

# COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 13 june 1979 .

DRAFT COUNCIL REGULATION (EEC) TO REGISTER CRUDE  
OIL/OR PETROLEUM PRODUCT PURCHASES IN THE EUROPEAN  
COMMUNITY

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(submitted to the Council by the Commission)



ACTIONS TO DEAL WITH THE SHORT-TERM  
ENERGY PROBLEM

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Present oil shortages, though small overall, are leading to very sharp increases in the cost of marginal supplies on spot markets, and are causing some unequal distribution within countries. If the shortages continue, they will make it more difficult to build up stocks to an acceptable level before next winter.

The Council has already agreed measures to reduce oil demand. The Commission now propose the following further action

- (a) Information. It is important that information about price trends should be available to Governments and public. Subject to agreement on matters of detail, the Commission will prepare a weekly analysis of the prices on the spot market and of the consumer prices for the main products, in a form which will enable them to be compared with monthly information on the cost of imported crude oil. This analysis will be made available to Governments and Press, and in suitably summarised form to OPEC.
- (b) Registration of oil purchases. The Council is invited to approve the draft Regulation attached as an Annex which will enable Governments and the Commission to monitor oil prices directly. This monitoring should be a strong deterrent against speculative purchases and will allow Governments to introduce stronger controls as necessary. Under the Regulation, oil companies will be required to notify all oil purchases above a specified price level. In parallel Governments should give strong guidance to oil companies not to buy oil on spot markets at excessive prices. The Commission will also propose to the European Council at its meeting on 21-22 June that similar measures should be adopted at the Tokyo Summit meeting of industrial countries.
- (c) Reduction in oil demand. Following decisions of the European Council in March, member countries have introduced a variety of measures to reduce oil consumption during the remainder of 1979. Some countries have introduced an Allocation Scheme under which oil companies are advised to reduce deliveries to consumers by a specific amount. The Commission believes that a voluntary Allocation Scheme of this type, or equivalent measures to control demand, should be studied urgently, to be brought into effect before the end of 1979 if the situation does not improve. The Scheme could be run on a national basis and in a manner best suited to the circumstances of each country, with broad coordination at Community level. The reduction in deliveries would be kept closely under review by the Council, who would recommend changes as necessary. Similar action should be recommended for study by other Governments represented at the Tokyo Summit meeting.

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TO REGISTER CRUDE OIL AND/OR PETROLEUM  
PRODUCT PURCHASES IN THE EUROPEAN COMMUNITY

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

HAVING REGARD TO the Treaty establishing the European Economic Community,  
in particular Article 103,

HAVING REGARD TO the Commission's draft,

WHEREAS a common energy policy is one of the objectives to which the  
Community is committed and it is incumbent upon the Commission to  
propose appropriate measures;

WHEREAS security of supplies at stable prices is one of the essential  
objectives of this policy;

WHEREAS in the case of supply difficulties, in order to stabilise the  
Community market and prevent abnormal fluctuations occurring on the  
world market from having an adverse effect on the Community, it is  
necessary to monitor all crude oil and product purchases that exceed  
the reference price;

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WHEREAS, in order to further this objective, all companies are obliged to register all crude oil and petroleum product purchases which exceed the reference price;

WHEREAS, in order to achieve this objective, Member States should notify the Commission every week of data concerning purchases that have been registered during the previous week - persons and companies concerned should give information to Member States so that they will be able to achieve the objective in question;

WHEREAS the obligations laid down in this regulation and the confidentiality of information received will be guaranteed.

HAS ADOPTED THIS REGULATION:

Article 1

1. Any person or company which makes a purchase referred to in paragraph 2 at more than the reference price determined in paragraph 3 is obliged to notify it to the Member State concerned each week.
2. For the purpose of this regulation, purchase means:
  - a) for crude oil falling within heading 27.09 of the Common Customs Tariff: all purchases destined to be refined in Member States,
  - b) for petroleum products falling within heading 27.10 of the Common Customs Tariff: all purchases greater than 500 tons for the internal consumption of Member States.
3. For the purpose of this regulation reference price means:
  - a) for crude oil:

the prices published by the producers plus, where appropriate, transport and insurance costs for CIF purchases, acting as a basis for term delivery contracts.

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b) for petroleum products:

consumer prices net of tax in Member States during the preceding week, observed pursuant to Council Directive 76/491/EEC of 4.5.76 and published in the Official Journal by the Commission.

Article 2

The notification referred to in Article 1 contains:

- volumes in metric tons,
- unit prices,
- country of origin,
- commercial features,
- date of transaction.

Article 3

Member States are to notify the Commission each week of the information referred to in Articles 1 and 2 concerning the preceding week, in aggregated form.

Article 4

1. Information collected pursuant to this regulation is to be treated as confidential. This provision should neither impede the publication of general information nor of a synthesis, provided this does not reveal the operations of individual companies.
2. If the Commission establishes the existence of anomalies or inconsistencies in the figures communicated, it may ask the Member States to permit it to acquaint itself with the appropriate unaggregated information supplied by the undertakings and the calculation and assessment procedures used to arrive at the aggregated information.

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Article 5

The Commission, within the parameters laid down by this regulation, adopts implementing measures.

Article 6

This regulation enters in force on \_\_\_\_\_ and expires on \_\_\_\_\_

This regulation is mandatory in all its aspects and directly binding in all Member States.

Done at Brussels,

For the Council

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