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Statement

Most recent CJEU judgment should push EU decision makers to strengthen mechanisms to protect the EU rice farming community

On November 9th, the Court of Justice of the European Union (CJEU) issued an important [judgment](#) on the imports of Indica rice originating in Cambodia and Myanmar. The major consequence of this decision is that the court cancelled the [Commission Implementing](#) act imposing safeguard measures on imports from both countries. Cambodia and Myanmar have benefited greatly in recent years from the “EBA” (Everything but Arms) agreement, enabling them to export considerable high tax-free volumes to Europe putting the viability of EU producers at stake. As the regulation on the Generalised Scheme of tariff Preferences (GSP) is underway in Brussels, Copa and Cogeca call on European decision-makers to take note of the decision by proposing a reinforced system.

The Cambodian government claimed a violation of Articles 22(1) and (2) and 23 of the Regulation 978/2012 applying a scheme of Generalised Tariff Preferences (GSP), as in the Implementing Regulation the Commission misinterpreted the notion of "*Union producers of like or directly competing products*" and limited it to the origin of raw materials. The Court argues that although products eligible for safeguard measures are "*originating in a beneficiary country*," the origin principle does not apply to "*like or directly competing products*." In addition, the court upheld the Cambodian government's claims of manifest errors of assessment made by the Commission in adjusting EU and import prices.

Copa and Cogeca acknowledge the judgment and respect the outcome, although we deplore the cancelation of the implementing act. However, we understand that triggering articles 22 and 24(2) of the GSP, due to its broad and generic nature, could have been complicated. In fact, the application of the safeguard clause in January 2019 represents the first and only case under the framework of the GSP regulation.

This ruling of the European Court of Justice comes at a time when the revision of the GSP is under discussion between the Council and the European Parliament. The co-legislators must therefore learn from this textbook case in order to strengthen the whole system. Copa and Cogeca have been advocating for a strong revision of the GSP and improving a possible automatic mechanism, not only for the certainty of actions needed by European rice farmers and agri-cooperatives, but also for a clear and solid administrative procedure. In this direction, we welcomed the good outcome that the Committee on International Trade of the European Parliament achieved on May 17th, and we hope that the Council of the European Union will find a sound compromise, close to the European Parliament's one.

The European rice farming community call on Member States to continue the negotiation, focusing on achieving a clear, solid and efficient mechanism, to be triggered only when damages to rice farmers are registered. In addition, this mechanism should be swift, otherwise damages

caused by imports would bring unbearable damages to a European rice sector that is already heavily impacted by recent crises.

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Translation in DE, FR, ES, IT, PL, and RO will soon be available on the Copa-Cogeca website.

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