

**COUNCIL REGULATION (EC) No 2623/97
of 19 December 1997**

**applying Article 6 of Regulations (EC) No 3281/94 and (EC) No 1256/96 on
multiannual generalized tariff preferences schemes in respect of certain
industrial and agricultural products originating in developing countries**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 113,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament ⁽¹⁾,

Having regard to the opinion of the Economic and Social Committee ⁽²⁾,

Whereas it is laid down in Article 6 of Regulations (EC) No 3281/94 ⁽³⁾ and (EC) No 1256/96 ⁽⁴⁾ that the most advanced beneficiary countries shall be excluded from entitlement under those Regulations from 1 January 1998 on the basis of objective, clearly defined criteria;

Whereas the reference threshold for excluding the most advanced countries should be a per capita income equal to the lowest in an EU Member State, adjusted by reference to the development index listed in Part 2 of Annex II to Regulations (EC) No 3281/94 and (EC) No 1256/96 in order to allow for the fact that some countries need to develop their exports of manufactures;

Whereas this approach is objective and clear in that it includes the indicator which is the least controversial and the most representative of the current state of affairs in the beneficiary countries, while at the same time making it possible to maintain one of the objectives of the GSP, namely diversification of the beneficiary countries' exports;

Whereas excluding some countries from benefiting from generalized tariff preferences must not have the effect of depriving members of the regional groupings, of which the excluded countries are also members, from the advantages which they previously obtained through using in their own manufacturing, within the context of regional cumulation, products originating in the said excluded countries; whereas terminating this facility would run counter to the objective of Article 6 of the said Regulations, which is to redistribute the benefits of the system to less developed countries,

⁽¹⁾ Opinion delivered on 16 December 1997 (not yet published in the Official Journal).

⁽²⁾ Opinion delivered on 10 December 1997 (not yet published in the Official Journal).

⁽³⁾ OJ L 348, 31. 12. 1994, p. 1. Regulation as last amended by Regulation (EC) No 998/97 (OJ L 144, 4. 6. 1997, p. 13).

⁽⁴⁾ OJ L 160, 29. 6. 1996, p. 1. Regulation as last amended by Regulation (EC) No 2448/96 (OJ L 333, 21. 12. 1996, p. 12).

HAS ADOPTED THIS REGULATION:

Article 1

The criteria referred to in Article 6 of Regulations (EC) No 3281/94 and (EC) No 1256/96 are as follows:

- a per capita gross national product exceeding US \$ 8 210 for 1995 in accordance with the most recent World Bank figures,
- a development index, calculated in accordance with the formula and on the basis of the figures given in Part 2 of Annex II to Regulations (EC) No 3281/94 and (EC) No 1256/96, greater than -1.

These criteria shall be applicable cumulatively.

Article 2

The withdrawal of one country or territory from the list of countries and territories benefiting from generalized preferences by virtue of the criteria set out in Article 1 shall not affect the possibility of using products originating in that country under the regional cumulation mechanism applicable to regional groupings referred to in Article 72 (3) of Commission Regulation (EC) No 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code ⁽⁵⁾, provided that the country has been a member of the regional grouping since the multiannual system of preferences applicable to the product concerned entered into force and is not considered to be the country of origin of the final product within the meaning of Article 72a of Regulation (EC) No 2454/93.

Article 3

Under the criteria listed in Article 1, the following countries and territory shall be withdrawn from the list of countries and territories benefiting from the generalized preferences set out in Annex III to Regulations (EC) No 3281/94 and (EC) No 1256/96:

- Hong Kong,
- Singapore,
- South Korea.

Article 4

This Regulation shall enter into force on 1 May 1998.

⁽⁵⁾ OJ L 253, 11. 10. 1993, p. 1. Regulation as last amended by Regulation (EC) No 89/97 (OJ L 17, 21. 1. 1997, p. 28).

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

Done at Brussels, 19 December 1997.

For the Council

The President

F. BODEN
