entry price is below this trigger price, then a safeguard measure is triggered and the importer must pay specific duties in addition to the ad-valorem tax. This specific duty is calculated as the difference between the trigger price and the entry price. Finally, if the entry price is below a certain level, equal to 92% of the trigger price (here 77.8 €/100kg), then the specific duty imposed is at its maximum, that is to say 29.8 €/100kg. Thus, the lower the market entry price is, the higher are the duties to be paid. Furthermore, if we take into account both elements of the duty, when the entry price is lower than 77.8€ then the level of duty represents 73.4% of the price.

It must be noted that the EU « notifies » this maximum specific duty to the WTO on its scheduled commitments and thus once notified, the maximum specific duty is not negotiable, even in the case of preferences. This means that if the product's entry price is less than 92% of the trigger price (Cf. Box 1), the maximum specific duty is always applied. As a result, the margin of negotiation for the preferences is limited to the exemption or the reduction of the ad-valorem part of the customs duty, and to the lowering of the trigger price. It will be seen further on how these instruments are used.

Table 4 : The entry price system; example of the protection applied to tomatoes within the framework of the MFN regime between October and March.

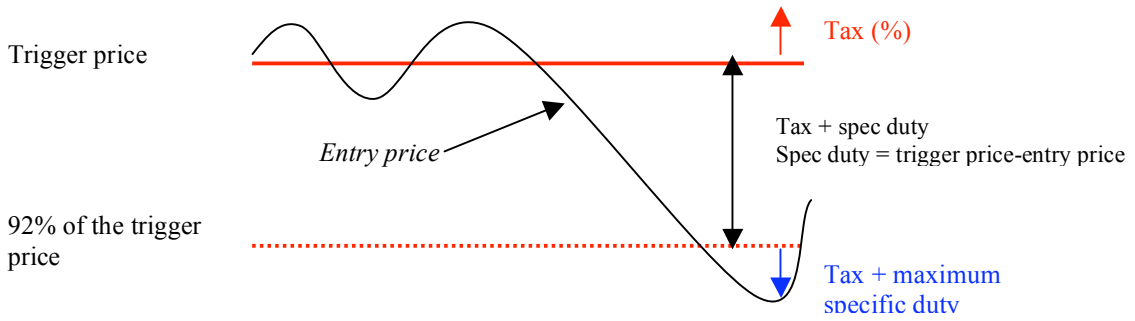
MFN tariffs for tomatoes

1 October to 31 March

Entry Prices	Ad valorem tax (%)	Specific duty (€/100kg)	Ad valorem equivalent (%)(*)
Trigger price >=84,6	8,8	0	8,8
82,9	8,8	1,7	10,9
81,2	8,8	3,4	13,0
79,5	8,8	5,1	15,2
77,8	8,8	6,8	17,5
<77,8	8,8	29,8	73,4

(*) Ad valorem equivalent = Ad valorem tax + (specific duty/Entry price).

Box 1 : How the protection works in an entry price system.



2.2.2. A protection that varies over time

Unlike other agricultural products for which the protection is defined once a year, in June when the EU submits to the WTO its scheduled commitments ([7]), the protection of fruit and vegetables can vary during the year. Thus, for example, the MFN duty for green beans is 13.6% from July to October, whereas it is 10.4% over the winter period.

For entry price products, seasonality can be taken into account in two ways:

- Variation of the trigger price

- Evolution of the ad-valorem tax.

However, the maximum specific duty remains constant all over the year.

For tomatoes, for instance, two seasons are defined: the winter period from November to May, and the summer one from June to the end of October. Ad-valorem rates are defined for each of these two seasons; however entry prices can vary within these periods according to European production conditions (Table 5). Thus, for example, the high price in April is aimed at protecting the greenhouse productions of Northern Europe.

Table 5 : Evolution during the year of the protection applied by the EU within the framework of the MFN regime in the case of the tomato.

	Trigger Price €/100kg	Ad-valorem (%)	Specific duty €/100kg	<92% Trigger Price €/100kg	Ad-valorem (%)	Specific duty €/100kg
January-March	84,6	8,8	0	77,8	8,8	29,8
April	112,6	8,8	0	103,6	8,8	29,8
May	72,6	8,8	0	66,8	8,8	29,8
June-September	52,6	14,4	0	48,4	14,4	29,8
October	62,6	14,4	0	57,6	14,4	29,8
Nov-December	62,6	8,8	0	57,6	8,8	29,8

Source : TARIC

2.2.3. The determination of the customs value problem

As the products are perishable and sold on consignment, the value of the transaction is only known when the products are marketed, not when they enter the European market. Indeed, the non European exporter dispatches his product to an importer who then undertakes the sale. When leaving the country of origin, the product's price is not fixed. After the sale, the exporter is paid the market price at the time of the sale. Consequently, for the customs officer, the main problem is knowing the customs value so as to calculate the protective duty to be applied. In the case of fruit and vegetables two systems are used: one is specific to entry price products, and the second, which is the unit value system, is applied to the other products.

[7] These commitments have not changed since 2001, the final year of the implementation of the Marrakech agreements.

2.2.3.1. Products with an entry price

Three possibilities are given to the importer for declaring the customs value:

-The use of the Standard Import Value (SIV)
-The use of the FOB value (augmented by transport and insurance costs) – the FOB method
-The customs value or invoiced value (the deductive method)

The standard value is an « official » price published each day in the Official Journal of the European Union. It is applied in all member states the day after publication. The standard value is calculated by the Commission, by product and by origin, on the basis of the weighted average of a product's prices observed on member states' representative import markets or on other markets when necessary. The value thus calculated is reduced by a standard amount of 5€/100kg and by the value of the ad-valorem tax ([8]).

If the importer chooses the standard value (SIV) during customs clearance, the specific duty to be applied is determined by comparing the SIV to the entry price scale defined above. In the following example (Table 6), on the 4th of January 2003, the SIV applied to all third countries was 39.9€/100kg. At this price, which is below the trigger price (77.8€/100kg), the importer has to pay, in addition to the ad-valorem tax, the maximum specific duty (29.8 €/100kg). On the other hand, on the 9th of January, the SIV being above the trigger price, the importer does not have to pay a specific duty (see SIV table, annexed to DBTAR).

Table 6 : The standard value of tomato imports from third countries (other than Morocco and Turkey), and the level of protection, in January 2003.

	Standard value	Ad-valorem tax (%)	Specific duty
04-Jan	39,9	8,8	29,8
07-Jan	87,6	8,8	
08-Jan	94,4	8,8	
09-Jan	90,1	8,8	
14-Jan	75,6	8,8	29,8

Source : OJEC

The calculation of the duty rates to be paid is the same for the two other methods (deductive and FOB). The difference between these methods lies in the choice of the adopted customs clearance value. The importer may choose:

- either the FOB price of the products in their country of origin plus the costs of insurance and freight up to the borders of the Community customs territory, when this price and such costs are known at the time the declaration of release of the products for free circulation is made. If the aforementioned prices are more than 8 % higher than the standard import value, the importer must lodge a security equal to the amount of duty which he would have paid if the standard import value applicable to the lot in question had been used.
- or the customs value applied only to the imported products considered on the invoice. In this case, the duty shall be deducted (deductive method). In this case too, the importer must leave a deposit calculated in the same manner as above.

The importer has one month to sell the product and is subjected to a four month time limit, from the date of acceptance of the product's release for free circulation, to prove that the lot was sold

[8] SIV=(WAP-5€/100kg)/(1+t) where t is the ad-valorem duty and WAP is the weighted average of prices

within the declared price conditions. If the importer does not comply with one or the other of these deadlines, he loses his deposit. He also loses his deposit if he is unable to prove that the declared conditions have been fulfilled.

The importer will choose one of these three methods (SIV, FOB, deductive) according to the level of the standard value (compared to the trigger price). In practice, it appears that the choice of these methods depends on the operators (size) and on the different Member States. If these different methods relate to management conditions for the customs clearance value of fruit and vegetables, the unification of procedures deserves thought.

2.2.3.2. Products without an entry price

For products without an entry price, the problem of the determination of the customs value is the same as above. Simplified procedures have been established, which consist in adopting unit values (UV) applicable to the said products during periods of fourteen days each (starting on a Friday). The unit values are calculated from the prices of a previous reference period. They represent the customs value of the goods concerned; it is therefore no longer necessary to adjust them according to costs (delivery, etc.) or eventual price reductions.

The simplified procedures can only be applied to the fruits and vegetables. They are also excluded when these same agricultural products are subjected to the system of standard values.[9]

Resorting to simplified procedures is optional for the importer. Nevertheless, in order to avoid that the most favourable regime is systematically chosen, resorting to the said procedures is subjected to certain restrictions.

Thus, once an importer chooses the simplified procedures for declaring the customs value of the product, he adheres to the system. This means that through this adherence, the importer implicitly commits himself to apply this system, until the end of the current civil year. When an importer resorts to the usual evaluation rules, after having applied the simplified procedures, for a same product (by declaring for example the purchase price), he loses the benefit of the simplified procedures for the said product until the end of the current civil year. The exclusion measure, which will sometimes be extended until the end of the following civil year, is always taken by the central Administration.

2.2.4. The system of preferences for fruit and vegetables

The functioning of the fruit and vegetable tariffs which has been presented above applies to all third countries entering the European market. The functioning principles are the same in the case of preferential agreements, where EU market entry conditions are naturally more favourable. The terms and conditions for defining and granting preferences vary a lot from one product to another, from one month to another and from one country to another. Examples include tariff preferences that can go as far as the total exemption of the ad-valorem part of the tariff, or tariff preferences defined within reference quotas or reference quantities.

[9] Regulation (EC) n° *3223/94* of 21/12/1994, O.J. n° L 337 of 24th December 1994).

2.2.5. Fruit and vegetable tariffs and DBTAR

In order to illustrate an example of the utilization of DBTAR with regards to fruit and vegetables, we consider here the MFN duty (measure 103) on the cherry tomato (code 0702000007) for the first six months of the year 2002. The table below shows that the first semester of the year distinguishes four different periods in the application of duties, which go from the month of January to the month of March (variable md and mf in DBTAR), the month of April, the month of May and from the month of June to September. For each of these periods, duties will depend on the different entry prices. As a result there are 11 stages (variable stage in DBTAR) for the first period and 6 for the three other periods. To each entry price (variable pentr in DBTAR) corresponds a customs duty containing an ad-valorem part (txA in DBTAR) plus a specific duty (spec in DBTAR) whose amount increases when the price decreases. The AVE variable gives the ad-valorem equivalent which is estimated here according to the entry price. The SV variable specifies that for this product the importer can adopt a taxation procedure relying on the SIV (see preceding section). The value of this SIV changes every two days. For a more detailed examination of the duty according to the choice of the SIV at a more precise date of importation, it is necessary to refer to the table of standard values by product which is annexed to the DBTAR project.

Table 7 : DBTAR example of the tomato (0702000007)

stage	md	mf	pentr	txA	spec	SV	AVE
1	1	3	84,6	8,8	0	SV	8,8
2	1	3	82,9	8,8	1,7	SV	10,9
3	1	3	81,2	8,8	3,4	SV	13,0
4	1	3	79,5	8,8	5,1	SV	15,2
5	1	3	77,8	8,8	6,8	SV	17,5
6	1	3	46,1	8,8	29,8	SV	73,4
7	1	3	45,2	8,8	29,8	SV	74,7
8	1	3	44,3	8,8	29,8	SV	76,1
9	1	3	43,3	8,8	29,8	SV	77,6
10	1	3	42,4	8,8	29,8	SV	79,1
11	1	3	42,4	8,8	29,8	SV	80,8
1	4	4	112,6	8,8	0	SV	8,8
2	4	4	110,3	8,8	2,3	SV	10,9
3	4	4	108,1	8,8	4,5	SV	13,0
4	4	4	105,8	8,8	6,8	SV	15,2
5	4	4	103,6	8,8	9	SV	17,5
6	4	4	103,6	8,8	29,8	SV	37,8
1	5	5	72,6	14,4	0	SV	14,4
2	5	5	71,1	14,4	1,5	SV	16,5
3	5	5	69,7	14,4	2,9	SV	18,6
4	5	5	68,2	14,4	4,4	SV	20,9
5	5	5	66,8	14,4	5,8	SV	23,1
6	5	5	66,8	14,4	29,8	SV	59,7
1	6	9	52,6	14,4	0	SV	14,4
2	6	9	51,5	14,4	1,1	SV	16,5
3	6	9	50,5	14,4	2,1	SV	18,6
4	6	9	49,4	14,4	3,2	SV	20,9
5	6	9	48,4	14,4	4,2	SV	23,1
6	6	9	48,4	14,4	29,8	SV	77,3

Source DBTAR

2.3. European Union import duties on cereals

Cereals are products which are also subjected in Europe to a particular tariff management. We present here the general characteristics of cereal protection within the framework of all third country duties (MFN).

2.3.1. General principles: a fixed tariff which decreases over time

Following the Uruguay round, import duties were fixed with a schedule of progressive reductions (-36% over a period of 6 years starting from 1995 and with a minimum reduction of 15% for each -8 digit- product). When the goods do not benefit from preferential tariffs, their EU entry price includes two types of duties:

- A fixed basic duty, called tariff equivalent. It is quoted in Euro/t (specific duty).
- An additional variable duty : this « ad valorem » duty is not systematic and is applied within the framework of a « safeguard clause » when the import price is too low (barely used for cereals).
- An AAPL agricultural component linked to an additional code expressed as specific duties, which has been abolished since June 2001.

In fact, in the case of agriculture customs duties are for the most part specific duties.

2.3.2. The special case of the main cereals: the capping of duties

The EU has established a system for capping duties with regard to the main cereals, so as to put a ceiling on the trigger price and avoid that the entry price rises too much compared to the years preceding the AAUR. The price fixed (the internal reference price entering in the tariff calculation) is therefore capped at 155% of the intervention price if the sum of the duties makes it go above this threshold.

In the case of cereals, given the level of protection that applied during the reference period of 1986-1988, the tariff equivalent, notified to the WTO, is so high that the entry price (import price + customs duty) is almost systematically capped. As a result, the tariffs implemented for cereals end up being a tariff mechanism that is comparable to that of the old system of variable duties.

2.3.3. Principles for calculating the duties applied to cereals

For each product, a duty is levied that is equal to the trigger price (equivalent to 155% of the intervention price) diminished of the cif (Rotterdam) reference price of the considered variety[10].

The resulting reference price and import duty are calculated every fortnight of the month. The constitutive elements as well as the level of duty on cereals are then published in the OJEC. The duty is composed of three constitutive elements: an average of American Fob quotations, a US-Gulf freight premium and a US-Rotterdam freight premium.

[10] Since 1996 cereals are priced within the framework of regulations (EC) 1766/92 and (EC) 1249/96, last amended by regulation (EC) 2104/2001, and for the functioning of the intervention prices by regulation 1253/99.

Box 2 : Elements for calculating the duty on cereals

Import duty = 155% x intervention price – CIF reference price

CIF reference price = average US quotation for the reference variety during the preceding two weeks
+ Gulf premium or Great Lakes premium
+ Gulf-Rotterdam or Great Lakes-Rotterdam freight premium

Intervention price = price in force including monthly increases at the time the duty is applied

The reference price calculation is carried out on the basis of the average American Fob quotation observed during the two weeks preceding the calculation, for example, the HRS2 in Minneapolis for high quality wheats, the HRW2 quoted in Chicago for medium qualities and the SRW2 for low qualities.

To this price are added the two transport « premiums » intended to form a CIF price equivalent in Rotterdam. The first freight premium corresponds to the cost of freight across the United States to the Gulf (« Gulf premium ») if the commodity is quoted in Chicago or Kansas City, or to the Great Lakes (« Great Lakes » premium) if the commodity is quoted in Minneapolis. The second freight premium corresponds to freight from the United States (Gulf or Great Lakes) to the port of Rotterdam in the Netherlands.

2.3.3.1. Example of calculation: pricing of low quality wheat

A fortnightly regulation provides the three constitutive elements of the reference price. On the 4th of January 2002, the calculation of the duty on low quality wheats, excluding those originating close to the EU, gave the following:

Table 8 : Example of calculation for the duty on low quality wheat

Elements of calculation (Euro/t) : Low quality wheat		
a	Average quotations over the two week period preceding the day of settlement at th Chicago Board of Trade for the SRW2	120.55
b	Gulf Premium	20.86
c	Gulf-Rotterdam Premium	19.68
d=a+b+c	**Representative CIF price**	**161.09**
e	Intervention price in use	104.1
f=155% e	**Maximum fixed price**	**161.36**
g=f-d	**Duty applied**	**0.27**

The quotations used to determine the import duties for each cereal and variety are the following:

Table 9 : Reference quotations

Cereals	Reference quotations	
Soft wheat		
High quality	HRS 2	Minneapolis Grain exchange
Medium quality	HRW 2	Kansas City Board of Trade
Low quality	SRW 2	Chicago Board of Trade
Durum wheat		
High quality	HAD 2 - 14%	Chicago Board of Trade
Medium quality	HAD 2 - 10 E/t	
Corn	YC3	Chicago Board of Trade
Barley	US barley n°2	Minneapolis Grain exchange

HRS : Hard Red Spring ; HRW : Hard Red Winter ; SRW : Soft Red Winter ;
HAD : Hard Amber Durum ; YC : Yellow Corn

3. EU preferential regimes

The EU authorities are constantly adapting the common customs tariff to developments in world trade while complying with the undertakings given in WTO negotiations. Any trade agreements the EU may have with third countries or groups of countries are notified to the WTO under Article XXIV of the GATT covering the formation of free trade areas (FTAs) and customs unions. In addition to the provisions of Article XXIV of the GATT, the "enabling clause" allows non-reciprocal tariff concessions to be granted for goods from certain developing countries or groups of countries. But the EU also grants tariff preferences autonomously and non-reciprocally to certain groups of countries (ACP, OCT, western Balkan states).

- The purpose of a customs union is to integrate and constitute a single entity with a common customs tariff.

- In free trade areas, the countries merely wish to bring their economies closer together through reciprocal tariff concessions. Although the objective is to entirely eliminate customs duties and trade restrictions between the countries in the FTA, each EU Member State retains its own customs tariff and its own trade policy with regard to the outside world. Consequently, the FTA has to define rules to determine which goods can move freely from one country to another within the zone (according to whether the goods come from a country within the FTA or are imported from the outside). Most of these are rules of origin. In terms of tariff preference, the most important thing is sometimes not so much the perspectives in which the agreements are notified as the day-to-day conditions and the nature of the applicable agreements.[11] The common feature of the different forms these free trade agreements may take (association, cooperation, specific, partnership) is the reciprocal nature of the tariff concessions.

3.1 The different EU preferential agreements

The free trade areas of which the EU is a part include the European Economic Area (EEA – European Union, Iceland, Norway and Liechtenstein) and the zones formed with each member of the European Free Trade Association (EFTA – Iceland, Norway, Switzerland and Liechtenstein). The EU has concluded association agreements in a free trade area perspective with South Africa and the countries of central and Eastern Europe (Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia). Its association and cooperation agreements with the Mediterranean Basin countries (Algeria, Cyprus, Egypt, Israel, Lebanon, Morocco, Palestine Liberation Organisation, Syria and Tunisia) are due to be replaced in the near future by the Euro-Mediterranean agreement. Table 10 gives a list of EU preference schemes.

[11] Malta and Cyprus, for example, are notified by the EU under the heading of customs unions but the arrangement is an association agreement which concerns only manufactured products.

Table 10 Principal EU preferential agreements

EFTA countries	Origin rules
SWITZERLAND	diagonal "paneuropean "
ICELAND	diagonal "paneuropean "
NORWAY	diagonal "paneuropean "
EUROPEAN ECONOMIC AREA	diagonal "paneuropean "
(EC-Iceland-Norway- Liechtenstein)	
Central and Eastern Europe countries	
HUNGARY	diagonal "paneuropean "
POLAND	diagonal "paneuropean "
CZECH REPUBLIC	diagonal "paneuropean "
SLOVAK REPUBLIC	diagonal "paneuropean "
BULGARIA	diagonal "paneuropean "
ROMANIA	diagonal "paneuropean "
ESTONIA	diagonal "paneuropean "
LATVIA	diagonal "paneuropean "
LITHUANIA	diagonal "paneuropean "
SLOVENIA	diagonal "paneuropean "
West Balkan countries	
MACEDONIA (Former Yugoslavia)	bilateral
CROATIA	bilateral
Mediterranean countries	
TURKEY (products non-customs)	bilateral
MALTA	bilateral
CYPRUS	bilateral
ALGERIA	bilateral, diagonal, total
TUNISIA	bilateral, diagonal, total
MOROCCO	bilateral, diagonal, total
ISRAEL	bilateral
PALESTINIAN AUTHORITY	bilateral
EGYPT	bilateral
JORDAN	bilateral
LEBANON	bilateral
SYRIA	bilateral
Other countries or territories	
ANDORRA (agr. products – non-customs)	bilateral
FAEROE ISLANDS - (Denmark)	bilateral
AFRICA-CARIBBEAN-PACIFIC	bilateral
SOUTH AFRICA	bilateral
MEXICO	bilateral
CHILE	bilateral
AUTONOMOUS AREAS	
COUNTRIES & TERRITORIES OVERSEAS	bilateral and total
SYSTEM OF GENERAL PREFERENCES	bilateral, regional diagonal
WEST BALKAN COUNTRIES	bilateral
(Albania, Bosnia-Herzegovina, Yugoslavia)	
CEUTA AND MELILLA	bilateral, diagonal, total

Source : Customs and Excise (2003)

- The diagonal cumulation of origin, or "paneuropean", includes the products originating from the Community, Bulgaria, Switzerland (including Liechtenstein), the Czech Republic, Estonia, Hungry, Iceland, Lithuania, Latvia, Norway, Poland, Romania, Slovenia, the Slovak Republic and Turkey (with the exception of the agricultural products mentioned in Annexe I of the EC Treaty – see OJ n°C100 of 25.4.2002, p. 5) ;
- The cumulation of origin with South Africa, also provided for in this agreement, has not yet come into force.
- The cumulation of origin with the ACP countries, also provided for in this agreement, has not yet come into force.
- The bilateral GSP cumulation applies between the EC and the beneficiary country, the "diagonal" cumulation applies between the EC, Norway or Switzerland and the beneficiary country, and the regional cumulation applies between the beneficiary countries which are members of one of the four GSP regional cumulation groups (Association of South East Asian countries, Central American Common Market, Andean Community, South Asian Association for Regional Cooperation). These types of cumulation can be combined for a same operation.

Leaving aside the provisions of Articles V and XXIV of the GATT, the enabling clause allows non-reciprocal tariff concessions to be granted to goods from certain developing countries or groups of countries. They are tariff preferences given by the EU in the context of the Generalised System of Preferences (GSP). The GSP enables 112 developing countries, such as those of Asia and Latin America, to export agricultural products to the European Union at reduced rates of duty.

Since 1998, additional tariff reductions have been applied to certain developing countries under GSP incentive schemes. These programmes are applied to countries which comply with international agreements on environmental protection, child labour and forced labour. Special schemes are also granted to countries that carry out anti-drug campaigns (GSP Drugs, concerning 12 Andean and Central American countries plus Pakistan). In 2002, in the context of GSP, the EU introduced the "Everything But Arms" (EBA) initiative in favour of 49 LDCs.

The EU also gives non-reciprocal tariff preferences to the African, Caribbean and Pacific countries (ACP). The Lomé Convention, which covers the cooperation agreements with the ACP countries, was replaced in 2000 by the Cotonou agreements, which cover 77 countries. Non-reciprocal tariff preferences are maintained on an exceptional and transitional basis until the end of 2007, but must then be replaced by reciprocal Economic Partnership Agreements (EPAs). Concerning non-reciprocal autonomous preference schemes, an association arrangement, already included in the Treaty of Rome, binds the EU with OCTs in the Association of Overseas Countries and Territories. The EU also has unilateral arrangements with the western Balkan countries (Albania, Bosnia-Herzegovina), Ceuta and Melilla (Table 10).

This brief review of EU tariff preferences highlights the relative complexity of a tangle of schemes under which countries may simultaneously benefit from preferences that often apply to different products. The table in Annexe 1 shows which countries benefit from EU preferences according to the classification of current schemes used by TARIC, the Integrated Tariff of the European Communities. Given the large number of agreements, table 11 shows which countries are eligible for which EU preferences.

Table 11 Grouping of EU preferential agreements

	Abbreviations
Group by agreement	
AFRICA, CARIBBEAN, PACIFIC	**ACP**
MAGHREB (Algeria, Morocco, Tunisia)	**MGB**
BALKAN (Albania, Bosnia and Herzegovina, Yugoslavia)	**BALK**
EUROPEAN ECONOMIC AREA(Iceland, Liechtenstein, Norway)	**EEA**
System of general preferences - General regime (Regulation EC- 01/2501)	**GSP**
GSP "Everything but Arms"- GSPA (Regulation EC- 01/2501- Annex I Column H)	**EBA**
GSP "Drug"- GSPE (Regulation EC- 01/2501- Annex I Column I)	**GSPE**
PECOS (Czech.rep, Hungary, Poland, Slovakia)	**PECs**
Association of Overseas Countries and Territories, OCT	**OCT**
MACHRAK (Egypt, Jordan, Lebanon, Syria)	**MCH**
Other specific EU agreements (Andorra, Bulgaria, Croatia, Cyprus, Estonia,	**Other**
Faeroe Islands, Israel, Latvia, Lithuania, Malta, Mexico, Romania, San Marino, Slovenia	
South Africa, Switzerland and -Liechtenstein, Turkey)	
Non-reciprocal agreements	
	GSP+EBA+GSPE
BALKANS	**BALK**
Association of Overseas Countries and Territories, OCT	**OCT**
AFRICA, CARIBBEAN, PACIFIC	**ACP**

3.2. Principle characteristics of the European GSP

During its first phase (1971-1981, renewed for 10 years), the European GSP was reviewed each year. The European GSP subsequently moved onto a pluriannual basis, the current programme, begun in 1995, being valid until the end of 2004. On 12 June 2001, the European Commission adopted a proposal for a revision to the EC scheme to be applied from 2002 to 2004 (Regulation 2501/2001). In application of the 1995 guidelines, several important changes were made to the EC scheme, of which two key features were tariff modulation and graduation.[12]

Tariff modulation replaced the traditional approach of granting duty-free access for limited quantities of imports with a system of different preference margins for sets of products with different degrees of sensitivity. Under the new regulation, since 2002 there have been only two categories: "non-sensitive" products, obtaining duty-free treatment, and "sensitive" products, benefiting from the preferential rate. To help halt the erosion of preferences as MFN liberalisation proceeds, GSP rates for "sensitive" products are expressed as a reduction of 3.5 percentage points on *ad valorem* MFN rates and a 30 per cent reduction on specific MFN rates.[13] For sensitive products with specific rates, if the duty is less than 2 euros (compared with 0.5 euros previously) there is an exemption from duty. Whenever there are mixed *ad valorem* and specific rates, only the *ad valorem* part is reduced.

Graduation (Box 3) leads to the exclusion of imports from certain countries[14] in respect of certain sectors or from the entire GSP scheme. The exclusion of countries is based on one of two criteria: the degree of export specialisation (the "specialisation index") and a development indicator (the "development index"). Exclusion on the grounds of export specialisation is based on a ratio between a country's share of total EC imports in a given sector and its share of total EC imports in all sectors, the so-called "lion's share" clause. The development indicator is based on an exporter's per capita income and total exports, compared with those of the EC.[15] To make graduation more neutral and automatic, the European Commission revises the list of beneficiaries by applying the criteria for graduation once a year. However, a country must meet either of the criteria for three consecutive years before being removed from the list of beneficiary countries. At present there is no provision for re-entry to the GSP scheme once a country has graduated.

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[12] GSP – Handbook on the Scheme of the European Community 1998 (UNCTAD/TBS/Misc.25)

[13] There are exceptions to this rule for textiles which, when not subject to graduation, benefit from a 20% reduction and for ethyl alcohol (15%).

[14] Developing countries are not defined in the WTO, but such status is largely self-determined (WT/COMTD/W/93). This does not mean that all countries which consider themselves to be developing are necessarily accepted as such by GSP preference givers, and the list of developing countries receiving GSP benefits varies between preference givers. This ambiguity, linked with the unilateral nature of the schemes, appears to open the possibility for selection or graduation of GSP beneficiaries. Moreover, even countries which are designated beneficiaries under the various GSP schemes do not necessarily obtain GSP treatment for all their exports: for example, some products may be excluded or eliminated from GSP treatment because they are considered by the preference giver to be "competitive", because the preference giver has concerns about the effects on domestic industry or for other reasons. On the other hand, LDCs, which are eligible for special treatment under the Enabling Clause, are defined by the United Nations system, and this definition is accepted by the WTO. However, the lists of LDC beneficiaries applied by the United States and Japan diverge slightly from the UN list. Japan considers Zambia as a developing country, and hence a GSP beneficiary, not an LDC, whereas the UN classifies Zambia in the LDC category. Again, the United States considers Mauritius to be an LDC, although Mauritius is not in the UN group.

[15] For graduation of a country, it is envisaged to use the threshold according to which the World Bank classifies countries as "high income". This aims to improve predictability and objectivity.

Box 3: Graduation in the European Union GSP

The graduation mechanism in the European Union GSP is based on the values of the development index (DI) and specialisation index (SI). Graduation does not apply to LDCs or countries with a DI of less than -2 or to beneficiary countries which account for less than 2% of imports of products in the sector concerned. The DI is measured using a formula based on per capita income and the value of manufactured exports, explained in Annex II of Regulation 2501/2001 of 10 December 2001. Graduation may be activated by two mechanisms, the "lion's share" test and the specialisation index. The "lion's share" clause is triggered if EU imports from a given country in a given sector exceed 25% of all imports of the product from all GSP qualifying countries. The specialisation index compares imports of a given product from a beneficiary country with all imports from that country. If the share in a given sector exceeds the SI thresholds below, and if the country enters into the ID category below, graduation is activated for that sector.

Development Index (DI)	Threshold for the SI
= or > -1.0	100%
< -1.0 and = or > -1.23	150%
< -1.23 and = or > -1.70	500%
< -1.70 and = or > -2.00	700%

Thus, the lower a country's development index, the less demands the system makes with regard to specialisation. The aim is to preserve the advantages of the GSP for less developed countries when a very efficient producer of a product could capture the entire EU import market.

(Source: European Commission, responses to Trade Policy Review 2002 under the WTO procedure, 2002)

GSP rules of origin are those applicable to all products and sources.[16] Under these rules, in order to qualify for GSP treatment a product must be either wholly obtained or "sufficiently worked or processed", if imported inputs are used in the manufacture. A product is considered to be wholly obtained in a beneficiary country when it does not contain any imported input. When imported inputs are used in the manufacturing process of a finished product, the Community Customs Code requires that these non-originating materials be sufficiently worked or processed. This is defined as follows: "Products which are not wholly obtained in a beneficiary country or in the Community are considered to be sufficiently worked or processed when the conditions set out in the list in Annex 15 (*the new Single List*) are fulfilled." In the current scheme, the only general rule to be followed in order to determine the origin of a product is to establish its tariff classification in the Harmonised System (HS) and check if the conditions laid down in the Single List for that specific product are met. The proposed regulation for the 2002-2004 scheme does not affect the current rules of origin. Partial Regional Cumulation is granted to four regional groupings (the Andean Community, the Central American Common Market, the Association of South-East Asian Nations and the South Asian Association for Regional Cooperation). Derogation from rules of origin may be granted to LDC beneficiaries when the development of existing industries or the creation of new industries justifies them (derogations have been granted to Laos, Cambodia and Nepal for certain clothing products).

Another change in the current scheme since its introduction in 1995 was the introduction in 1998 of "additional preferences offered in the context of special incentive arrangements" intended to

[16] In accordance with Commission Regulation (EC) No. 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EC) No. 2913/92 establishing the Community Customs Code as amended by Commission Regulation (EC) No. 1602/2000.

promote sustainable development, in particular the protection of labour rights and the environment. There are also special arrangements for Andean countries, Central American countries and Pakistan which are conducting anti-drug campaigns (GSP Drugs). The European Union changed the GSP scheme in 2001 by reducing all duty on exports from 48 LDCs to zero. This initiative, known as "Everything But Arms" (EBA), is also one of the special arrangements under GSP. These arrangements are being evaluated so as to determine whether they achieve their objectives and whether they are consistent with other schemes. Whether or not the scheme is continued beyond 2004 depends on the results of the evaluation.

3.2.1. The "Everything But Arms" (EBA) initiative

In 2001, the European Union modified the GSP by reducing to zero all custom duties on the exports of 48 less developed countries. This initiative, called the "Everything But Arms" or EBA, came into effect in March 2001 and naturally excluded arms from the preference scheme. Nevertheless, a transition phase has been implemented for three sensitive products, sugar, bananas and rice. Imports of sugar will only be liberalized by the year 2009[17]. More precisely:

- Tariffs on rice exported by LDCs (tariff line 1006) will be reduced by 20% on September 1st 2006, by 50% on September 1st 2007, by 80% on September 1st 2008 and will be eliminated no later than September 1st 2009.

- Tariffs on sugar will be reduced by 20% on July 1st 2006, by 50% on July 1st 2007, by 80% on July 1st 2008 and eliminated no later than July 1st 2009.

- Tariffs on bananas are reduced by 20% per year starting from January 1st 2002 and eliminated no later than January 1st 2006.

- For rice (tariff line 1006) and sugar (tariff line 17011110), until MFN duties are completely suspended, a global duty-free quota is open for every marketing year. The initial quotas for the 2001/2002 marketing year are fixed at 2 517 tons for rice and 74 517 tons for sugar (white sugar equivalent). For every subsequent marketing year, these quotas will be increased by 15% in relation to the previous marketing year.

- The European Union will however carefully monitor importations and in the case of massive increases could apply safeguard measures

3.2.1.1. The preferential schemes for LDCs

The EBA initiative has to be assessed with regard to the preferential measures that already existed in 2000 for the LDCs. These were already partly included within the framework of the GSP special measures. They concerned agricultural products (GSPA) and other products (GSPC)[18], from which arms were already excluded. It must be emphasized that these measures, which relate to special regimes that where in force before the introduction of the EBA initiative, grant greater preference levels than those granted in the general GSP scheme.

[17] Reg. 2501/2001, L346
[18] Reg. 1256 of 1996 then Reg. 2820 of 1998 –L357

Furthermore, the EU also grants non-reciprocal preferential tariffs to the African, Caribbean and Pacific (ACP) countries. The Lomé convention that covered the cooperation agreements with the ACP countries was replaced in 2000 by the Cotonou agreement, which includes 77 countries[19].

Therefore, the African LDCs had, before the implementation of the EBA, the possibility of combining preferences granted in the GSP scheme and in the Cotonou regime (ACP). On the other hand, the Asian LDCs can only benefit from the preferences of the GSP scheme[20] (Table 12).

Table 12 : List of LDC countries benefiting from EU preferential agreements

EU - LDC Preferential agreements					
African Countries		ACP	GSP - EBA	Asian Countries	GSP - EBA
Angola	Equatorial Guinea	X	X	Afghanistan	X
Benin	Eritrea	X	X	Bangladesh	X
Burkina Faso	Ethiopia	X	X	Bhutan	X
Burundi	Gambia	X	X	Cambodia Kmpuchea)	X
Cape Verde	Guinea	X	X	Laos	X
Central African Republic	Guinea Bissau	X	X	Maldives	X
Chad	Haiti	X	X	Myanmar	
Comoros	Kiribati	X	X	Nepal	X
Djibouti	Lesotho	X	X	Yemen	X
Liberia	Solomon Islands	X	X		
Madagascar	Somalia	X	X		
Malawi	Sudan	X	X		
Mali	Sao Tome and Principe	X	X		
Mauritania	Tanzania	X	X		
Mozambique	Togo	X	X		
Niger	Uganda	X	X		
Rwanda	Vanuatu	X	X		
Senegal	Western Samoa	X	X		
Sierra Leone	Zaire	X	X		
Zambia		X	X		

Sources: TARIC (DG-Taxud), Regulation (EC) N° 2820/1998 and N°2501/2001.

[19] The non-reciprocal tariff preferences are maintained in a derogatory and transitional manner until the end of 2007, but will then have to be replaced by reciprocal Economic Partnership Agreements (EPAs).

[20] Within the framework of international economic sanctions the EU can indeed suspend or reduce, in whole or in part, economic relations with one or more third countries for reasons relating to foreign policy and common security. Amongst the countries concerned by such sanctions there is Myanmar.

4. DBTAR

The following elements describe the composition of the DBTAR database. The primary key for describing duties enables the identification of tariff information without duplicates. This key is composed of:

- nc10 : the 10 digit product code
- cgeo : regime membership code (erga omnes regime, preference group, country)
- mesur : tariff measure (103=MFN tariff, 122=WTO quota, 142=preferential tariff, 143=preferential quota)
- an : year (2001 to 2004)
- md : first month of application (fruit and vegetables)
- mf : final month of application
- stage : number of the entry price stage
- pentr : entry price value (fruit and vegetables)
- per : semester (1 or 2)

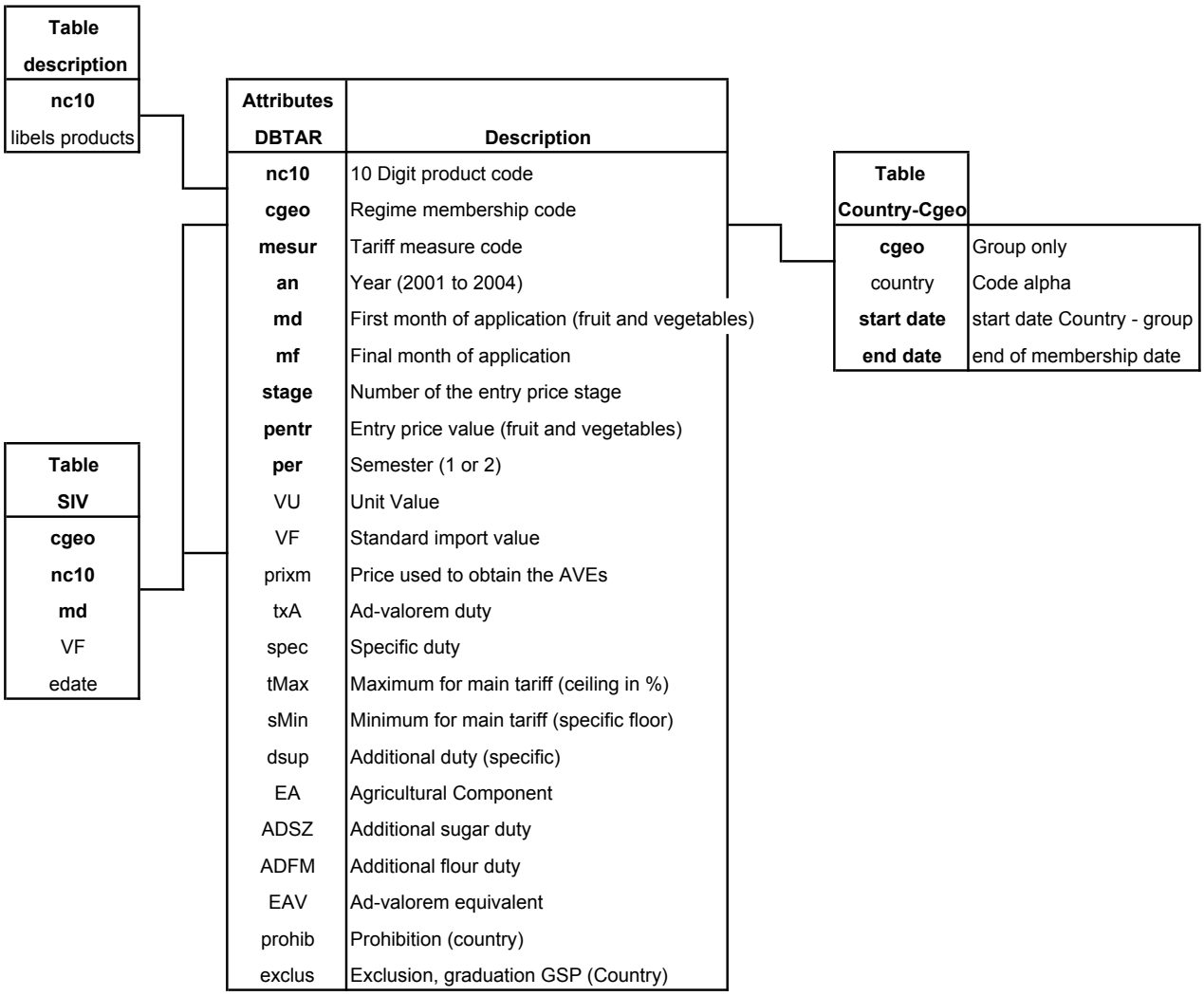
The DBTAR table is sorted on the key: nc10 cgeo mesur an md mf stage pentr per and contains 1 371 032 lines.

The DBTAR table can be directly uploaded into a data management system. The additional Country - Cgeo table allows to eventually consider a processing of tariffs by country by realizing a join with the cgeo and date attributes of the DBTAR table. The description table allows to retrieve the wording of the products nomenclature. Finally, the SIV table provides specifications on the Standard import value.

Database on European agricultural tariffs

DBTAR

2001-2004 Applied tariffs



1-Description attributes DBTAR

A. Regime membership code :

Regimes Group of countries CGEO	Libel
1011	ERGA OMNES
1015	Countries excluded from Reg. 1964/2003
1018	Countries covered by Reg. 658/2004
1031	ACP AFRICAN, CARIBBEAN, PACIFIC
1040	Countries excluded from Reg. 1447/2004 (farmed salmon)
1045	Countries covered by Reg. 206/2005 (farmed salmon)
1099	AL, BA, CS
2005	GSP (R96/1256 - ANNEXE IV)
2010	GSP LESS DEVELOPED COUNTRIES
2012	EUROPEAN ECONOMIC AREA
2015	GSP -GSPC - BA, XM, HR, AL (R98/2820)
2020	GSP (R 01/2501) – General regime
2022	GSP (R03/0815 - Art. 1(1)) - MX
2027	GSP (R 01/2501) - Annexe I Column I
2080	OCT OVERSEAS ASSOCIATES
2300	Silk or cotton products, woven on handlooms

B. Tariff measure code

mesur	Description
103	Duty applied to all third countries (MFN)
122	Duty applied to quotas open to all third countries
142	Preferential duty applied
143	Prefrential duty applied to quotas

2- Complementary tables

A-Tables Products Nomenclature description

- table nc10 : nc10 code; description
- table nc8 : nc8 code; description
- table nc6 : nc6 code; description
- table nc4 : nc4 code; description
- table nc2 : nc2 code; description

B- Table Country-Cgeo (complementary study, tariff by country)

cgeo	Regime membership code
Country	Country Code alpha
yd	Start year Country-group regime
md	Start month Country-group regime
yf	End year Country-group regime
mf	End month Country-group regime

C - Table SIV - Standard import value (complementary fruit and vegetables study by year-semester)

cgeo	Regime membership code
VF	Standard import value (Euro/1000)
nc10	10 digit product code
edate	end date
md	start month
an	year
per	semester (1 or 2)

Some References

OECD (2005), “Agricultural non reciprocal tariff preferences by the quad countries”, EU analysis part by J.Gallezot, Com/Agr/TD/WP(2005)15, 71p.

E.Chevassus-Lozza, J.Gallezot, M.Harel, V. Persillat (2005), "The protection of th European Market in th Fruit and Vegetable sector.", EU-MED AgPol, EU Sixth Framework Programme, August

J.Gallezot, JC Bureau, (2005), “Preferential Trading Arrangements in Agricultural and Food Markets : The case of the European Union and the United States”, OECD book, 183 p.

J.Gallezot, (2003), « Real Access to the EU’s Agricultural Market » DG Trade Seminar « Agricultur, Trade and Development » Thursday, 24 July, Brussels, 20p.

J.Gallezot,.(2002), Accès au marché agricole et agro-alimentaire de l’UE: Le point de vue du négociateur a l’OMC et celui du douanier. *Economie Rurale. Jan. Feb.* (267):56-66

J.Gallezot, and M.Harel, (2002). « TARAGRO », software for the analysis of the European tariffs applied on agricultural and food products. INRA-INAPG.

GSP – Handbook on the Scheme of the European Community 1998 (UNCTAD/TBS/Misc.25)

ANNEXE

I

(Information)

COMMISSION

Integrated tariff of the European Communities

(TARIC)

established by virtue of Article 2 of Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L 256, 7.9.1987, p. 1), as last amended by Regulation (EC) No 1832/2002 (OJ L 290, 28.10.2002, p. 1)

(2003/C 103/01)

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FOREWORD

In accordance with Article 6 of Regulation (EEC) No 2658/87 the Commission is publishing TARIC 2003.

TARIC incorporates the Community legislation listed in part one, section 1, which has been published in the *Official Journal of the European Union*. Where Community legislation was not published by the time TARIC went to press (25 February 2003), drafts of such legislation have been taken into account.

Since TARIC is published annually, it cannot include all legislation which enters into force after its publication date. Consequently, the information contained in this publication may be subject to change during the year.

TARIC is based on the Combined Nomenclature (CN) which has some 10 000 headings (coded with eight digits) and which constitutes the basic nomenclature for the Common Customs Tariff as well as for the statistics of external trade of the Community and of trade between Member States.

TARIC contains around 18 000 further subdivisions (coded with two extra digits or with an additional code) necessitated for the most part by:

1. tariff suspensions
2. tariff quotas
3. tariff preferences (including tariff quotas and ceilings)
4. the generalised system of tariff preferences applicable to developing countries
5. anti-dumping and countervailing duties
6. countervailing charges
7. agricultural components
8. unit values
9. standard import values
10. reference and minimum prices
11. import prohibitions
12. import restrictions
13. import surveillance
14. export prohibitions
15. export restrictions
16. export surveillance
17. export refunds.

TARIC is used by the Commission and the Member States for the purpose of applying Community measures relating to imports and exports, and, where necessary, to trade between Member States. TARIC also serves as a basis for the working tariffs and tariff files in the Member States.

Indeed, the only way of securing a uniform presentation of the relevant Community law is for the Commission to undertake the work of integrating and coding the above measures. This also makes it possible to collect Community-wide statistics for the measures concerned, thus making separate statistical reporting requirements for specific goods or measures largely superfluous. TARIC was created for this purpose.

The day-by-day changes in Community legislation are recorded in a database which is continually updated. The Member States are given prompt electronic notification of amendments and can amend their own working tariffs and tariff files accordingly. TARIC itself, like the national working tariffs, does not have the status of a legal instrument, but its codes must be used for customs declarations and statistical returns (see Article 5 of Regulation (EEC) No 2658/87, as amended by Regulation (EC) no 254/2000).

The published version of TARIC is produced annually by the Office for Official Publications of the European Communities

Since 4 September 2000 the DDS database (tariff data dissemination system) has been available on the Europa server of the Commission. This new database allows an interactive consultation of the integrated tariff of the Community (TARIC), the tariff quotas and tariff ceilings (QUOTA) and the European Communities inventory of chemical substances (ECICS). Its use is free. The address is: http://europa.eu.int/comm/taxation_customs/dds/en/home.htm.

INTRODUCTION

PART ONE

BRIEF OUTLINE

SECTION I

Structure and content of TARIC

The integrated tariff of the European Communities, known as TARIC, is designed to show the various rules applying to specific products when imported into the customs territory of the Community or, in some cases, when exported from it.

It incorporates:

— the provisions of the Harmonised System,

— the provisions of the Combined Nomenclature,

— the provisions of the specific Community legislation listed below.

1. Tariff suspensions
2. Tariff quotas
3. Tariff preferences (including tariff quotas and ceilings) as follows:
   - ACP States (African, Caribbean and Pacific States) and OCT (overseas countries and territories)
   - Algeria
   - Andorra
   - Bulgaria
   - Ceuta
   - Chile
   - Croatia
   - Cyprus
   - Czech Republic
   - Egypt
   - Estonia
   - European Economic Area (EEA) (Iceland, Liechtenstein, Norway)
   - Faeroe Islands
   - former Yugoslav Republic of Macedonia
   - Hungary
   - Iceland
   - Israel
   - Jordan

— Latvia
— Lebanon
— Liechtenstein
— Lithuania
— Malta
— Melilla
— Mexico
— Morocco
— Norway
— Occupied Palestinian Territory
— Poland
— Romania
— San Marino
— Slovakia
— Slovenia
— South Africa
— Switzerland
— Syrian Arab Republic
— Tunisia
— Turkey
— western Balkan countries (Albania, Bosnia and Herzegovina, Serbia and Montenegro)

4. The generalised system of tariff preferences applicable to developing countries (GSP)
5. Anti-dumping and countervailing duties
6. Countervailing charges
7. Agricultural components (for processed agricultural products)
8. Unit values (periodic values for certain perishable goods) (1)
9. Standard import values (for fruit and vegetables) (1)
10. Minimum prices and reference prices
11. Import prohibitions
12. Import restrictions:
    12.1. Quantitative limits
    12.2. Other restrictions including CITES
13. Import surveillance
14. Export prohibitions
15. Export restrictions:
    15.1. Quantitative limits
    15.2. Other restrictions including CITES and dual-use goods
16. Export surveillance
17. Export refunds (1)

(1) The amounts are not indicated.

SECTION II

Coding of goods

A large number of Community measures are in force which apply to certain specific products, and there is therefore a need for a full, structured nomenclature identifying such products with precision.

Goods are coded according to the TARIC nomenclature. The TARIC code has 10 digits. To allow for the application of specific Community rules which have not been coded, or for which only a partial code exists (to ninth and 10th digit level), there is an additional code, with four alphanumerical characters, currently used to provide for:

— complex anti-dumping and countervailing duties,

— agricultural components,

— pharmaceutical substances listed in part three, section II of the CN,

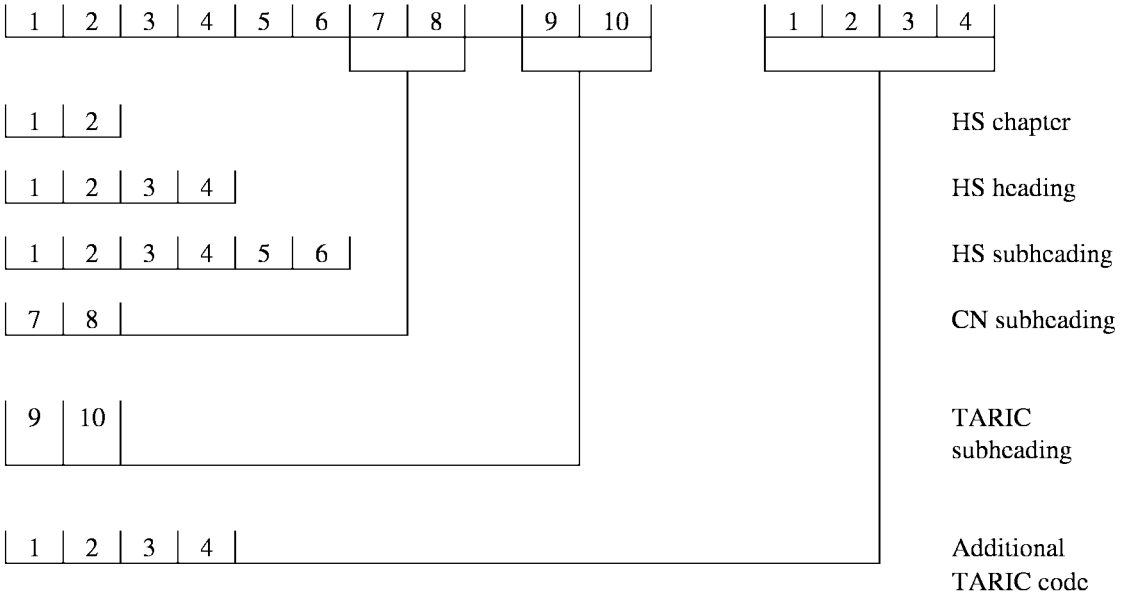
— CITES products (Washington Convention),

— reference prices for fish,

— certain other import or export measures for which a subdivision of the CN/TARIC code is required.

The 10-digit TARIC codes and, where necessary, additional codes apply to all imports of goods from non-Community countries and, during the transitional period, from new Member States. For exports and in trade transactions between Member States the eight-digit Combined Nomenclature codes and, where necessary, additional codes, are used.

Structure of TARIC codes and additional codes



SECTION III

General rules

A. **General rules for the interpretation of the nomenclature**

Classification of goods in the nomenclature shall be governed by the following principles.

1. The titles of sections, chapters and subchapters are provided for ease of reference only; for legal purposes classification shall be determined according to the terms of the headings and any relative section or chapter notes and, provided such headings or notes do not otherwise require, according to the following provisions.

2. (a) Any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as presented, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or falling to be classified as complete or finished by virtue of this rule), presented unassembled or disassembled.

   (b) Any reference in a heading to a material or substance shall be taken to include a reference to mixtures or combinations of that material or substance with other materials or substances. Any reference to goods of a given material or substance shall be taken to include a reference to goods consisting wholly or partly of such material or substance. The classification of goods consisting of more than one material or substance shall be according to the principles of rule 3.

3. When by application of rule 2(b) or for any other reason, goods are prima facie classifiable under two or more headings, classification shall be effected as follows.

   (a) The heading which provides the most specific description shall be preferred to headings providing a more general description. However, when two or more headings each refer to part only of the material or substances contained in mixed or composite goods or to only part of the items in a set put up for retail sale, those headings are to be regarded as equally specific in relation to those goods, even if one of them gives a more complete or precise description of the goods.

   (b) Mixtures, composite goods consisting of different materials or made up of different components, and goods put up in sets for retail sale, which cannot be classified by reference to 3(a), shall be classified as if they consisted of the material or component which gives them their essential character in so far as this criterion is applicable.

   (c) When goods cannot be classified by reference to 3(a) or (b), they shall be classified under the heading which occurs last in numerical order among those which equally merit consideration.

4. Goods which cannot be classified in accordance with the above rules shall be classified under the heading appropriate to the goods to which they are most akin.

5. In addition to the foregoing provisions, the following rules shall apply in respect of the goods referred to therein.

   (a) Camera cases, musical instrument cases, gun cases, drawing-instrument cases, necklace cases and similar containers, specially shaped or fitted to contain a specific article or set of articles, suitable for long-term use and presented with the articles for which they are intended, shall be classified with such articles when of a kind normally sold therewith. This rule does not, however, apply to containers which give the whole its essential character.

   (b) Subject to the provisions of rule 5(a), packing materials and packing containers [1] presented with the goods therein shall be classified with the goods if they are of a kind normally used for packing such goods. However, this provision is not binding when such packing materials or packing containers are clearly suitable for repetitive use.

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[1] The terms 'packing materials' and 'packing containers' mean any external or internal containers, holders, wrappings or supports other than transport devices (e.g. transport containers), tarpaulins, tackle or ancillary transport equipment. The term 'packing containers' does not cover the containers referred to in general rule 5(a).

6. For legal purposes, the classification of goods in the subheadings of a heading shall be determined according to the terms of those subheadings and any related subheading notes and *mutatis mutandis* to the above rules, on the understanding that only subheadings at the same level are comparable. For the purposes of this rule the relative section and chapter notes also apply, unless the context otherwise requires.

B. **General rules concerning duties**

1. The customs duties applicable to imported goods originating in countries which are Contracting Parties to the General Agreement on Tariffs and Trade or with which the European Community has concluded Agreements containing the most-favoured-nation tariff clause are the conventional duties shown in column 3 of the schedule of duties contained in Annex I to Commission Regulation (EC) No 1832/2002 ([1]).

   Unless the context otherwise requires, these conventional duties are applicable to goods, other than those referred to above, imported from any third country.

   The autonomous duties shown by means of a footnote in Annex I to Regulation (EC) No 1832/2002 are applicable when they are less than the conventional duties.

   In column 7 TARIC shows the applicable duties, which are:

   — the conventional duty, or

   — the autonomous duty, or

   — a combination of the two duties, or

   — a suspension of the autonomous or conventional duty.

   See part two, section III, item B.

2. Point 1 does not apply where special autonomous customs duties are provided for in respect of goods originating in certain countries or where preferential customs duties are applicable pursuant to agreements.

3. Points 1 and 2 do not preclude the Member States from applying customs duties other than those of the Common Customs Tariff where the application of such other duties is justified by Community law.

4. The duties expressed simply as numbers in columns 7 to 11 are *ad valorem* duties.

5. The symbol 'EA' or 'EAR' in columns 7 to 11 indicates that the goods concerned are chargeable with an 'agricultural component' determined under the regulations relating to trade in certain goods processed from agricultural products. The amount of the agricultural component is given in Annex 1.

6. The comment 'AD S/Z' or 'AD S/ZR' or 'AD F/M' or 'AD F/MR' in columns 7 to 11 in Chapters 17 to 19 indicates an additional duty for certain forms of sugar or for flour. This additional duty is fixed in accordance with the rules concerning trade in certain processed agricultural products. The amount of the additional duty is given in Annex 1. The maximum rate of duty (MAX) to which the symbol relates consists of an *ad valorem* duty plus the additional duty.

7. In Chapter 22 the comment 'EUR % vol/hl' in columns 7 to 11 means that a specific duty, expressed in euro, is to be calculated for each percentage volume of alcohol per hectolitre. Thus an alcoholic beverage having an alcoholic volume of 40 % is to be charged as follows:

   — '1 EUR % vol/hl' = EUR 1 × 40 giving a duty of EUR 40 per hectolitre, or

   — '1 EUR % vol/hl + 5 EUR/hl'= EUR 1 × 40 plus EUR 5 giving a duty of EUR 45 per hectolitre.

   When the symbol 'MIN' is shown (for example '1,6 EUR/% vol/hl MIN 9 EUR/hl'), it means that the duty, calculated on the basis of the abovementioned rule, is to be compared with the minimum duty (for example '9 EUR/hl') and the higher of the two is to be applied.

([1]) OJ L 290, 28.10.2002, p. 1.

C. **General rules applicable both to nomenclature and to duties**

1. Unless provided otherwise, the provisions relating to customs value are applied to determine, in addition to the value for the assessment of *ad valorem* customs duties, the values by reference to which the scope of certain headings or subheadings is defined.

2. The dutiable weight, in the case of goods chargeable by weight, and the weights by reference to which the scope of certain headings or subheadings is defined, are taken to be:

   (a) in the case of a reference to 'gross weight', the aggregate weight of the goods and of all the packing materials and packing containers;

   (b) in the case of a reference to 'net weight' or simply to 'weight' without qualification, the weight of the goods themselves without packing materials and packing containers of any kind.

3. The equivalent in national currencies to the euro, for Member States other than participating Member States as defined in Council Regulation (EC) No 974/98 [1], as amended by Regulation (EC) No 2596/2000 [2] (hereafter called 'non-participating Member States'), shall be fixed in accordance with Article 18 of Council Regulation (EEC) No 2913/92 [3], as amended by Regulation (EC) No 82/97 of the European Parliament and of the Council [4], without prejudice to special provisions drawn up in other fields, in particular for agriculture.

4. Goods eligible for favourable tariff treatment by reason of their end-use: where the import duty applicable under the end-use arrangements to goods for a specific end-use is not lower than that which would otherwise be applicable to the goods, the said goods shall be classified in the CN code referring to the end-use and Articles 291 to 300 of Commission Regulation (EEC) No 2454/93 [5], as last amended by Regulation (EC) No 444/2002 [6], shall not apply.

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[1] OJ L 139, 11.5.1998, p. 1.
[2] OJ L 300, 29.11.2000, p. 1.
[3] OJ L 302, 19. 10. 1992, p. 1.
[4] OJ L 17, 21.1.1997, p. 1.
[5] OJ L 253, 11.10.1993, p. 1.
[6] OJ L 68, 12.3.2002, p. 11.

SECTION IV

Special provisions

A. **Goods intended for certain categories of vessels and drilling or production platforms**

1. Customs duties are suspended in respect of goods intended for incorporation in the ships, boats or other vessels listed in the following schedule, for the purposes of their construction, repair, maintenance or conversion, and in respect of goods intended for fitting to or equipping such ships, boats or other vessels.

CN code	Description
8901	**Cruise ships, excursion boats, ferry boats, cargo ships, barges and similar vessels for the transport of persons or goods:**
8901 10	**- Cruise ships, excursion boats and similar vessels principally designed for the transport of persons; ferry boats of all kinds:**
8901 10 10	- - Seagoing
8901 20	**- Tankers:**
8901 20 10	- - Seagoing
8901 30	**- Refrigerated vessels, other than those of subheading 8901 20:**
8901 30 10	- - Seagoing
8901 90	**- Other vessels for the transport of goods and other vessels for the transport of both persons and goods:**
8901 90 10	- - Seagoing
8902 00	**Fishing vessels; factory ships and other vessels for processing or preserving fishery products:**
	- Seagoing:
8902 00 12	- - Of a gross tonnage exceeding 250
8902 00 18	- - Of a gross tonnage not exceeding 250
8903	**Yachts and other vessels for pleasure or sports; rowing boats and canoes:**
	- Other
8903 91	**- - Sailboats, with or without auxiliary motor:**
8903 91 10	- - - Seagoing
8903 92	**- - Motorboats, other than outboard motorboards:**
8903 92 10	- - - Seagoing
8904 00	**Tugs and pusher craft:**
8904 00 10	- Tugs
	- Pusher craft:
8904 00 91	- - Seagoing
8905	**Light-vessels, fire floats, dredgers, floating cranes, and other vessels the navigability of which is subsidiary to their main function; floating docks; floating or submersible drilling or production platforms:**
8905 10	**- Dredgers:**
8905 10 10	- - Seagoing
8905 90	**- Other:**
8905 90 10	- - Seagoing
8906	**Other vessels, including warships and lifeboats other than rowing boats:**
8906 10 00	- Warships
	- Other:
8906 90 10	- - Seagoing

2. Customs duties are suspended in respect of:

(a) goods intended for incorporation in drilling or production platforms:

(1) fixed, ex subheading 8430 49 00, operating in or outside the territorial sea of Member States;

(2) floating or submersible, subheading 8905 20 00

for the purposes of their construction, repair, maintenance, conversion, as well as goods intended for equipping these platforms.

Those goods such as motor fuel, lubricants and gas, which are necessary for the operation of machines and apparatus which do not affect permanently and are not integral parts of the platforms and which are used on board for the construction, repair, maintenance, conversion or equipping of these platforms are regarded also as being used for incorporation in drilling or production platforms;

(b) tubes, pipes, cables and their connection pieces, linking these drilling or production platforms to the mainland.

3. The suspensions are subject to conditions laid down in the relevant Community provisions with a view to customs control of the use of such goods.

B. **Civil aircraft and goods for use in civil aircraft**

1. Relief from customs duty is provided for:

— civil aircraft,

— certain goods for use in civil aircraft and for incorporation therein in the course of their manufacture, repair, maintenance, rebuilding, modification or conversion,

— ground flying trainers and their parts, for civil use.

These goods are covered by subheadings ([1]) with a footnote reference in the following terms:

'Entry under this subheading is subject to conditions laid down in the relevant Community provisions (see Articles 291 to 300 of Commission Regulation (EEC) No 2454/93 (OJ L 253, 11.10.1993, p. 71) and subsequent amendments). See also section II(B), of the preliminary provisions.'

2. For the purposes of paragraph 1, 'civil aircraft' means aircraft other than aircraft used in military or similar services in the Member States which carry a military or non-civil registration.

([1]) The subheadings concerned are within the following subheadings: 3917 21, 3917 22, 3917 23, 3917 29, 3917 31, 3917 33, 3917 39, 3917 40, 3926 90, 4008 29, 4009 12, 4009 22, 4009 32, 4009 42, 4011 30, 4012 13, 4012 20, 4016 10, 4016 93, 4016 99, 4017 00, 4504 90, 4823 90, 6812 90, 6813 10, 6813 90, 7007 21, 7304 31, 7304 39, 7304 41, 7304 49, 7304 51, 7304 59, 7304 90, 7306 30, 7306 40, 7306 50, 7306 60, 7312 10, 7312 90, 7322 90, 7324 10, 7324 90, 7326 20, 7413 00, 7608 10, 7608 20, 8108 90, 8302 10, 8302 20, 8302 42, 8302 49, 8302 60, 8307 10, 8307 90, 8407 10, 8408 90, 8409 10, 8411 11, 8411 12, 8411 21, 8411 22, 8411 81, 8411 82, 8411 91, 8411 99, 8412 10, 8412 21, 8412 29, 8412 31, 8412 39, 8412 80, 8412 90, 8413 19, 8413 20, 8413 30, 8413 50, 8413 60, 8413 70, 8413 81, 8413 91, 8414 10, 8414 20, 8414 30, 8414 51, 8414 59, 8414 80, 8414 90, 8415 81, 8415 82, 8415 83, 8415 90, 8418 10, 8418 30, 8418 40, 8418 61, 8418 69, 8419 50, 8419 81, 8419 90, 8421 19, 8421 21, 8421 23, 8421 29, 8421 31, 8421 39, 8424 10, 8425 11, 8425 19, 8425 31, 8425 39, 8425 42, 8425 49, 8426 99, 8428 10, 8428 20, 8428 33, 8428 39, 8428 90, 8471 10, 8471 41, 8471 49, 8471 50, 8471 60, 8471 70, 8479 89, 8479 90, 8483 10, 8483 30, 8483 40, 8483 50, 8483 60, 8483 90, 8484 10, 8484 90, 8501 20, 8501 31, 8501 32, 8501 33, 8501 34, 8501 40, 8501 51, 8501 52, 8501 53, 8501 61, 8501 62, 8501 63, 8502 11, 8502 12, 8502 13, 8502 20, 8502 31, 8502 39, 8502 40, 8504 10, 8504 31, 8504 32, 8504 33, 8504 40, 8504 50, 8507 10, 8507 20, 8507 30, 8507 40, 8507 80, 8507 90, 8511 10, 8511 20, 8511 30, 8511 40, 8511 50, 8511 80, 8516 80, 8518 10, 8518 21, 8518 22, 8518 29, 8518 30, 8518 40, 8518 50, 8520 90, 8521 10, 8522 90, 8525 10, 8525 20, 8526 10, 8526 91, 8526 92, 8527 90, 8529 10, 8529 90, 8531 10, 8531 20, 8531 80, 8539 10, 8543 89, 8543 90, 8544 30, 8801 10, 8801 90, 8802 11, 8802 12, 8802 20, 8802 30, 8802 40, 8803 10, 8803 20, 8803 30, 8803 90, 8805 29, 9001 90, 9002 90, 9014 10, 9014 20, 9014 90, 9020 00, 9025 11, 9025 19, 9025 80, 9025 90, 9026 10, 9026 20, 9026 80, 9026 90, 9029 10, 9029 20, 9029 90, 9030 10, 9030 20, 9030 31, 9030 39, 9030 40, 9030 83, 9030 89, 9030 90, 9031 80, 9031 90, 9032 10, 9032 20, 9032 81, 9032 89, 9032 90, 9104 00, 9109 19, 9109 90, 9401 10, 9403 20, 9403 70, 9405 10, 9405 60, 9405 92 and 9405 99.

3. For the application of paragraph 1, second indent, the expression 'for use in civil aircraft' in all relevant subheadings includes goods for use in ground flying trainers for civil use.

C. **Pharmaceutical products**

1. Relief from customs duty is provided for pharmaceutical products of the following categories:

   (i) pharmaceutical substances which are covered by the CAS RN (chemical abstracts service registry numbers) and the international non-proprietary names (INNs) listed in Annex 2A;

   (ii) salts, esters and hydrates of INNs which are described by combining INNs of Annex 2A with prefixes or suffixes of Annex 2B, provided such products are classifiable in the same six-digit HS headings as the relevant INN;

   (iii) salts, esters and hydrates of INNs which are listed in Annex 2C and which are not classifiable in the same six-digit HS heading as the corresponding INNs;

   (iv) pharmaceutical intermediates, i.e. compounds used in the manufacture of finished pharmaceutical products which are covered by the CAS RN and the chemical names, listed in Annex 2D.

2. Special cases:

   (i) INNs cover only those substances described in the lists of recommended and proposed INNs published by the World Health Organisation (WHO). Where the number of substances covered by an INN is less than that covered by the CAS RN, only those substances covered by the INN will be subject to duty-free treatment;

   (ii) where a product of Annex 2A or Annex 2D is identified by a CAS RN corresponding to a specific isomer, only that isomer may qualify for duty-free treatment;

   (iii) double derivatives (salts, esters and hydrates) of INNs identified by a combination of an INN of Annex 2A with a prefix or suffix of Annex 2B qualify for duty-free treatment, provided they are classifiable in the same six-digit HS heading as the relevant INN:

   example: alanine methyl ester, hydrochloride

   (iv) where an INN of Annex 2A is a salt (or an ester), no other salt (or ester) of the acid corresponding to the INN may qualify for duty-free treatment:

   example: oxprenoate potassium (INN): duty free,

   oxprenoate sodium: not duty free.

D. **Standard rate of duty**

1. Customs duty is charged at the flat rate of 3,5 % *ad valorem* on goods:

   — contained in consignments sent by one private individual to another, or

   — contained in travellers' personal luggage,

   provided that such importations are not of a commercial nature.

   This flat-rate 3,5 % customs duty applies provided that the value of the goods subject to import duty does not exceed EUR 350 per consignment or per traveller.

   Such flat-rate assessment does not apply to goods falling within Chapter 24 which are contained in a consignment or in travellers' personal luggage in amounts exceeding those laid down in Article 31 or in Article 46 of Regulation (EEC) No 918/83 ([1]), as last amended by Regulation (EC) No 355/94 ([2]).

2. Importations are treated as not being of a commercial nature if:

   (a) in the case of goods contained in consignments sent by one private individual to another, such consignments:

      — are of an occasional nature,

      — contain goods exclusively for the personal use of the consignee or his/her family; which do not by their nature or quantity reflect any commercial interest,

      — are sent to the consignee by the consignor free of payment of any kind;

   (b) in the case of goods contained in travellers' personal luggage, they:

      — are of an occasional nature, and

      — consist exclusively of goods for the personal use of the travellers or their families, or of goods intended as presents; the nature and quantity of such goods must not be such as might indicate that they are being imported for commercial reasons.

3. The flat rate of customs duty does not apply to goods imported under the conditions set out in paragraphs 1 and 2 if the person entitled has, before the said flat rate is applied to them, requested that they be subject to the customs duties appropriate to them. All the goods making up the consignment are then subject to the import duties which are appropriate to them, without prejudice to the duty-free admission provided for pursuant to Articles 29 to 31 and 45 to 49 of Regulation (EEC) No 918/83.

   For the purposes of the first subparagraph, import duties means both customs duties and charges having equivalent effect and import charges provided for under the common agricultural policy or under specific arrangements applicable to certain goods resulting from the processing of agricultural products.

4. Member States may round off the amount in national currencies resulting from the conversion of the sum of EUR 350.

5. Non-participating Member States may maintain unchanged the equivalent in national currency of the sum of EUR 350 if, at the time of the annual adjustment provided for in Article 18(2) of Regulation (EEC) No 2913/92, the conversion of this amount, before the rounding off provided for in paragraph 4, results in a change of less than 5 % in the equivalent in national currency, or in a reduction thereof.

([1]) OJ L 105, 23.4.1983, p. 1.

([2]) OJ L 46, 18.2.1994, p. 5; Regulation as last amended by Regulation (EC) No 2744/98 (OJ L 345, 19.12.1998, p. 9).

E. **Containers and packing materials**

The following provisions are applicable to the containers and packing materials referred to in general interpretative rule 5(a) and (b) and put into free circulation at the same time as the goods which they contain or with which they are presented.

1. When the containers and packing materials are classified with the goods in accordance with the provisions of general interpretative rule 5, they are:

   (a) chargeable at the same rate of customs duty as the goods:

   — where such goods are subject to an *ad valorem* customs duty, or

   — where they are to be included in the dutiable weight of the goods;

   (b) admitted free of customs duties:

   — where the goods are free of customs duty, or

   — where the goods are dutiable otherwise than by reference to weight or value, or

   — where the weight of the containers and packing materials is not to be included in the dutiable weight of the goods.

2. Where containers and packing materials covered by the provisions of points 1(a) and (b) contain or are presented with goods of several different tariff descriptions, the weight and value of the containers and packing materials are, for the purpose of determining their dutiable weight or value, apportioned between all the goods contained, in proportion to the weight or value of those goods.

F. **Favourable tariff treatment by reason of the nature of goods**

1. Under certain conditions a favourable tariff treatment by reason of the nature of goods is provided for:

   — goods unfit for consumption,

   — seeds,

   — bolting cloth, not made up,

   — certain types of fresh table grapes, cheese fondues, Tokay wines, tobacco and nitrate.

   These goods are covered by a subheading [1] with a footnote reference in the following terms:

   'Entry under this subheading is subject to the conditions laid down in section II(F) of the preliminary provisions.'

2. Goods unfit for consumption for which a favourable tariff treatment is granted by reason of their nature are listed in Annex 8 by reference to the heading under which they are classified together with the description and the quantities of the denaturants used. Such goods are presumed to be unfit for consumption when the goods to be denatured and the denaturants are homogeneously mixed and their separation is economically not viable.

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[1] The subheadings concerned are: 0408 11 20, 0408 19 20, 0408 91 20, 0408 99 20, 0701 10 00, 0712 90 11, 0806 10 10, 1001 90 10, 1005 10 11, 1005 10 13, 1005 10 15, 1005 10 19, 1006 10 10, 1007 00 10, 1106 20 10, 1201 00 10, 1202 10 10, 1204 00 10, 1205 10 10, 1206 00 10, 1207 10 10, 1207 20 10, 1207 30 10, 1207 40 10, 1207 50 10, 1207 60 10, 1207 91 10, 1207 99 20, 2106 90 10, 2204 21 93, 2204 21 97, 2204 29 93, 2204 29 97, 2401 10 10, 2401 10 20, 2401 10 30, 2401 10 41, 2401 10 49, 2401 20 10, 2401 20 20, 2401 20 30, 2401 20 41, 2401 20 49, 2501 00 51, 3102 50 10, 3105 90 10, 3502 11 10, 3502 19 10, 3502 20 10, 3502 90 20, 5911 20 00.

3. The goods listed below shall be classified in the appropriate headings for seed or for sowing, provided that the goods comply with the relevant Community provisions:

   — for sweetcorn, spelt, hybrid maize, rice and sorghum (Council Directive 66/402/EEC [1]),

   — for seed potatoes (Council Directive 2002/56/EC [2]),

   — for oil seeds and oleaginous fruits (Council Directive 2002/57/EC [3]).

   When hybrid sweetcorn, spelt, hybrid maize, rice, hybrid sorghum or oil seeds and oleaginous fruits are of a kind to which the agricultural provisions do not apply, a favourable tariff treatment by reason of their nature shall be granted, provided that it is established that the goods are actually intended for sowing.

4. Bolting cloth, not made up, is granted a favourable tariff treatment on the condition that the goods are indelibly marked in a way identifying them as being intended for bolting or similar industrial purposes.

5. Fresh table grapes, cheese fondues, Tokay wines, tobacco and nitrate are granted a favourable tariff treatment when a duly endorsed certificate is presented together with the invoices bearing the serial number or numbers of the corresponding certificate(s) and the goods to which it relates. Models and provisions governing the issuing the certificates are set out at Annex 9.

PART TWO

DETAILED DESCRIPTION OF TARIC

SECTION I

Layout

The TARIC nomenclature is divided into 21 sections (roman numerals), further subdivided into a total of 96 chapters. Some sections and chapters are headed by notes and additional notes.

Footnotes and the additional codes for anti-dumping duties, countervailing duties, pharmaceutical substances and certain other import or export measures are printed at the end of each chapter.

In order to clarify the measures applicable during the period 25 February to 31 December 2003 (according to the data available at the time of going to press), their period of application is shown, within brackets and after the duty expression or measure type indicator, as follows:

— by the start and end date of the period of application if the latter period falls within the period of publication (25 February to 31 December 2003). For example, (01/06-30/06) for a period of application from 1 June to 30 June,

— by the start date only of the period of application if the latter period begins within the period of publication and ends on the same date as the publication period or on a later date. For example, (01/07-) for a period of application beginning on 1 July and ending on 31 December or later,

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(1) OJ 125, 11.7.1966, p. 2309/66; Directive as last amended by Directive 2001/64/EC (OJ L 234, 1.9.2001, p. 60).

(2) OJ L 193, 20. 7.2002, p. 60.

(3) OJ L 193, 20.7.2002, p. 74; Directive as last amended by Council Directive 2002/68/EC (OJ L 195, 24.7.2002, p. 32).

— by the end date only of the period of application if the latter period begins on the same date as or before the period of publication and ends within this period. For example, (— 31/07) for a period of application beginning on or before 25 February and ending on 31 July,

— by the absence of any indication if the period of application precisely covers or exceeds the publication period.

It should also be noted that the year is not mentioned, since it is always the year 2003.

Note: Goods subject to entry prices

In Chapters 7, 8, 20 and 22 certain goods are covered by the entry price system. These goods are marked by the footnote 'PN 001' which is added to their description. All tariff measures related to these goods are shown in Annex 5 to TARIC.

SECTION II

Even-numbered pages (left-hand pages)

They have six columns, arranged as follows.

A. **Columns 1 and 2: Codes**

Column 1 contains the eight-digit Combined Nomenclature (CN) code.

Column 2 contains the two-digit code for TARIC nomenclature subheadings. The last two digits indicate the internal computer key.

B. **Column 3: Description of goods**

Column 3 reproduces the full Combined Nomenclature description of the goods, plus a further breakdown for TARIC purposes if necessary. It is possible to identify specific products covered by various instruments of Community legislation applying to imports (and in certain cases to exports), as well as those for intra-Community trade. These TARIC subheadings, necessitated by the integration of Community measures, are indicated by the codes shown in column 2.

At the end of various product descriptions, certain abbreviations may appear in parenthesis as follows:

— in the agriculture sector, the indicator 'REX', with numbers from 1 to 15, refers to products which may be eligible for export refund. Each number relates to a different sector as specified in the amended Annex to Regulation (EEC) No 3446/87,

— in Chapters 7 and 8, the application of standard import values or unit values is indicated by the abbreviations 'VF' or 'VU',

— in the textile sector, the textile product categories are shown by the abbreviation 'TEXT', followed by a category number of up to four characters.

Certain goods descriptions in Chapters 7, 8, 20 and 22 are followed by the reference 'PN 001'. It indicates that the goods are subject to the entry price system (see section I).

C. **Column 4: Supplementary units**

The supplementary units, indicated by abbreviations, allow statistics to be gathered which relate to some additional feature other than the weight in kg of the goods concerned (see section VI, list 1).

D. **Columns 5a and 5b: Remarks**

These 'remarks' are abbreviations together with origin/destination which indicate that certain types of measures are in force. They are sometimes followed by a numbered footnote (see section VI, list 2). Column 5a applies to imports and column 5b to exports.

For details of the import and export surveillance measures under the provisions of the Washington Convention see Annex 3. These references are restricted to those codes which refer mainly to the animals, plants and goods made therefrom listed in Annex 3.

For textile products (Chapters 50 to 63) surveillance measures, quantitative limits and import restrictions are shown in column 5a.

The abbreviation 'DURX' in column 5b stands for export restrictions on dual-use goods the descriptions of which are to be found in the list of dual-use goods of Council Regulation (EC) No 149/2003 [1] reproduced in Annex 4. For the interpretation of these descriptions, the notes set out at the beginning of the list must be taken into account, especially the rule on components (point 2 of the general notes). Attention is drawn to the fact that goods not explicitly enumerated in this list may also be dual-use and, therefore, be subject to export restrictions under Article 4 of Regulation (EC) No 1334/2000 [2] (. Moreover, the attribution of dual-use goods to CN codes is merely an interpretation of the list of dual-use goods and in no way alters the content of Regulation (EC) No 149/2003.

For products subject to anti-dumping or countervailing duties see section IV(C) and section VI, list 2.

SECTION III

Odd-numbered pages (right-hand pages)

The right-hand pages are divided into six columns numbered from 6 to 11. They contain the TARIC codes and the autonomous or conventional customs duties which apply to the goods, depending on the country of origin. These duties are listed in column 7 'Rates of duty for third countries (S = suspension, K = quota)', and columns 8 to 11 'Particular rates of duty (S = suspension, K = quota, P = ceiling)'.

Quota and ceiling details are normally followed by a six-digit number (order number) which serves as the link with the quantities shown in the relevant regulations.

The preferential rates listed in columns 8 to 11 generally apply only to goods accompanied by movement certificates or other documentary evidence of origin (unless excepted by footnotes); otherwise the rate in column 7 applies.

The symbols used in these columns are as follows:

— a dash ('—') means that the rate shown in column 7 applies,

— zero ('0') means that the products falling within that heading are admitted free of import duty.

If, in columns 7 to 11, a rate is differentiated (e.g. according to the country of origin and/or consignment), it is preceded by the appropriate country code letters (see section VI, list 5). Exclusions are indicated by the sign 'excl' followed by the country alpha code letters concerned.

A. **Column 6: TARIC code**

For ease of reference, the TARIC code is shown at the start of the right-hand page as well.

B. **Column 7: Rates of duty for third countries (S = suspension, K = quota)**

This column shows the rate which normally applies *erga omnes* (see part I, section III(B)(1) and (2)), without specifying whether the duty is autonomous or conventional. Rates for duty applicable under suspensions are indicated by an 'S', and duty reductions subject to tariff quotas by a 'K'.

These duties apply irrespective of the country of origin of the product concerned. However, if a suspension, quota or duty reduction is not to be applied generally, this is indicated either in columns 8 to 11 (if the country of origin or consignment is listed in the column heading), or by means of a footnote in column 7. The anti-dumping and countervailing duties, which can be added to these duties, are indicated in column 5a.

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[1] OJ L 30, 5.2.2003, p. 1.

[2] OJ L 159, 30.6.2000, p. 1.

C. **Column 8: Generalised system of preferences (GSP)**

This column shows the tariff preferences accorded by the European Communities under the GSP arrangements to imports from developing countries (see section VI, list 5).

D. **Column 9: EEA (Iceland (IS), Liechtenstein (LI) and Norway (NO)); Switzerland (CH); PHC (Czech Republic (CZ), Slovakia (SK), Hungary (HU) and Poland (PL)); Bulgaria (BG); Romania (RO); Estonia (EE); Latvia (LV); Lithuania (LT); Slovenia (SI)**

This column shows the tariff preferences applicable to imports from these countries under their respective Agreements with the Community.

Iceland, Liechtenstein and Norway are identified collectively by the symbol 'EEA' when the provisions of the Agreement on the European Economic Area apply to these countries.

The Czech Republic, Slovakia, Hungary and Poland are identified collectively as PHC when a common duty rate applies. Where, in addition to a preferential quota, a particular rate is shown for any or all of these countries, that rate is to be applied once the quota is exhausted.

E. **Column 10: Andorra (AD); San Marino (SM); Turkey (TR)**

This column shows the duties applicable for Andorra, San Marino and Turkey.

Goods destined for importation into San Marino from third countries may be taken into free circulation, on behalf of San Marino, at one of the following Community customs offices: Forli (Cesena), Genova, Livorno, Ravenna, Rimini, Roma II, Orio al Serio, Milano II, Bologna and Trieste.

F. **Column 11: ACP States (LOMA) and OCT (LOMB) (LOMA + LOMB = LOMAB); Ceuta (XC); Chile (CL); Croatia (HR); Cyprus (CY); Faeroe Islands (FO); Former Yugoslav Republic of Macedonia (MK); Israel (IL); Maghreb (MGB) (Algeria (DZ), Morocco (MA) and Tunisia (TN)); Malta (MT); Mashreq (MCH) (Egypt (EG), Jordan (JO), Lebanon (LB) and Syrian Arab Republic (SY)); Melilla (XL); Mexico (MX); Occupied Palestinian Territory (PS); South Africa (ZA); Western Balkan countries (ABH) (Albania (AL), Bosnia and Herzegovina (BA) and Serbia and Montenegro (YU))**

This column shows the tariff preferences applicable to imports from these countries under Agreements with the Community, or autonomous Community regulations applying to particular countries.

SECTION IV

Additional codes

A. **General**

A number of measures are dealt with by means of an additional code with four alphanumerical characters. The first digit usually indicates the type of measure and the others are for further subdivisions.

The measures are:

— agricultural components (EA),

— anti-dumping and countervailing duties, referring to companies,

— duties applicable to pharmaceutical substances (see part three, section II of the CN),

— reference prices for fish,

— certain other import and/or export measures for which a subdivision of the CN/TARIC code is required.

For customs declaration purposes the additional codes are used:

— with the eight-digit Combined Nomenclature code used for exports,

— with the 10-digit TARIC code in the case of imports from non-Community countries and, where necessary, during the transitional period from new Member States, in cases where customs duties or other import measures still apply.

The additional codes for anti-dumping duties and countervailing duties, pharmaceutical substances and certain other import and/or export measures are set out at the end of each chapter, the reference prices for fish are shown in Annex 6.

B. **Agricultural components (EA), additional duties on sugar (AD S/Z) and on flour (AD F/M)**

The additional codes for EA or EAR, AD S/Z or AD S/ZR, and AD F/M or AD F/MR always begin with 7. These codes are set out in Annex 1 to TARIC and their declaration is obligatory at the importation of the relevant processed agricultural goods.

C. **Anti-dumping duties and countervailing duties**

Some of these duties are considered too complex to be integrated at the ninth and tenth digit level of the TARIC nomenclature and instead a supplementary nomenclature is used coded with an additional code with four alphanumerical characters.

Additional codes are used where the duty applies to imports of goods manufactured and/or exported by specific companies or where these goods are introduced into the Community market after assembly by specific companies in the Community from parts of non-member-country origin.

The use of additional codes is indicated in column 5a of TARIC ('Remarks') by the abbreviation 'ADUMP' or 'ACOMP' together with the abbreviation identifying the country (see section VI, list 5). Anti-dumping or countervailing duties applying to countries rather than specific companies, on the other hand, are indicated by the abbreviation 'DUMP' or 'COMP'. Indicators showing whether the duty is provisional (P), definitive (D) or suspended (X) are also given.

For products in respect of which the collection of statistical data is requested, the following abbreviations are also shown in column 5a:

— products subject to investigation: NTDUM,

— products in respect of which the application of the duty is suspended: SPDUM,

— products in respect of which it is necessary to proceed to registration of imports: RGDUM,

— products in respect of which the collection of the duties is pending the results of an examination: PCDUM.

Footnote TM 303 was complemented by the introduction of a new measure type (CTDUM) on 1 January 2002. This measure is linked to products subject to anti-dumping or countervailing duties and is used for a complementary control of the declared origin.

The additional codes (starting with an 8 or an 'A') are listed at the end of each chapter along with the TARIC code, the origin of the goods and particulars of the firm and the rates of duty. Where other information is required (e.g. for the purposes of valuation of goods) a footnote is shown at the end of the chapter.

SECTION V

Footnotes

The footnotes, designated by codes in various columns, are printed at the end of each chapter.

They contain information intended to give users a fuller understanding of the purpose of the different regulations, or to indicate any conditions which have to be fulfilled.

SECTION VI

Abbreviations

LIST 1

Units of measurement

c/k	carats (1 metric carat = 2×10^{-4} kg)
ce/el	number of cells
ct/l	carrying capacity in tonnes ([1])
g	gram
gi F/S	gram of fissile isotopes
GT	gross tonnage
kg	kilogram
kg/br	kilogram gross weight
kg C_5H_{14} ClNO	kilogram of choline chloride
kg H_2O_2	kilogram of hydrogen peroxide
kg K_2O	kilogram of potassium oxide
kg KOH	kilogram of potassium hydroxide (caustic potash)
kg met. am.	kilogram of methylamines
kg/net	kilogram net weight
kg/net eda	kilogram net weight drained
kg/net mas	kilogram net weight on the dry matter
kg tot/alc.	kilogram of total alcohol
kg 90 % sdt	kilogram of substance 90 % dry
kg N	kilogram of nitrogen
kg NaOH	kilogram of sodium hydroxide (caustic soda)
kg P_2O_5	kilogram of phosphorus pentoxide (phosphoric anhydride)
kg U	kilogram of uranium
1 000 kWh	1 000 kilowatt hours
l	litre
l alc. 100 %	litre pure (100 %) alcohol
hl	hectolitre
1 000 l	1 000 litres
b/f	per flask
m	metre
m^2	square metre
m^3	cubic metre
1 000 m^3	1 000 cubic metres
pa	number of pairs
p/st	number of items
100 p/st	100 items
1 000 p/st	1 000 items
TJ	terajoule (gross calorific value)

([1]) 'Carrying capacity in tonnes' (ct/l) means the carrying capacity of a vessel expressed in tonnes, not including ships' stores (fuel, equipment, food supplies, etc.). Persons carried on board (crew and passengers), and their baggage, are also excluded.

LIST 2

Abbreviations referring to measures

The prefix 'A' attached to the following abbreviations means that the measures concerned are linked to an additional code.

APPL	pharmaceutical substances
CTDUM	control: anti-dumping/countervailing duties
DUMP, COMP	anti-dumping and countervailing duties
DURX	export restrictions
K	tariff quota/fixed duty-free or reduced duty amount
LPQ	entry into free circulation (quantitative limitation)
LPR	entry into free circulation (restriction)
LPS	entry into free circulation (prior surveillance)
NTDUM	notice of initiation of an anti-dumping or countervailing proceeding
OPQ	tariff preference on reimportation after outward processing
OPS	*a posteriori* surveillance within the scope of outward processing
OPT	entry into free circulation after outward-processing traffic
P	preferential ceiling
PCDUM	pending collection of anti-dumping/countervailing duties
PRO	import prohibition
PRX	export prohibition
QX	export authorisation (quantitative limitation)
RGDUM	anti-dumping or countervailing registration
RIX	export refund (ingredients)
RX	export authorisation (restriction)
S	tariff suspension
SPDUM	suspended anti-dumping or countervailing duties
SPX	export authorisation (prior surveillance)
SREF	Statistic — reference price fish
SUR	*a posteriori* import surveillance
SUX	*a posteriori* export surveillance
TC	— no origin: possible countervailing charge — plus origin: applicable countervailing charge

LIST 3

Abbreviations used for the application of rates

+ AD F/M	+ additional duty on flour
+ AD F/M R	+ reduced additional duty on flour
+ AD S/Z	+ additional duty on sugar
+ AD S/Z R	+ reduced additional duty on sugar
+ EA	+ agricultural component
+ EAR	+ reduced agricultural component
MAX	maximum applicable duty
MIN	minimum applicable duty

LIST 4

Monetary units

EUR ..... euro (see part one, section III(C)(3)

LIST 5

List of countries, and groups of countries, in alphabetical order

The alpha-2 and the numeric codes are based on the Statistical Office of the European Communities geonomenclature. The alpha codes correspond to the international standard ISO 3166 2-alpha code. In certain cases, where an internationally accepted code is missing, it has been necessary to create specific codes and abbreviations (e.g. the ACP States) for TARIC purposes.

Alpha code	Numeric code	Country name	Country group
ABH	1099	Western Balkan countries (AL, BA, YU)	
AD	43	Andorra	DEV
AE	647	United Arab Emirates	SPGL, GATT, DEV
AF	660	Afghanistan	SPGA, DEV
AG	459	Antigua and Barbuda	LOMA, SPGL, GATT, DEV
AI	446	Anguilla	LOMB, SPGL, STEEL
AL	70	Albania	ABH, GATT, STEEL
AM	77	Armenia	CIS, SPGL, STEEL
AN	478	Netherlands Antilles	LOMB, SPGL, GATT, STEEL
AO	330	Angola	LOMA, SPGA, GATT, DEV
AQ	891	Antarctica	LOMB, SPGL, STEEL
AR	528	Argentina	SPGL, GATT, HANDY, LOOMS, DEV
AS	830	American Samoa	SPGL, STEEL
AT	38	Austria	EEC, GATT
AU	800	Australia	GATT, STEEL
AW	474	Aruba	LOMB, SPGL, STEEL
AZ	78	Azerbaijan	CIS, SPGL, STEEL
BA	93	Bosnia and Herzegovina	ABH, STEEL
BB	469	Barbados	LOMA, SPGL, GATT, DEV
BD	666	Bangladesh	SPGA, GATT, HANDY, LOOMS, DEV
BE	17	Belgium	EEC, GATT
BF	236	Burkina Faso	LOMA, SPGA, GATT, DEV
BG	68	Bulgaria	GATT, STEEL
BH	640	Bahrain	SPGL, GATT, DEV
BI	328	Burundi	LOMA, SPGA, GATT, DEV
BJ	284	Benin	LOMA, SPGA, GATT, DEV
BM	413	Bermuda	SPGL, STEEL
BN	703	Negara Brunei Darussalam	SPGL, GATT, DEV
BO	516	Bolivia	SPGE, GATT, HANDY, DEV
BR	508	Brazil	SPGL, GATT, HANDY, LOOMS, DEV

Alpha code	Numeric code	Country name	Country group
BS	453	Bahamas	LOMA, SPGL, DEV
BT	675	Bhutan	SPGA, DEV
BV	892	Bouvet Island	LOMB, SPGL, STEEL
BW	391	Botswana	LOMA, SPGL, GATT, DEV
BY	73	Belarus	CIS, SPGL, STEEL
BZ	421	Belize	LOMA, SPGL, GATT, DEV
CA	404	Canada	GATT, STEEL
CC	833	Cocos Island (or Keeling Islands)	SPGL, STEEL
CD	322	Congo, Democratic Republic of	LOMA, SPGA, GATT, DEV
CF	306	Central African Republic	LOMA, SPGA, GATT, DEV
CG	318	Congo	LOMA, SPGL, GATT, DEV
CH	39	Switzerland	GATT, STEEL
CI	272	Côte d'Ivoire	LOMA, SPGL, GATT, DEV
CIS	2035	Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan	
CK	837	Cook Islands	SPGL, STEEL
CL	512	Chile	SPGL, GATT, HANDY, DEV
CM	302	Cameroon	LOMA, SPGL, GATT, DEV
CN	720	People's Republic of China	SPGL, GATT, DEV
CO	480	Colombia	SPGE, GATT, DEV
CR	436	Costa Rica	SPGE, GATT, DEV
CU	448	Cuba	SPGL, GATT, DEV
CV	247	Cape Verde	LOMA, SPGA, DEV
CX	834	Christmas Island	SPGL, STEEL
CY	600	Cyprus	SPGL, GATT, DEV
CZ	61	Czech Republic	PHC, GATT, STEEL
DE	4	Germany	EEC, GATT
DEV	1020	Countries excluded from Commission Regulation (EC) No 1694/2002 (safeguard steel) ([1])	
DJ	338	Djibouti	LOMA, SPGA, GATT, DEV
DK	8	Denmark	EEC, GATT
DM	460	Dominica	LOMA, SPGL, GATT, DEV
DO	456	Dominican Republic	LOMA, SPGL, GATT, DEV
DZ	208	Algeria	MGB, SPGL, DEV
EC	500	Ecuador	SPGE, GATT, HANDY, DEV
EE	53	Estonia	F, GATT, STEEL
EEA	2012	European Economic Area (IS, LI, NO)	
EEC	1010	EC (European Community)	GATT
EG	220	Egypt	MCH, SPGL, GATT, DEV, EXCL
ER	336	Eritrea	LOMA, SPGA, DEV
ES	11	Spain	EEC, GATT
ET	334	Ethiopia	LOMA, SPGA, DEV
EXCL	2019	EG, ZA — GSP (Steel)	
F	2032	EE, LV, LT	

Alpha code	Numeric code	Country name	Country group
FI	32	Finland	EEC, GATT
FJ	815	Fiji	LOMA, SPGL, GATT, DEV
FK	529	Falkland Islands	LOMB, SPGL, STEEL
FM	823	Federated States of Micronesia	SPGL, DEV
FO	41	Faroe Islands	STEEL
FR	1	France	EEC, GATT
GA	314	Gabon	LOMA, SPGL, GATT, DEV
GATT	2500	Member countries of WTO	
GB	6	United Kingdom	EEC, GATT
GD	473	Grenada	LOMA, SPGL, GATT, DEV
GE	76	Georgia	CIS, SPGL, GATT, STEEL
GH	276	Ghana	LOMA, SPGL, GATT, DEV
GI	44	Gibraltar	SPGL, STEEL
GL	406	Greenland	LOMB, SPGL, STEEL
GM	252	Gambia	LOMA, SPGA, GATT, DEV
GN	260	Guinea	LOMA, SPGA, GATT, DEV
GQ	310	Equatorial Guinea	LOMA, SPGA, DEV
GR	9	Greece	EEC, GATT
GS	893	South Georgia and South Sandwich Islands	LOMB, SPGL, STEEL
GT	416	Guatemala	SPGE, GATT, HANDY, LOOMS, DEV
GU	831	Guam	SPGL, STEEL
GW	257	Guinea Bissau	LOMA, SPGA, GATT, DEV
GY	488	Guyana	LOMA, SPGL, GATT, DEV
HANDY	2301	Certain handicraft products (handicrafts)	
HK	740	Hong Kong	GATT, DEV
HM	835	Heard Island and McDonald Islands	SPGL, STEEL
HN	424	Honduras	SPGE, GATT, HANDY, LOOMS, DEV
HR	92	Croatia	GATT, STEEL
HT	452	Haiti	LOMA, SPGA, GATT, DEV
HU	64	Hungary	PHC, GATT, STEEL
ID	700	Indonesia	SPGL, GATT, HANDY, LOOMS, DEV
IE	7	Ireland	EEC, GATT
IL	624	Israel	GATT, STEEL
IN	664	India	SPGL, GATT, HANDY, LOOMS, DEV
IO	357	British Indian Ocean Territory	LOMB, SPGL, STEEL
IQ	612	Iraq	SPGL, DEV
IR	616	Iran (Islamic Republic of)	SPGL, HANDY, DEV
IS	24	Iceland	EEA, GATT, STEEL
IT	5	Italy	EEC, GATT
JM	464	Jamaica	LOMA, SPGL, GATT, DEV
JO	628	Jordan	MCH, SPGL, GATT, DEV
JP	732	Japan	GATT, STEEL
K	1012	Countries belonging to country group no 5 of Commission Regulation (EC) No 2366/2002 [2]	
KE	346	Kenya	LOMA, SPGL, GATT, DEV

Alpha code	Numeric code	Country name	Country group
KG	83	Kyrgyzstan	CIS, SPGL, STEEL
KH	696	Cambodia	SPGA, DEV
KI	812	Kiribati	LOMA, SPGA, DEV
KM	375	Comoros	LOMA, SPGA, DEV
KN	449	Saint Kitts and Nevis	LOMA, SPGL, GATT, DEV
KP	724	Korea (Democratic People's Republic of)	STEEL
KR	728	Korea (Republic of)	GATT, STEEL
KW	636	Kuwait	SPGL, GATT, DEV
KY	463	Cayman Islands	LOMB, SPGL, STEEL
KZ	79	Kazakhstan	CIS, SPGL, DEV
LA	684	Lao People's Democratic Republic	SPGA, HANDY, LOOMS, DEV
LB	604	Lebanon	MCH, SPGL, DEV
LC	465	St Lucia	LOMA, SPGL, GATT, DEV
LI	37	Liechtenstein	EEA, GATT, STEEL
LK	669	Sri Lanka	SPGL, GATT, HANDY, LOOMS, DEV
LOMA	1031	ACP States (African, Caribbean and Pacific)	
LOMAB	2090	LOMA and LOMB	
LOMB	2080	OCT (overseas countries and territories)	
LOOMS	2300	Silk or cotton handloom products	
LR	268	Liberia	LOMA, SPGA, DEV
LS	395	Lesotho	LOMA, SPGA, GATT, DEV
LT	55	Lithuania	F, GATT, STEEL
LU	18	Luxembourg	EEC, GATT
LV	54	Latvia	F, GATT, STEEL
LY	216	Socialist People's Libyan Arab Jamahiriya	SPGL, DEV
MA	204	Morocco	MGB, SPGL, GATT, DEV
MCH	2110	Mashreq (EG, JO, LB, SY)	
MD	74	Moldova	CIS, SPGL, GATT, STEEL
MG	370	Madagascar	LOMA, SPGA, GATT, DEV
MGB	1054	Maghreb (DZ, MA, TN)	
MH	824	Marshall Islands	SPGL, DEV
MK	96	Former Yugoslav Republic of Macedonia ([3])	STEEL
ML	232	Mali	LOMA, SPGA, GATT, DEV
MM	676	Myanmar ([4])	SPGA, GATT, DEV
MN	716	Mongolia	SPGL, GATT, DEV
MO	743	Macau	SPGL, GATT, STEEL
MP	820	Northern Mariana Islands	SPGL, STEEL
MR	228	Mauritania	LOMA, SPGA, GATT, DEV
MS	470	Montserrat	LOMB, SPGL, STEEL
MT	46	Malta	GATT, STEEL
MU	373	Mauritius	LOMA, SPGL, GATT, DEV
MV	667	Maldives	SPGA, GATT, DEV
MW	386	Malawi	LOMA, SPGA, GATT, DEV
MX	412	Mexico	SPGL, GATT, HANDY, DEV

Alpha code	Numeric code	Country name	Country group
MY	701	Malaysia	SPGL, GATT, HANDY, DEV
MZ	366	Mozambique	LOMA, SPGA, GATT, DEV
NA	389	Namibia	LOMA, SPGL, GATT, DEV
NC	809	New Caledonia	LOMB, SPGL, STEEL
NE	240	Niger	LOMA, SPGA, GATT, DEV
NF	836	Norfolk Island	SPGL, STEEL
NG	288	Nigeria	LOMA, SPGL, GATT, DEV
NI	432	Nicaragua	SPGE, GATT, DEV
NL	3	Netherlands	EEC, GATT
NO	28	Norway	EEA, GATT, STEEL
NOWTO	2501	Countries not members of the WTO	
NP	672	Nepal	SPGA, DEV
NR	803	Nauru	SPGL, DEV
NU	838	Niue	SPGL, STEEL
NZ	804	New Zealand	GATT, STEEL
OM	649	Oman	SPGL, GATT, DEV
PA	442	Panama	SPGE, GATT, HANDY, DEV
PE	504	Peru	SPGE, GATT, HANDY, DEV
PF	822	French Polynesia	LOMB, SPGL, STEEL
PG	801	Papua New Guinea	LOMA, SPGL, GATT, DEV
PH	708	Philippines	SPGL, GATT, HANDY, DEV
PHC	2028	CZ, SK, HU, PL	
PK	662	Pakistan	SPGE, GATT, HANDY, LOOMS, DEV
PL	60	Poland	PHC, GATT, STEEL
PM	408	Saint Pierre and Miquelon	LOMB, SPGL, STEEL
PN	813	Pitcairn	LOMB, SPGL, STEEL
PS	625	Occupied Palestinian Territory	STEEL
PT	10	Portugal	EEC, GATT
PW	825	Palau	SPGL, DEV
PY	520	Paraguay	SPGL, GATT, HANDY, DEV
QA	644	Qatar	SPGL, GATT, DEV
RO	66	Romania	GATT, STEEL
RU	75	Russian Federation	CIS, SPGL, DEV
RW	324	Rwanda	LOMA, SPGA, GATT, DEV
SA	632	Saudi Arabia	SPGL, DEV
SB	806	Solomon Islands	LOMA, SPGA, GATT, DEV
SC	355	Seychelles	LOMA, SPGL, DEV
SD	224	Sudan	LOMA, SPGA, DEV
SE	30	Sweden	EEC, GATT
SG	706	Singapore	GATT, STEEL
SH	329	Saint Helena	LOMB, SPGL, STEEL
SI	91	Slovenia	GATT, STEEL
SK	63	Slovakia	PHC, GATT, STEEL
SL	264	Sierra Leone	LOMA, SPGA, GATT, DEV

Alpha code	Numeric code	Country name	Country group
SM	47	San Marino	DEV
SN	248	Senegal	LOMA, SPGA, GATT, DEV
SO	342	Somalia	LOMA, SPGA, DEV
SPGA	2005	Least developed countries benefiting from the generalised system of preferences (Annex I — column H, Council Regulation (EC) No 2501/2001 (OJ L 346, 31.12.2001))	
SPGE	2027	Countries benefiting from the generalised system of preferences (GSP) (Annex I — column I, Council Regulation (EC) No 2501/2001 (OJ L 346, 31.12.2001))	
SPGL	2020	Countries benefiting from the generalised system of preferences (GSP)(general arrangements, Council Regulation (EC) No 2501/2001 (OJ L 346, 31.12.2001))	
SR	492	Suriname	LOMA, SPGL, GATT, DEV
ST	311	São Tomé and Príncipe	LOMA, SPGA, DEV
STEEL	1025	Countries covered by Regulation (EC) No 1694/2002 (safeguard measures)	
SV	428	El Salvador	SPGE, GATT, HANDY, LOOMS, DEV
SY	608	Syrian Arab Republic	MCH, SPGL, DEV
SZ	393	Swaziland	LOMA, SPGL, GATT, DEV
TC	454	Turks and Caicos Islands	LOMB, SPGL, STEEL
TD	244	Chad	LOMA, SPGA, GATT, DEV
TF	894	French Southern Territories	LOMB, SPGL, STEEL
TG	280	Togo	LOMA, SPGA, GATT, DEV
TH	680	Thailand	SPGL, GATT, HANDY, LOOMS, DEV
TJ	82	Tajikistan	CIS, SPGL, STEEL
TK	839	Tokelau	SPGL, STEEL
TL	626	East Timor	SPGL, DEV
TM	80	Turkmenistan	CIS, SPGL, STEEL
TN	212	Tunisia	MGB, SPGL, GATT, DEV
TO	817	Tonga	LOMA, SPGL, DEV
TOUT	1011	All third countries, measures applicable *erga omnes*	
TR	52	Turkey	GATT, STEEL
TT	472	Trinidad and Tobago	LOMA, SPGL, GATT, DEV
TV	807	Tuvalu	LOMA, SPGA, DEV
TW	736	Taiwan	GATT, DEV
TZ	352	Tanzania (United Republic of)	LOMA, SPGA, GATT, DEV
UA	72	Ukraine	CIS, SPGL, DEV
UG	350	Uganda	LOMA, SPGA, GATT, DEV
UM	832	United States minor outlying islands	SPGL, STEEL
US	400	United States of America	GATT, STEEL
UY	524	Uruguay	SPGL, GATT, HANDY, DEV
UZ	81	Uzbekistan	CIS, SPGL, STEEL
VA	45	Holy See	STEEL
VC	467	Saint Vincent and the Grenadines	LOMA, SPGL, GATT, DEV
VE	484	Venezuela	SPGE, GATT, DEV
VG	468	British Virgin Islands	LOMB, SPGL, STEEL

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VI	457	US Virgin Islands	SPGL, STEEL
VN	690	Vietnam	SPGL, DEV
VU	816	Vanuatu	LOMA, SPGA, DEV
WF	811	Wallis and Futuna	LOMB, SPGL, STEEL
WS	819	Samoa	LOMA, SPGA, DEV
XC	21	Ceuta	STEEL
XL	23	Melilla	STEEL
YE	653	Yemen	SPGA, DEV
YT	377	Mayotte	LOMB, SPGL, STEEL
YU	94	Serbia and Montenegro	ABH, STEEL
ZA	388	South Africa	SPGL, GATT, DEV, EXCL
ZM	378	Zambia	LOMA, SPGA, GATT, DEV
ZW	382	Zimbabwe	LOMA, SPGL, GATT, DEV

([1]) OJ L 261, 28.9.2002, p. 1.
([2]) OJ L 351, 28.12.2002, p. 73.
([3]) Provisional code that does not affect the definitive denomination of the country to be attributed after the conclusion of the negotiations currently taking place in the United Nations.
([4]) This country temporarily does not benefit from tariff preferences.