

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(75) 337 final

Brussels, 7 July 1975

PROPOSAL FOR A REGULATION (EEC) OF THE COUNCIL

opening, allocating and providing for the administration of a Community tariff quota for certain petroleum products falling within Chapter 27 of the Common Customs Tariff,
refined in the Arab Republic of Egypt.

PROPOSAL FOR A REGULATION (EEC) OF THE COUNCIL

opening, allocating and providing for the administration of a Community tariff quota for other woven fabrics of cotton falling within heading No 55.09 of the Common Customs Tariff,
originating in the Arab Republic of Egypt

(submitted to the Council by the Commission)

COM(75) 337 final

EXPLANATORY MEMORANDUM

1. The Agreement between the European Economic Community and the Arab Republic of Egypt (Article 2 and Articles 1, 3 and 4 of Annex I), together with the Protocol laying down certain provisions relating to that Agreement consequent on the accession of new Member States to the European Economic Community (Article 2), provides for the opening of Community tariff quotas for the following products:

Common Customs Tariff heading No	Description of goods	Annual quota
ex Chapter 27	Certain petroleum products	360 000 metric tons
55.09	Other woven fabrics of cotton	3 250 metric tons

The abovementioned Protocol (Article 5) also provides for these quotas to be allocated as follows among the Member States:

	Certain petroleum products	Other woven fabrics of cotton
	(metric tons)	
(a) to the Community as originally constituted	200 000	2 500
(b) to Denmark	5 000	90
(c) to Ireland	5 000	10
(d) to the United Kingdom	150 000	650

.../...

The duties to be applied are fixed by the Agreement at 45% of the Common Customs Tariff duties for the products concerned. However, Articles 3 and 4 of the abovementioned Protocol also contain special provisions concerning the duties to be applied by the new Member States. Similarly, certain provisions of the Act concerning the Conditions of Accession and the Adjustments to the Treaties must be complied with when fixing these duties.

2. To fulfil the Community's obligation to the ARE in 1976, regulations should be adopted opening, allocating and providing for the administration of these Community tariff quotas.

This is the purpose of the proposals annexed hereto.

3. The following remarks are necessary concerning the quota assigned to the Member States of the Community as originally constituted:

- (a) The regulations provide, as is the rule, for each of the quotas to be divided into two instalments, the first of which is allocated among the Member States concerned while the second constitutes the reserve.

- (b) The allocation of the first instalment is usually based on the statistics for the previous three years and the forecasts for the quota period concerned. Thus, each Member State's imports of other woven fabrics of cotton (55.09) during the years 1972-74 were compared with imports into the Community as originally constituted over the same period. The resulting percentages have been applied to this first instalment by the respective Member States.

However, it does not appear desirable to apply this principle to petroleum products (Chapter 27), since:

- (i) one Member State's imports were insignificant,
- (ii) there were no imports at all into the other five Member States,
- (iii) total imports into the Community as originally constituted were small in comparison with the quota to be allocated

(iv) it is very difficult to draw up forecasts of future imports.

However, in order to achieve, nevertheless, a fair and weighted allocation of this quota among the Member States concerned, the Commission is working on the assumption that, in all but quite exceptional cases, each Member State must be able to play at the outset a significant part in the application of a Community measure such as the tariff quotas. Such an allocation must be aimed at evening out as far as possible among the Member States the advantages and responsibilities resulting from this measure. Obviously, this formula will have to be adapted subsequently in the light of any trade movements.

4. The proposal for a regulation on other woven fabrics of cotton provides for all the Member States to apply the "as and when" method of administration. On the other hand, it is not yet possible to provide for a single method of administration (whether "as and when" or prior allocation) for the quota for certain petroleum products. The national provisions governing the market in these products vary from one Member State to another and the Member States consider that this makes it impossible to apply a common method of administration. In these circumstances, each Member State will be able, by way of exception, to administer its shares in accordance with its own provisions, while guaranteeing importers of these products free access to the quota.

5. The Member States' experts who participated in the consultative meeting of the "Economic Tariff Problems" Group (14/18 April 1975) expressed agreement in principle to the scheme for allocation of shares proposed by the Commission in the framework of the regulations annexed.

Annexes :

2 proposals of regulation of the Council

1

**Proposal for a
REGULATION (EEC) No .../75 THE COUNCIL**

**opening, allocating and providing for the administration of a Community tariff quota
for certain petroleum products falling within Chapter 27 of the Common Customs
Tariff, refined in the Arab Republic of Egypt
(1976)**

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 the Agreement⁽¹⁾ between the European Economic Community and the Arab Republic of Egypt and the Protocol⁽²⁾ laying down certain provisions relating to the Agreement between the European Economic Community and the Arab Republic of Egypt consequent on the accession of new Member States to the European Economic Community provides for the opening of an annual Community tariff quota of 360 000 metric tons for certain petroleum products falling within Chapter 27 of the Common Customs Tariff, refined in the Arab Republic of Egypt; whereas the Protocol provides that the tariff quota should be allocated among the Member States as follows: 200 000 metric tons for the Community as originally constituted, 5 000 metric tons for Denmark, 5 000 metric tons for Ireland and 150 000 metric tons for the United Kingdom; whereas Annex I to the Agreement provides that the duties applicable to the quota shall be equal to 45% of the duties of the Common Customs Tariff; whereas, as regards the duties applicable to the quota by the new Member States, the special provisions of the Protocol and of the Act of Accession should be complied with; whereas to comply with the special provisions of the Protocol, separate arrangements should be made for the Member States of the Community as originally constituted, on the one hand, and for the new Member States, on the other;

Whereas as regards the Community as originally constituted:

— equal and uninterrupted access to the quota should be ensured for all importers and quota

duties applied continuously to all imports of the said products until the quota has been used up;

- in the light of the above principles the Community nature of the quota may best be preserved by an arrangement allocating it among the Member States; whereas in order to provide the most accurate reflection of actual market trends for the said products, such allocation should be proportionate to the needs of the Member States, calculated both from the statistics for each Member State's imports from the Arab Republic of Egypt over a representative reference period and from economic prospects for the quota period in question;
- in view of the fact, however, that over the past three years the said products have been imported into only one Member State, and in small quantities, and that no estimates can be made for 1976 and, in order to ensure a fair distribution among the Member States concerned, the initial percentage share, having regard to the potential demand for the said products in the various Member States, should be approximately 25% each;
- in order to take account of import trends for the products in question in the Member States concerned, the quota amount should be divided into two instalments, the first instalment being allocated among the same Member States, the second instalment constituting a reserve intended to cover the later requirements of Member States which have used up their initial quota shares; whereas, in order to ensure a certain degree of security to importers in each Member State, the first instalment of the quota should be fixed in this case at approximately 70%;
- the initial quota shares may be used up at different rates; whereas, therefore, to avoid disruption of supplies, any Member State which

(1) OJ No L 251, 7. 9. 1973, p. 13.

(2) OJ No L 251, 7. 9. 1973, p. 3.

has almost used up its initial quota share must draw an additional quota share from the reserve; whereas this must be done by each Member State as each one of its additional quota shares is almost used up, and as many times as the reserve allows; whereas the initial and additional quota shares shall be valid until the end of the quota period; whereas this form of administration requires close collaboration between the Member States concerned and the Commission, and the Commission must be in a position to follow the extent to which the quota volume has been used up and inform the Member States thereof;

concerning the administration of the quota shares allocated to that Economic Union may be carried out by any one of its members;

Whereas, as regards the new Member States:

- the quota duties shall be calculated by the new Member States in accordance with Articles 3 and 4 of the Protocol;
- equal and uninterrupted access to the quota should be ensured for all importers and quota duties should be applied continuously to all imports of the products in question until the quota has been used up,

— if, at a given date in the quota period, a considerable quantity of the initial quota share is left over in one of the Member States concerned, it is essential that that State should return a significant proportion to the reserve to prevent a part of the quota allocated to the Community as originally constituted from remaining unused in one Member State when it could be used in others;

— since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are united in and represented by the Benelux Economic Union, any measure

HAS ADOPTED THIS REGULATION:

Article 1

Subject to any measures which may be taken in application of Article 3 (2) and (4) of Annex I to the Agreement between the European Economic Community and the Arab Republic of Egypt, a Community tariff quota of 360 000 metric tons shall be opened from 1 January to 31 December 1976 for the products listed below refined in the Arab Republic of Egypt:

CCT heading No	Description
27.10	<p>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 oils or of oils obtained from bituminous minerals, those oils being the basic constituents of the preparations:</p> <p>A. Light oils: III. For other purposes</p> <p>B. Medium oils: III. For other purposes</p> <p>C. Heavy oils: I. Gas oil: c) For other purposes</p> <p> II. Fuel oil: c) For other purposes</p> <p> III. Lubricating oils; other oils: c) To be mixed in accordance with the terms of Additional Note 7 to Chapter 27 (a)</p> <p> d) For other purposes</p>

(a) Entry under this subheading is subject to conditions to be determined by the competent authorities.

CCT heading No	Description
27.11	Petroleum gases and other gaseous hydrocarbons: B. Other: I. Commercial propane and commercial butane: c) For other purposes
27.12	Petroleum jelly: A. Crude: III. For other purposes B. Other:
27.13	Paraffin wax, micro-crystalline wax, slack wax, ozokerite, lignite wax, peat wax and other mineral waxes, whether or not coloured: B. Other: I. Crude: c) For other purposes II. Other
27.14	Petroleum bitumen, petroleum coke and other residues of petroleum oils or of oils obtained from bituminous minerals: C. Other

The quota shall be allocated and administered in accordance with the following provisions.

SECTION I

Provisions applicable to the Community as originally constituted

Article 2

Common Customs Tariff duties shall be partially suspended at the rates indicated below for 200 000 metric tons of the quota referred to in Article 1:

CCT heading No	Rate of duty %
27.10 A III	2.7
27.10 B III	2.7
27.10 C I c)	1.5
27.10 C II c)	1.5
27.10 C III c)	1.8
27.10 C III d)	2.7
27.11 B I c)	0.6
27.12 A III	0.9
27.12 B	3.1
27.13 B I c)	0.9
27.13 B II	2.7
27.14 C II	0.9

Article 3

1. A first instalment of 140 000 metric tons of the amount mentioned in Article 2 shall be allocated among the Member States; the shares which, subject to Article 6, are valid until 31 December 1976 are as follows:

Germany	35 000 metric tons
Benelux	30 000 metric tons
France	35 000 metric tons
Italy	40 000 metric tons

2. The second instalment of 60 000 metric tons shall make up the reserve.

Article 4

1. If 90% or more of a Member State's initial quota share specified in Article 3 (1), or of that share less the portion returned to the reserve where Article 6 is applied, has been used up, that Member State shall without delay, by notifying the Commission, draw a second quota share, to the extent that the reserve is sufficient, equal to 15% of its initial quota share, rounded up to the next unit where necessary.

2. If, after its initial quota share has been used up, 90% or more of the second quota share drawn

by a Member State has been used up, that Member State shall, in the manner provided for in paragraph 1, draw a third quota share, equal to 7.5% of its initial quota share, rounded up where necessary to the next unit.

3. If, after its second quota share has been used up, 90% or more of the third quota share drawn by a Member State has been used up, that Member State shall, in the same manner, draw a fourth quota share equal to the third.

This procedure shall be followed until the reserve has been used up.

4. Notwithstanding paragraphs 1 to 3, a Member State may draw smaller shares than those fixed in these paragraphs if there is reason to believe that those fixed might not be used up. It shall inform the Commission of its reasons for applying this paragraph.

Article 5

Additional quota shares drawn pursuant to Article 4 shall be valid until 31 December 1976.

Article 6

The Member States shall return to the reserve, not later than 1 October 1976, the unused portion of their initial share which, on 15 September 1976, is in excess of 20 % of the initial amount. They shall return a greater portion if there is reason to believe that it may not be used up.

Member States shall, not later than 1 October 1976, notify the Commission of the total quantities of the products in question imported up to and including 15 September 1976 and charged against the Community tariff quota and any quantities returned to the reserve.

Article 7

The Commission shall keep an account of the quota shares opened by the Member States pursuant to Articles 3 and 4 and shall, as soon as information reaches it, inform each State of the extent to which the reserve has been used up.

It shall, not later than 5 October 1976, inform the Member States of the amount still in the reserve after returns have been made pursuant to Article 6.

It shall ensure that the drawing which uses up the reserve is limited to the balance available and to this end shall specify the amount thereof to the Member State making the last drawing.

Article 8

Member States shall take all necessary measures to ensure that additional shares taken up under Article 4 are so drawn as to allow for uninterrupted charges against their accumulated shares of the Community quota.

SECTION II

Provisions applicable to the new Member States

Article 9

Within the tariff quota referred to in Article 1, the new Member States shall apply duties calculated in accordance with the relevant provisions of the Act of Accession, the Agreement and the Protocol.

Article 10

Under the quota, 160 000 metric tons shall be allocated among the new Member States as follows:

Denmark	5 000 metric tons
Ireland	5 000 metric tons
United Kingdom	150 000 metric tons

SECTION III

General provisions

Article 11

1. Every Member State shall take all measures necessary to ensure that importers of the products in question established in their territory have free access to the shares allocated to it.

2. The extent to which a Member State has used up its shares shall be determined on the basis of the importations of the products in question entered with the customs authorities for home use.

Article 12

Member States shall regularly inform the Commission of imports of products refined in the Arab Republic of Egypt actually charged against their quota shares.

collaborate closely in order to ensure that this Regulation is respected.

Article 14

Article 13

Member States and the Commission shall

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

Proposal for a
REGULATION (EEC) /75 THE COUNCIL

opening, allocating and providing for the administration of a Community tariff quota
for other woven fabrics of cotton falling within heading No 55.09 of the Common
Customs Tar ff, originating in the Arab Republic of Egypt
(1976)

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 the Agreement ⁽¹⁾ between the European Economic Community and the Arab Republic of Egypt and the Protocol ⁽²⁾ laying down certain provisions relating to the Agreement between the European Economic Community and the Arab Republic of Egypt consequent on the accession of new Member States to the European Economic Community provides for the opening of an annual Community tariff quota of 3 250 metric tons of other woven fabrics of cotton falling within heading No 55.09 of the Common Customs Tariff, originating in the Arab Republic of Egypt; whereas the Protocol provides that the tariff quota should be allocated among the Member States as follows: 2 500 metric tons for the Community as originally constituted, 90 metric tons for Denmark, 10 metric tons for Ireland and 650 metric tons for the United Kingdom; whereas Annex I to the Agreement provides that the duties applicable to the quota shall be equal to 45% of the duties of the Common Customs Tariff; whereas, as regards the duties applicable to the quota by the new Member States, the special provisions of the Protocol and of the Act of Accession should be complied with; whereas, to comply with the special provisions of the Protocol, separate arrangements should be made for the Member States of the Community as originally constituted, on the one hand, and for the new Member States, on the other;

Whereas as regards the Community as originally constituted:

— equal and uninterrupted access to the quota should be ensured for all importers and quota

duties applied continuously to all imports of the said products until the quota has been used up;

— in the light of the above principles, the Community nature of the quota may best be preserved by an arrangement allocating it among these Member States; whereas in order to provide the most accurate reflection of actual market trends for the said products, such allocation should be proportionate to the needs of these Member States, calculated both from the statistics for each Member State's imports from the Arab Republic of Egypt over a representative reference period and from economic prospects for the quota period in question;

— over the past three years for which statistics are available, the following percentages represent the respective imports of the Member States concerned in relation to imports of the said products from the Arab Republic of Egypt into the Community as originally constituted:

	1972	1973	1974
Germany	4.3	10.4	5,7
Benelux	29.3	31.9	35,0
France	10.0	1.1	13,8
Italy	56.4	56.6	45,5

— in view of these factors, of the foreseeable development during 1976 of the market for the products in question and in particular of the estimates submitted by certain Member States initial quota shares may be fixed approximately as follows:

Germany	16,6
Benelux	24,3
France	14,6
Italy	44,5

⁽¹⁾ OJ No L 251, 7. 9. 1973, p. 13.

⁽²⁾ OJ No L 251, 7. 9. 1973, p. 3.

ANNEX B

- in order to take account of import trends for the products in question in the Member States concerned, the quota amount should be divided into two instalments, the first instalment being allocated among the same Member States, the second instalment constituting a reserve intended to cover the later requirements of Member States which have used up their initial quota shares; whereas, in order to ensure a certain degree of security to importers in each Member State, the first instalment of the quota should be fixed in this case at approximately 50%;
- the initial quota shares may be used up at different rates; whereas, therefore, to avoid disruption of supplies, any Member State which has almost used up its initial quota share shall draw an additional quota share from the reserve; whereas this shall be done by each Member State whenever one of its additional quota shares has been almost used up, and as many times as the reserve allows; whereas the initial and additional quota shares shall be valid until the end of the quota period; whereas this form of administration requires close collaboration between the Member States and the Commission, and the Commission must be in a position to follow the extent to which the quota volume has been used up and inform the Member States thereof;
- if, at a given date in the quota period, a considerable quantity of the initial quota share is left over in one of the Member States concerned, it is essential that that State should return a significant proportion to the reserve to prevent a part of the quota allocated to the Community as originally constituted from remaining unused in one Member State when it could be used in others;
- since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are united in and represented by the Benelux Economic Union, any measure concerning the

administration of the quota shares allocated to that Economic Union may be carried out by any one of its members;

Whereas, as regards the new Member States:

- the quota duties shall be calculated by the new Member States in accordance with Articles 3 and 4 of the Protocol
- equal and uninterrupted access to the quota should be ensured for all importers and quota duties applied continuously to all imports of the products in question until the quota has been used up,

HAS ADOPTED THIS REGULATION:

Article 1

A Community tariff quota of 3 250 metric tons shall be opened from 1 January until 31 December 1976 for other woven fabrics of cotton falling within heading No 55.09 of the Common Customs Tariff, originating in the Arab Republic of Egypt.

This quota shall be allocated and administered in accordance with the provisions set out below.

SECTION I

Provisions applicable to the Community as originally constituted

Article 2

The Common Customs Tariff duties shall be partially suspended at the rate indicated below for 2 500 metric tons of the quota referred to in Article 1:

CCT heading No	Description	Rate of duty %
55.09	Other woven fabrics of cotton:	
	A. Containing 85% or more by weight of cotton:	
	I. Of a width or less than 85 cm	5.8
	II. Other	6.3
	B. Other:	
	I. Of a width of less than 85 cm	6.3
	II. Other	6.7

Article 3

1. A first instalment of 1235 metric tons of the amount mentioned in Article 2 shall be allocated among the Member States; the shares which, subject to Article 6, shall be valid until 31 December 1976 shall be:

Germany	205 metric tons
Benelux	300 metric tons
France	180 metric tons
Italy	550 metric tons

2. The second instalment of 1265 metric tons shall make up the reserve.

Article 4

1. If 90% or more of a Member State's initial quota share specified in Article 3 (1), or of that share less the portion returned to the reserve where Article 6 is applied, has been used up, that Member State shall without delay, by notifying the Commission, draw a second quota share, to the extent that the reserve is sufficient, equal to 15% of its initial quota share, rounded up to the next unit where necessary.

2. If, after its initial quota share has been used up, 90% or more of the second quota share drawn by a Member State has been used up, that Member State shall, in the manner laid down in paragraph 1, draw a third quota share equal to 7.5% of its initial quota share, rounded up where necessary to the next unit.

3. If, after its second quota share has been used up, 90% or more of the third quota share drawn by a Member State has been used up, that Member State shall, in the same manner, draw a fourth quota share equal to the third.

This procedure shall be followed until the reserve has been used up.

4. Notwithstanding paragraphs 1 to 3, a Member State may draw smaller quota shares than those fixed in those paragraphs, if there is reason to believe that those fixed might not be used up. It shall inform the Commission of its reasons for applying this paragraph.

Article 5

Additional quota shares drawn pursuant to Article 4 shall be valid until 31 December 1976.

Article 4

The Member States shall return to the reserve, not later than 1 October 1976, the unused portion of their initial share which, on 15 September 1976, is in excess of 20% of the initial amount. They shall return a greater portion if there are grounds for believing that it may not be used up.

Member States shall, not later than 1 October 1976, notify to the Commission the total quantities of the products in question imported up to and including 15 September 1976 and charged against the Community tariff quota and any quantities returned to the reserve.

Article 7

The Commission shall keep an account of the quota shares opened by the Member States pursuant to Article 3 and 4 and shall, as soon as information reaches it, inform each State of the extent to which the reserve has been used up.

It shall, not later than 5 October 1976, inform the Member States of the amount still in reserve after returns have been made pursuant to Article 6.

It shall ensure that the drawing which uses up the reserve is limited to the balance available and to this end shall specify the amount thereof to the Member State making the last drawing.

Article 8

Member States shall take all necessary measures to ensure that additional shares taken up under Article 4 are so drawn as to allow for uninterrupted charges against their accumulated shares of the Community quota.

SECTION II

Provisions applicable to the new Member States

Article 9

Within the tariff quota referred to in Article 1, the new Member States shall apply duties calculated in accordance with the relevant provisions of the Act of Accession, the Agreement and the Protocol.

Article 10

750 metric tons of the quota referred to in Article 1 shall be allocated among the new Member States as follows:

Denmark	90 metric tons
Ireland	10 metric tons
United Kingdom	650 metric tons

SECTION III

General provisions

Article 11

1. Member States shall ensure that the quota shares allocated to them are freely accessible to importers of the products in question established in their territory.

2. Member States shall charge imports of the products in question against their quota shares as the products are presented for customs clearance under

cover of a declaration that they have been made available for consumption.

3. The extent to which Member States' shares have been used up shall be ascertained from imports charged under the conditions laid down in paragraph 2.

Article 12

Member States shall regularly inform the Commission of imports of the said products originating in the Arab Republic of Egypt actually charged against their quota shares.

Article 13

Member States and the Commission shall collaborate closely in order to ensure that the provisions of this Regulation are observed.

Article 14

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