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SERIALS UNIT

DRAFT COUNCIL REGULATION (EEC)
 INCREASING THE VOLUME OF THE COMMUNITY TARIFF QUOTA
 OPENED FOR 1980, FOR FERRO-CHROMIUM CONTAINING NOT
 LESS THAN 4% BY WEIGHT OF CARBON AND FALLING WITHIN
 SUBHEADING EX 73.02 E I OF THE COMMON CUSTOMS TARIFF

(presented by the Commission to the Council)

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EXPLANATORY MEMORANDUM

1. By its Regulation (EEC) No 3028/79 of 20 December 1979¹, the Council opened and allocated among the Member States, in respect of the year 1980, a duty-free Community tariff quota for ferro-chromium containing not less than 4% by weight of carbon (and to a limited extent a quantity of carbon of between 3 and 4% (hereinafter called 'high-carbon ferro-chromium'), the volume of which was fixed at the provisional level of 120 000 tonnes to meet the requirements of the initial months, whilst not in any way precluding adjustments during the quota period.

The purpose of opening such a quota is to meet Community requirements at a nil rate and follow up the conclusion of an agreement between producers and consumers under which the consumers would have their requirements for imports from third countries met by a duty-free tariff quota in exchange for a guarantee that Community output, which has been reduced in appropriate proportions, will find a market.

2. The situation prevailing in the market for this ferro-chromium and the requirements for imports from third countries were reviewed at a meeting of the Economic Tariff Problems Group held on 29 February 1980. This meeting had been preceded by a talk with producers and consumers on 11 February 1980.

It emerged from these discussions that :

- despite the relatively short period that has elapsed since the beginning of the year (the conclusion of the agreement), the experience gained in connection with its implementation in 1980 is nevertheless adequate for a new increase in the volume of the quota to be contemplated without it being possible, however, to provide very precise information concerning the actual requirements for imports from third countries;

(1) OJ No. L 340 of 31.12.1979, p. 28.

- the influence on the Community market of the decision taken by the Council in the Regulation (EEC) No. 120/80 of 21 January 1980 (1), to admit products originating in Southern Rhodesia with exemption of customs duty, will be relatively slight in the course of the next few months, given that supply contracts have already been concluded. This decision could however introduce a new element of uncertainty into the future evaluation of the import needs to be covered by a quota.

This being so, fixing the increase in the quota must still be done prudently in order not to endanger the equilibrium of the market. To this end and having regard on the one hand to the time required by the procedures for the approval of regulations and on the other hand to the need to ensure the parallel development of sales of Community output and supplies to the user industries on favourable terms and conditions whilst providing them with some security, the Commission feels that it is appropriate to fix the volume of the increase in question at the volume of the forecast import requirements for the next few months, and so review the situation again in September if it seems necessary.

From the information at the Commission's disposal, the supplementary requirements of imports from third countries not entitled to any other preferential tariff arrangement (EFTA or associated) amount at the moment to 120 000 tonnes.

3. In the absence of convincing arguments for a modification, it is proposed that the same allocation as was used for the first quota should be used, the Community reserve which would be raised to 28 800 tonnes because of the increase, being sufficient to react to an unforeseen evolution in imports into the different Member States, especially as a new revision is scheduled for the end of the year.

(1) OJ No. L 16 of 22.1.1980, p. 12.

Draft of
COUNCIL REGULATION (EEC)

increasing the volume of the Community tariff quota, opened for the year 1980 for ferro-chromium containing not less than 4 % by weight of carbon and falling within subheading ex 73.02 E I of the Common Customs Tariff

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 28 thereof,

Having regard to the draft Regulation submitted by the Commission,

Whereas, by its Regulation (EEC) No 3028/79⁽¹⁾, the Council opened, for the year 1980, and allocated among the Member States a duty-free Community tariff quota for ferro-chromium containing not less than 4 % by weight of carbon and falling within subheading ex 73.02 E I of the Common Customs Tariff, the volume of which was fixed at the provisional level of 120 000 tonnes; whereas the benefit of the tariff quota in question was extended by the same Regulation, up to the limit of 20 % of its volume, to imports of ferro-chromium containing a quantity of between 3 and 4 % by weight of carbon;

Whereas it can be estimated from the economic data now available on consumption, production and imports benefiting from other preferential tariff arrangements that Community requirements of imports from third countries could, during the current year, reach a level higher than the volume of the above-mentioned quota; whereas, in order not to disturb the equilibrium of the market for this ferro-alloy and to ensure parallel development in sales of Community production and of supplies to the consuming industries, it is appropriate to limit any increase in the quota volume to the volume of the immediate needs, i.e., 120 000 tonnes, and to review the position in due course with a view to making a further adjustment;

Whereas, as regards the allocation of this volume among the Member States, it is appropriate to assign a relatively small part of the additional volume to a Community reserve, the balance of this volume being

allocated among the Member States in proportion to their foreseeable needs for imports from third countries,

HAS ADOPTED THIS REGULATION:

Article 1

The volume of the Community tariff quota opened by Regulation (EEC) No 3028/79 for ferro-chromium containing not less than 4 % by weight of carbon, falling within subheading ex 73.02 E I of the Common Customs Tariff, shall be raised from 120 000 to 240 000 tonnes.

Article 2

1. A first instalment of the additional volume referred to in Article 1, i.e., 109 600 tonnes, shall be allocated among the Member States as follows:

	<i>tonnes</i>
Benelux	4 350
Denmark	20
Germany	39 220
France	18 000
Ireland	10
Italy	29 000
United Kingdom	19 000

2. The second instalment of 10 400 tonnes shall constitute the reserve.

The reserve laid down by Article 2 (2) of Regulation (EEC) No 3028/79 is thus raised from 10 400 to 20 800 tonnes.

Article 3

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

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

Done at Brussels,

For the Council
The President

1. Ligne budgétaire concernée : Chap. 12 art. 120

2. Base juridique : art. 28

3. Intitulé de la mesure tarifaire :

Projet de règlement du Conseil portant augmentation du volume du contingent tarifaire communautaire autonome ouvert pour certaines qualités de ferro-chrome, de la sous-position ex 73.02 E I du tarif douanier commun (1980).

4. Objectif :

Assurer un approvisionnement satisfaisant des industries utilisatrices communautaires.

5. Mode de calcul :

- N° du T.D.C. : ex 73.02 E I
- Volume du contingent : 120.000 tonnes
- Droits à appliquer : 0 %
- Droits du T.D.C. : 8 %

6. Perte de recettes :

Valeur d'une tonne : 807,41 UCE

Valeur des 120.000 tonnes : 96.889.200 UCE

Perte de recettes :

96.889.200 UCE à 8 % = 7.751.136 UCE

Par rapport à la première augmentation du contingent de 1979, augmentation des pertes de 3.685.536 UCE.