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NOTE	
From:	General Secretariat of the Council
То:	Council
Subject:	Automatic safeguard measure for rice imports from EBA Countries - Information from Italy, supported by Bulgaria, Greece, Portugal, Romania and Spain

Delegations will find in the <u>Annex</u> a note from the Italian delegation, supported by Bulgaria, Greece, Portugal, Romania and Spain on the above-mentioned subject, to be dealt with under "Any other business" at the Council (Agriculture and Fisheries) on 23 September 2024.

<u>ANNEX</u>

Automatic safeguard measure for rice imports from EBA Countries

Regulation (EU) No. 978/2012 of the European Parliament and of the Council establishes a scheme of generalised tariff preferences (GSP), also providing a special zero duty import arrangement for the least-developed countries (Everything But Arms (EBA)), including Cambodia and Myanmar.

The Regulation (EU) 2023/2663 of the European Parliament and of the Council of 22 November 2023 has extended the application of the GSP Regulation until 31 December 2027. The extension should ensure the EU GSP rules continuity and provide the time needed to conclude the ongoing legislative procedure for the review of the GSP Regulation initiated on a Commission's proposal in September 2021.

The aim of the GSP Regulation is to support developing countries by helping them to exploit trade opportunities; however, due to zero duty imports, high quantities of rice are imported in the EU with a negative impact on the European rice sector.

Indeed, import flows from Cambodia and Myanmar are rapidly increasing, leading to a shrinking trade space for EU-grown paddy rice and taking market shares away from the indigenous product. The result is a sharp imbalance in the market and an equally sharp reduction in the area under rice in Europe. Furthermore, Cambodia has become the EU's leading trading partner for pre-packaged milled rice, taking up commercial space from the EU's packaged industry.

During the last marketing year, around 450.000 tons of milled rice were imported at zero duties from Cambodia and Myanmar into the EU. These massive imports of rice were absorbed by the EU market only due to the shortage of EU rice production caused by drought, especially in Spain in 2022 and 2023 and in Italy in 2022. This situation will not be sustainable in the near future due to the increase of the EU paddy rice surface as well as the EU rice production.

The general safeguard measure (art. 22 of the GSP Regulation) has already been adopted in the past, however, it is not sufficient and very cumbersome, requiring the occurrence of a series of conditions not easily demonstrable and, above all, not at the imminence of a particular market moment.

Therefore, there is a need to amend the Article 29 and the Annex IV of Regulation (EU) No. 978/2012 in order to include the rice among the products under an automatic safeguard measure extended to EBA beneficiary countries, as reflected in the position expressed by the European Parliament in spring 2022.

This automatic safeguard measure would allow timely actions to abolish the preference for rice from a single least-developed country; if a predetermined value is exceeded, imports from that country would be subject to Common Customs Tariff duties.

With regard to the context described above, we ask the Presidency to take into account the need to effectively protect the European rice sector and, when the trialogues will be resumed, to include rice imported from EBA Countries as a subject of an automatic safeguard measure.