

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(80) 739 final

Brussels, 21 November 1980

Proposal for a  
COUNCIL REGULATION  
on export arrangements for certain types of non ferrous metal waste  
and scrap

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(presented by the Commission to the Council)

COM(80) 739 final



## EXPLANATORY MEMORANDUM

I. For a number of years - including 1980 - the Community has maintained quantitative export quotas for the following categories of products:

ex 26.03	Ash and residues of copper and copper alloys
74.01 D	Waste and scrap of copper and copper alloys
76.01 B	Aluminium waste and scrap
78.01 B	Lead waste and scrap.

II. The advisory Committee set up under Council Regulation (EEC) No. 2603/69 establishing common rules for exports (1) met to examine the arrangements to be determined for 1981.

At this meeting the Commission pointed out that the basic principle of Regulation (EEC) No. 2603/69 is that the exportation of products from the Community shall be free; the aim of the provision allowing for the introduction of export quotas, contained in Article 6, is "to prevent a critical situation from arising on account of a shortage of essential products". That Regulation may not therefore serve as a basis for export restrictions renewed from year to year without fresh examination of the market. Moreover, the Regulation makes provision for speedy action by the Commission in the event of difficulties, either on its own initiative or at the request of a Member State. After careful examination of the situation on the Community market and the use of the quotas in 1979 and 1980, the Commission therefore indicated at the meeting the proposals it was considering :

- (i) the quotas for copper ash, waste and scrap should be retained and increased slightly over the 1980 levels in order to take account of the accession of Greece to the Community and also, in the case of waste and scrap to take account of the wider coverage of the quota following an adjustment of the customs nomenclature;
- (ii) a system of retrospective surveillance should be introduced in respect of exports of aluminium waste and scrap (Article 5 of Regulation (EEC) No. 2603/69);
- (iii) exports of lead waste and scrap should be liberalised.

The reasons for the position adopted by the Commission with regard to the various products concerned are as follows :

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(1) OJ No L 324, 27.12.1969

Copper Ash and Residues ( ex 26.03)

Copper waste and scrap (74.01 D)

The facts as revealed by a study of the use of the quotas and the situation on the Community market in the last few years, notably in 1979-80, are as follows:

- (i) the export quotas were fully taken up, or even exceeded, which indicates that they were having their intended "braking" effect and keeping copper resources in the Community;
- (ii) the Community is almost completely dependent on external sources for ore and unrefined unwrought copper (blister copper), which means that copper ash, waste and scrap forms an essential component of the Community's supplies, given the persistence of a relative shortage of these copper materials on the world market. Indeed it should be pointed out that internal Community resources in waste and scrap, leaving aside the contribution from ash and residues, represent a volume corresponding to over 100% (106% in 1979) of Community production of refined copper (954 000 t in 1979).

In these circumstances, pending an improvement of the world market in copper raw materials, it is therefore essential that the quotas be retained in order to remedy the present shortage of the products in question.

Aluminium waste and scrap (76.01 B)

The rising trend of demand for aluminium in 1979-1980, notably in Europe and Japan, together with insufficient growth in metallurgical production, has resulted in a further shrinkage of stocks which, at 1 465 000 tonnes in late June 1980, represented no more than 44 days production, and has put pressure on the prices of the principal producers, which rose by around 45% between December 1979 and August 1980.

Rising demand and higher prices gave an impetus to the recovery of waste and scrap in the Community - where supplies from internal resources amounted to 950 000 tonnes in 1979 - and gave an appreciable boost to international trade flows in these products (up from 255 000 t in 1976 to 435 000 t in 1979), especially imports from countries outside the Community, which in 1979 were 40% up on the 1976 figure.

Imports from non-Community countries have continued to climb in 1980 and if the first quarter is any guide they could reach 200 000 t; this trend may reveal a further fall in imports from the Eastern trading area to the advantage of North America and the EFTA countries.

Given this market situation, in which there is no evidence of any shortage of aluminium waste and scrap in the EEC nor any signs pointing to the possibility of a critical situation developing in the short term with regard to supplies of these products or of other primary aluminium products (bauxite, alumina and aluminium metal), there is no longer any justification for maintaining export quotas.

#### Lead Waste and Scrap (78.01 B)

The Community is slowly but surely freeing itself of its external dependence in lead: in 1978 the overall external contribution (ore and unwrought metal) was only 35% of Community internal consumption, as against an average of 48% in the 1974-76 period.

This development was the result of improved mining capacity in the Community notably in Ireland, and of an appreciable increase in internal resources in lead waste and scrap (730 000 t in 1979) following an exceptional surge in prices in 1979, although from the second quarter of 1980 onwards prices have tended to fall back to 1978 levels. The favourable trend of the market also had a positive effect on imports of lead waste and scrap from non-Community countries; they exceeded 50 000 t in 1979 and will very likely reach 60 000 t in 1980 (the highest level seen since 1971), with over 50% coming from the United States.

In the circumstances there is no longer any economic justification for maintaining the export quota.

In so far as copper is concerned, all the Member States have indicated that the Community proposal is acceptable to them.

With regard to aluminium and lead, a number of Member States have expressed fears lest liberalization should lead to serious supply difficulties for the Community.

In order to meet the misgivings of these Member States, the Commission has therefore proposed that in 1981 exports of aluminium and lead should not be subject to quota but should be subject to a system of automatic prior export authorization. Such a system will enable the authorities of the Member States to plot accurately the trend of exports.

- I II. The Commission considers, in the light of the provisions of Regulation (EEC) No 2603/69 and the examination of the Community market as summarized in point II, that there are grounds for retaining quotas for copper but not for aluminium or lead waste and scrap and that in the case of the two latter products consideration can be given to a system of export authorization. Accordingly, it is proposed that the Council adopt the attached proposal for a regulation.

PROPOSAL FOR A COUNCIL REGULATION  
on export arrangements for certain types of non-ferrous  
metal waste and scrap

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 2603/69 of 20 December 1969 establishing common rules for exports (1), and in particular Article 7 thereof,

Having regard to Council Regulation (EEC) No 1023/70 of 25 May 1970 establishing a common procedure for administering quantitative quotas (2), and in particular Article 2 thereof,

Having regard to the proposal from the Commission,

Whereas Community export quotas were fixed by Council Regulation (EEC) No 3029/79 (3) for certain types of aluminium and copper waste and scrap for 1980; whereas the situation of the market in these products no longer justifies the maintenance of these quotas; whereas, however, it appears necessary, with a view to following in a rapid and precise manner export developments as regards the products in question, to subject these exports to prior authorization which is to be issued automatically and without delay by the appropriate authorities of the Member States;

Whereas, in order to avoid supply difficulties for certain types of copper ash and residues and certain types of copper waste and scrap, Community quantitative export quotas were fixed by the above-mentioned Regulation (EEC) No 3029/79 (3); whereas these quotas remain in force until 31 December 1980; whereas it is necessary to maintain these quotas in force in 1981;

Whereas the Committee set up by Regulation (EEC) No 2603/69 has been consulted,

Whereas the criterion for the allocation of the said quotas should be determined;

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(1) OJ No L 324, 27.12.1969, p. 25

(2) OJ No L 124, 8.6.1970, p. 1

(3) OJ No L 340, 31.12.1979, p. 31

Whereas the provisions relating to the monitoring of trade within the Community laid down in Commission Regulation (EEC) 223/77 of 22 December 1976 on provisions for the implementation of the Community transit procedure and for certain simplifications of that procedure (1), apply only if the measures introducing export restrictions provide for their application,

HAS ADOPTED THIS REGULATION:

Article 1

Exports from the Community of aluminium and lead waste and scrap falling within subheading 76.01 B or 78.01 B of the Common Customs Tariff shall be subject to production of an export authorization to be issued by the appropriate authorities of the Member States. The authorization shall be issued free of charge, for such quantities as are requested and within not more than five working days from the date of the request by the exporter.

Article 2

Community quantitative export quotas shall be established as follows for 1981 :

CCT Heading No	Description	Quantity (tonnes)
ex 26.03	Ash and residues of copper and copper alloys	22 300
ex 74.01	Waste and scrap of copper and copper alloys	29 700

(1) OJ No L 38, 9.2.1977, p. 20



Article 3

The quotas fixed in Article 2 shall be allocated according to the estimate of requirements.

Article 4

Exports outside the Community of products listed in Article 2 and obtained under inward processing arrangements within the meaning of Council Directive 69/73/EEC of 4 March 1969 on the harmonization of provisions laid down by law, regulation or administrative action in respect of inward processing (1) shall be charged against the quota share of the exporting Member State. However, derogations may be made in specific cases following an opinion from the Quota Administration Committee set up by Regulation (EEC) No 1023/70.

Temporary exports for working, processing or repair in a non-member country, within the meaning of Council Directive 76/119/EEC of 18 December 1975 on the harmonization of provisions laid down by law, regulation or administrative action in respect of outward processing (2), of products which are to be re-imported for home use within the customs territory of the Community, shall be charged against the quota share of the exporting Member State. However, derogations may be made in specific cases following an opinion from the Quota Administration Committee set up by Regulation (EEC) No 1023/70.

Article 5

Regulation (EEC) No 223/77 shall apply to the movement within the Community of the products listed in Article 2.

Article 6

The Council shall decide in due time and in any case before 31 December 1981 on the measures to be taken after expiry of the validity of this Regulation as regards the export of the products listed in Articles 1 and 2.

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(1) OJ No L 58, 8.3.1969, p. 1

(2) OJ No L 24, 30.1.1976, p. 58

Article 7

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

It shall apply until 31 December 1981.

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

Done at Brussels,

For the Council  
The President