

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(75) 329 final.

Brussels, 2 July 1975

Proposal for a

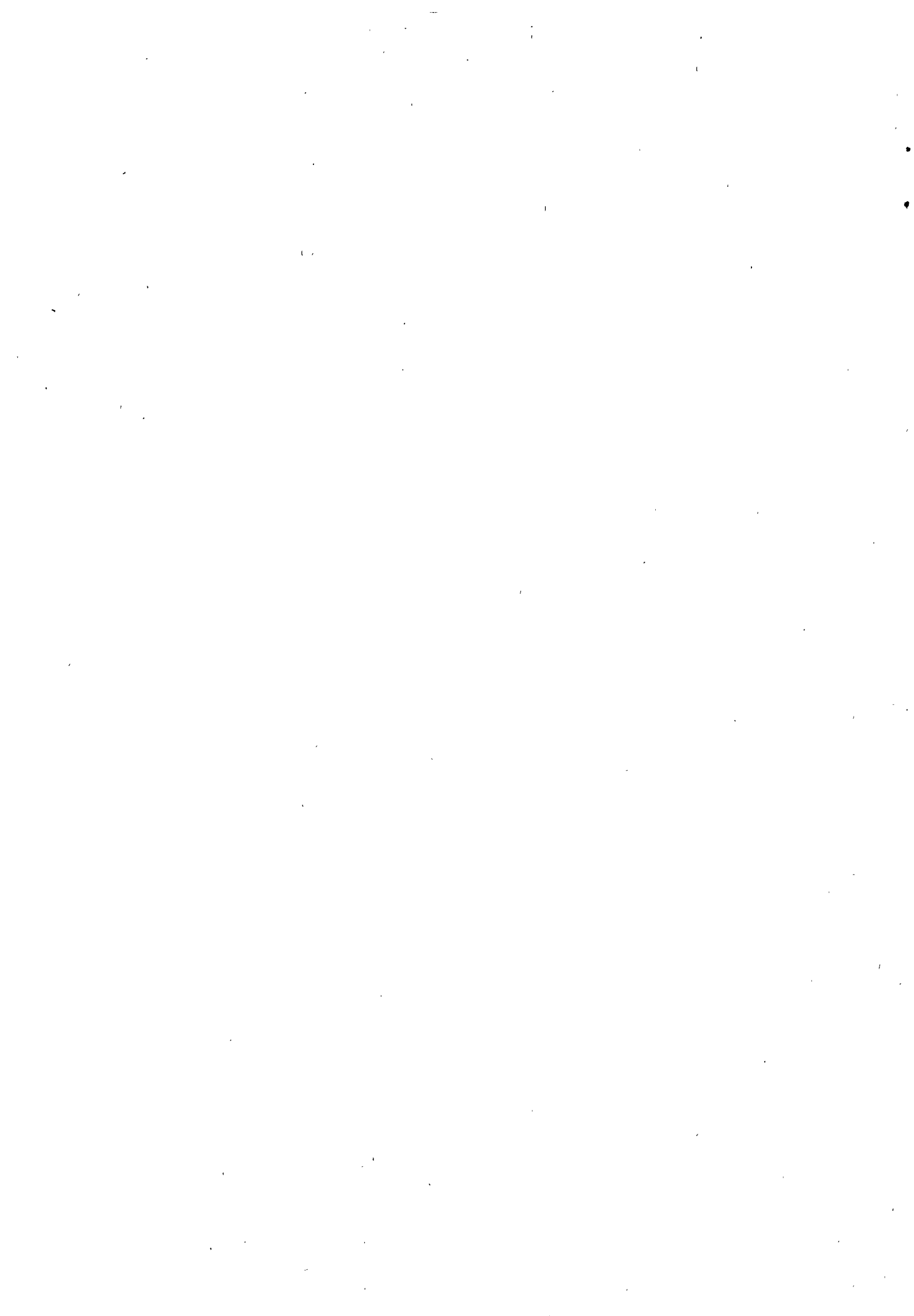
REGULATION (EEC) OF THE COUNCIL

for the opening and method of administration of a Community preference ceiling for certain petroleum products refined in Turkey and for establishing a Community surveillance system for imports of these products

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(submitted to the Council by the Commission)

COM(75) 329 final.



EXPLANATORY MEMORANDUM

1. As a consequence of the Accession of the new Member States and the ensuing negotiations with Turkey for the purpose of adjusting her Association Agreement with the Community and its Additional Protocol, the Community signed at Ankara, on 30 June 1973, a Supplementary Protocol which will enter into force on ratification.

Pending entry into force of the Protocol the Community concluded an Interim Agreement, intended to be valid only until the Protocol does enter into force, in order to secure the application from 1 January 1974 of certain provisions of the Protocol relating to trade in goods.

The Supplementary Protocol and the Interim Agreement provide inter alia for the opening of an annual Community tariff quota of 340 000 metric tons for certain petroleum products falling under Chapter 27 of the Common Customs Tariff.

It is not possible to say at the moment whether the tariff measures laid down by these Agreements in Turkey's favour should be granted for 1976 on the basis of the Supplementary Protocol or of the Interim Agreement, the validity of which would have to be prolonged. The proposed Regulation annexed hereto is based on the Supplementary Protocol and would therefore have to be amended if the Supplementary Protocol did not enter into force on 1 January 1976.

2. As a result of the decision by the Council of Association in June 1973 that Turkey should be treated no less favourably than the countries benefiting from generalized tariff preferences, the Commission and the Turkish authorities have studied the problem of giving equivalent tariff treatment to both the developing countries and Turkey.

The Community tariff quotas opened in favour of the developing countries during the years 1971 to 1973 were converted with effect from 1 January 1974 into Community ceilings, volumes being calculated by the usual method. For 1975 these volumes have been fixed at the 1974 levels plus 12%.

When the problem had been studied, the Commission ultimately recognized that for 1976, in view of the provisions of paragraph 4 of the Sole Article of Annex I to the Additional Protocol, the tariff quota of 340 000 metric tons laid down in Turkey's favour should be converted into a Community ceiling with the volume increased provisionally by 12 %. This volume would be subject to adjustment on the basis of the ceiling volumes opened for 1976 under the generalized system of tariff preferences. The adjustment could be made when the matter is being dealt with at Council level, if that would be possible, or else during 1976.

The only purpose of the proposed Regulation is to open in the case of these products for 1976 a Community ceiling fixed provisionally at 380 800 metric tons (340 000 tons + 12 %) and to set up Community supervision of importations of these products.

The Member States' experts who attended the consultation meeting of the Group on Economic Tariff Problems (14/18 April 1975) expressed approval in principle of the proposed plan of action.

3. Adoption of precise common rules uniformly applied by the Member States will be necessary if the ceilings system incorporating entitlement to reintroduce the customs duties is to work successfully. These requirements can be met by setting up a Community system for supervising imports actually made from the partner country. Member States will accordingly require to take steps to ensure that statistical data for the whole of the Community can be collected rapidly. For this purpose importations will be counted only as the goods are actually entered with the customs authorities for home use.

Statistics will be compiled by each Member State at the end of each month and will be forwarded to reach the Commission by the tenth day of the following month in order to enable it to communicate to Member States by telex an inclusive return of the imports system will call for the exercise of careful attention by the relevant departments in the Member States and for close cooperation between these departments and the Commission.

The following system will be adopted for setting off the mechanism for reintroducing duties : when one of the inclusive monthly returns drawn up by the Commission shows that 75 % of the ceiling figure has been reached, the Commission will inform the Member States and consultations may then be held - particularly in the Group on Economic Tariff Problems - either at the request of a Member State or on the initiative of the Commission. The purpose of the consultations will be to consider whether or not to recommence collecting customs duties at the third-country rate when the ceiling has actually been reached.

A monthly return will continue to be made for the product in question. If the Commission so requests, returns will be made every ten days by telex, within a time limit of five days.

The Commission will thus be in a position to take quick action to restore by regulation customs duties on imports from the partner country until the end of the calendar year. Naturally, in such a case reintroduction of the duties would be effective from a date fixed by the regulation ending the duty reduction laid down.

4. The proposed Regulation provides that the Council should delegate authority to the Commission as regards application of the rules on ceilings and introduction of duties.

The proposed Regulation only sketches a general framework for the exercise of these powers in order that the mechanism to be used can be flexibly and rapidly adjusted, in consultation with the Member States. It is precisely with this aim of optimum efficiency and rapidity that the proposed Regulation gives the Commission the task of reintroducing third-country rate duties on imports of the goods in question from the partner country.

ANNEX : Proposal for a Council Regulation

Proposal for  
Regulation (EEC) No.../75 of the Council

opening and providing for the administration of a  
Community preferential ceiling for certain petro-  
leum products refined in Turkey and establishing  
Community supervision of importations of these  
products

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

having regard to the Treaty establishing the European Economic  
Community, and in particular Article 113 thereof;

having regard to the proposal from the Commission;

Whereas, under the terms of Article 7 of the Supplementary Protocol  
signed in Ankara on 30 June 1973 containing the adjustments to be  
made to the Agreement establishing an Association between the Euro-  
pean Economic Community and Turkey, and to the Additional Protocol,  
consequent on the Accession of new Member States, the Community must  
each year totally suspend the customs duties applicable to certain  
petroleum products falling within Chapter 27 of the Common Customs  
Tariff, within the limit of an annual Community tariff quota of  
340 000 metric tons; whereas for the products concerned a provisional  
adjustment of these tariff preferences should be made consisting basi-  
cally in substituting for the Community tariff quota a Community cei-  
ling amounting, after an increase of 12 %, to 380 800 metric tons,  
above which the customs duties applicable to third countries may be  
reintroduced; whereas this adjustment can be reviewed in the light  
of any requirements, in the course of the year to which it applies;  
whereas in accordance with Article 9 of the said Supplementary Proto-  
col nil rates of duty are to be applied by the new Member States to  
the products in question;

.../...

whereas application of the ceiling system requires that the Community should be kept informed of the trend of imports of the said products refined in Turkey; whereas it is therefore desirable to submit importations of these products to a system of supervision;

whereas this objective may be attained by an administrative method based on charging at Community level to the ceiling importations of the products in question as and when the goods are entered with the customs authorities for home use; whereas this administrative method must allow for the possibility of reintroducing the customs tariff duties when the said ceilings have been reached at Community level;

whereas this administrative method calls for close and particularly rapid cooperation between the Member States and the Commission, which must in particular be able to keep under review charges made to the ceiling and inform the Member States thereof; whereas the need for the Commission to be able to take measures to introduce the customs tariff duties when the ceiling has been reached makes such close co-operation particularly necessary,,

HAS ADOPTED THIS REGULATION :

Article 1

1. From 1 January to 31 December 1976 the Common Customs Tariff duties and the tariff duties of the new Member States will, subject to the provisions of Article 2, be totally suspended for the petroleum products, refined in Turkey, specified below, within a limit of a Community ceiling of 380 000 metric tons :

CCT heading No	Description
1	2
27.10	Petroleum oils and oils obtained from bituminous minerals other than crude; preparations not elsewhere specified or included, containing not less than 70 % by weight of petroleum oil or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations :

1	2
27.10 (continued)	<ul style="list-style-type: none"> <li>A. Light oils :               <ul style="list-style-type: none"> <li>III. For other purposes .</li> </ul> </li> <li>B. Medium oils :               <ul style="list-style-type: none"> <li>III. For other purposes</li> </ul> </li> <li>C. Heavy oils :               <ul style="list-style-type: none"> <li>I. Gas oils :                   <ul style="list-style-type: none"> <li>c) For other purposes</li> </ul> </li> <li>II. Fuel oils :                   <ul style="list-style-type: none"> <li>c) For other purposes</li> </ul> </li> <li>III. Lubricating oils, other oils :                   <ul style="list-style-type: none"> <li>c) To be mixed in accordance with the terms of Additional Note 7 to Chapter 27 (a)</li> <li>d) For other purposes</li> </ul> </li> </ul> </li> </ul>
27.11	<ul style="list-style-type: none"> <li>Petroleum gases and other gaseous hydrocarbons :</li> <li>B. Other :               <ul style="list-style-type: none"> <li>I. Commercial propane and commercial butane :                   <ul style="list-style-type: none"> <li>c) For other purposes</li> </ul> </li> </ul> </li> </ul>
27.12	<ul style="list-style-type: none"> <li>Petroleum jelly :</li> <li>A. Crude :               <ul style="list-style-type: none"> <li>III. For other purposes</li> </ul> </li> <li>B. Other</li> </ul>
27.13	<ul style="list-style-type: none"> <li>Paraffin wax, micro-crystalline wax, slack wax, ozokerite, lignite wax, peat wax and other mineral waxes, whether or not coloured :</li> <li>B. Other :               <ul style="list-style-type: none"> <li>I. Crude :                   <ul style="list-style-type: none"> <li>c) For other purposes</li> </ul> </li> <li>II. Other</li> </ul> </li> </ul>
27.14	<ul style="list-style-type: none"> <li>Petroleum bitumen, petroleum coke and other residues of petroleum oils or of oils obtained from bituminous minerals :</li> <li>C. Other</li> </ul>

Entry under this sub-heading is subject to conditions to be determined by the competent authorities.



2. Importations of the petroleum products referred to in paragraph 1 shall be subject to Community supervision.
3. Importations of the products shall be charged to the ceiling as and when the goods are entered with the customs authorities for home use.
4. Determination at Community level of exhaustion of the ceiling shall be on the basis of the importations charged under the conditions set out in paragraph 3.
5. The Member States shall inform the Commission of the importations made under the procedures described above at the frequency and within the time limits specified in Article 3.

#### Article 2

When the ceiling referred to in Article 1 (1) has been reached at Community level the Commission may by regulation reintroduce customs duties until the end of the calendar year at the rate applicable to third countries.

#### Article 3

The Member States shall furnish the Commission not later than the tenth day of each month with returns of the charges made during the course of the previous month. At the request of the Commission these returns shall be made for ten day periods, and in this case the returns will reach the Commission within five days from the end of each ten day period.

#### Article 4

The Commission shall, acting in close co-operation with the Member States, take all appropriate steps to ensure application of this Regulation.

.../...

Article 5

This Regulation shall enter into force on 1 January 1976.

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

Done at Brussels,

For the Council,

The President