

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(80) 719 final

Brussels, 17 November 1980

Proposal for a

COUNCIL REGULATION (EEC)

on the opening, allocation and administration of a Community tariff
quota for frozen beef and veal falling within subheading 02.01 A II b)
of the Common Customs Tariff (1981)

(submitted to the Council by the Commission)

COM(80) 719 final

EXPLANATORY MEMORANDUM

1. During the GATT multilateral negotiations the European Economic Community undertook to open an annual Community tariff quota of 50,000 tonnes of frozen beef and veal, expressed as boned or boneless meat, falling within subheading 02.01 A II b) of the Common Customs Tariff at 20% duty. Compensatory amounts introduced in connection with fluctuations in exchange rates are to be levied on 16 500 tonnes of this quota.

2. Consequently, to meet the Community's obligations, a regulation should be adopted before 1 January 1980 on the opening, allocation and administration of the Community tariff quota in question.

In this connection, it should be mentioned that, as a result of the possibility to apply the system of monetary compensatory amounts to a volume of 16 500 tonnes, the Commission has been led in its proposal to split the total quota volume of 50 000 tonnes into two parts, one of 33 500 tonnes and the other of 16 500 tonnes, to be allocated separately among all the Member States, including Greece, which, under Article 64 of the Act of Accession, is required to apply the Common Customs Tariff duty in respect of this meat from 1 January 1981.

3. It should be noted, with regard to this allocation, that in recent years almost all imports of frozen beef and veal into the Community of Nine have been effected under special arrangements (e.g. GATT quota, linket-sales system, ACP preferential arrangements and balance of meat processing). It is therefore possible that these figures are not representative of the trend of imports and requirements in each of the Member States. Furthermore, the economic prospects for the quota year in question cannot be assessed sufficiently accurately. In addition, the arrangements for the importation of frozen beef applied by Greece in recent years differed appreciably from those in force in the Community

of Nine, so that the figures available for this country cannot be compared with those of each of the Member States of the Community of Nine.

For these reasons, the Commission proposes that the breakdown used in 1980 should be retained - except for Ireland, which has been allocated 0.01 % - in order to maintain the Community nature of the quota, and that Greece should be given a quota share of 3 %, corresponding to its presumed requirements.

4. In view of the relatively high level of the Community tariff quota opened initially in relation to import requirements, the Commission believes that it would run contrary ^{to} the Community nature of the quota to allocate the tariff volumes in definitive shares to the Member States. For this reason, the proposal annexed hereto provides for the creation of Community reserves which, even if they are limited to 10 % of each of the quota volumes, will assist in ensuring equal access for all importers and in avoiding a situation where customs preference is no longer applied in one or more Member States while it is still applied in others.

Proposal for
COUNCIL REGULATION (EEC)

on the opening, allocation and administration of
a Community tariff quota for frozen beef and veal
falling within subheading 02.01 A II b) of the
Common Customs Tariff (1981)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
and in particular Articles 113 and 43 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas in the course of the GATT multilateral negotiations the European Economic Community undertook to open an annual Community tariff quota at 20 % duty in respect of 50 000 tonnes of frozen beef and veal, falling within subheading 02.01 A II b) and expressed as boned or boneless meat, of which 16 500 tonnes may be subjected to the application of compensatory amounts introduced because of the fluctuations in exchange rates; whereas the Community tariff quota in question must therefore be opened on 1 January 1981, the total quota volume of 50 000 tonnes being divided into two parts according to the tariff arrangements applicable;

Whereas, under Article 64 of the Act of Accession of Greece, that country shall be required, for the product in question, to apply the Common Customs Tariff duty in full from 1 January 1981; whereas from that date, therefore, quantities required by that Member State from non-member countries should be covered by the tariff quota in question for the duration of the quota period;

Whereas equal and continuous access to the quota should be ensured for all Community imports and the rate of duty for the tariff quota should be applied uninterruptedly in all Member States to all imports of the product in question until the quota is exhausted; whereas in the light of these principles, arrangements for the utilization of the Community tariff quota based on an allocation among the Member States would seem to be consistent with the Community nature of the quota;

whereas, in order that it may correspond as closely as possible to the actual trend of the market in the product in question, the quota should be allocated in proportion to the requirements of the Member States as calculated by reference to statistics of imports from third countries during a representative reference period and to the economic outlook for the quota year in question;

Whereas, over the last three years for which full statistics are available, almost all imports of beef and veal from non-member countries into the Community of Nine, have been effected under special arrangements; whereas during this period imports into Greece were effected under completely different arrangements from those applicable in the Community; whereas the economic data thus obtained cannot be used for the purposes of comparison and may therefore not be representative of the trend of imports into each of the Member States;

Whereas, in the light of these factors and given that it is difficult to estimate the Member States' import requirements in 1981, in order to apportion the tariff quota equitably and safeguard its Community nature, the initial percentage shares of each of the Member States should be fixed at the following levels :

| | |
|----------------|-------|
| Benelux | 9.82 |
| Denmark | 0.48 |
| Germany | 18.54 |
| Greece | 3.00 |
| France | 10.30 |
| Ireland | 0.01 |
| Italy | 28.83 |
| United Kingdom | 29.02 |

Whereas, to take account of future trends of imports of the product under consideration into the various Member States, the quota volumes should be divided into two tranches, the first being allocated among the Member States and the second held as a reserve to be used subsequently to cover the requirements of Member States, should they exhaust their initial shares; whereas, to give importers in each Member State some degree of certainty, the first tranche of each quota volume should in this instance be fixed at approximately 90% of its full amount;

Whereas Member States may exhaust their initial shares at different rates; whereas to avoid disruption of supplies on this account it should be ^{stipulated} that any Member State which has almost used up one of its initial shares should draw an additional share from the appropriate reserve; whereas each time its additional share is almost exhausted a Member State should draw a further share, and so on as many times as the reserve allows; whereas the initial and additional shares should 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 keep account of the extent to which the quota ^{volumes} have been used up and inform the Member States accordingly;

Whereas if at a given date in the quota period a considerable quantity of a Member State's initial share remains unused, it is essential, to prevent a part of the tariff quota from remaining unused in one Member State while it could be used in others, that such State should return a significant proportion thereof to the appropriate reserve;

Whereas, since the Kingdom of Belgium, ^{the} the Kingdom of Netherlands and the Grand Duchy of Luxembourg are united within and jointly represented by the Benelux Economic Union, any transaction in respect of the administration of the share allocated to that Economic Union may be carried out by any one of its members;

HAS ADOPTED THIS REGULATION :

Article 1

1. There is hereby opened in respect of the period 1 January to 31 December 1981 a Community tariff quota of 50 000 tonnes of frozen beef and veal, expressed as boned or boneless meat, falling within subheading 02.01 A II b) of the Common Customs Tariff,

For the purpose of charging imports against this quota, 100 kilogrammes of unboned (bone-in) meat shall be taken to be equivalent to 77 kilogrammes of boned or boneless meat.

2. Imports of these goods which have been admitted under other preferential tariff ^{arrangements} / shall not be set off against this tariff quota.

3. The Common Customs Tariff duty for this quota shall be 20 %.

Article 2

1. The quantity of 50 000 tonnes referred to in Article 1(1) shall be divided into two parts, one of 33 500 tonnes, the other of 16 500 tonnes. Each one of those parts shall be subdivided into two tranches.

2. The first tranches of 30 150 tonnes and 14 850 tonnes respectively shall be allocated as follows among the Member States, the shares being valid from 1 January until 31 December 1981 subject to the provisions of Article 5 :

| | <u>Of the 33 500 tonnes</u> | <u>Of the 16 500 tonnes</u> |
|----------------|-----------------------------|-----------------------------|
| Benelux | 2 959 tonnes | 1 457 tonnes |
| Denmark | 146 tonnes | 72 tonnes |
| Germany | 5 591 tonnes | 2 754 tonnes |
| Greece | 905 tonnes | 445 tonnes |
| France | 3 106 tonnes | 1 530 tonnes |
| Ireland | 2 tonnes | 1 tonne |
| Italy | 8 691 tonnes | 4 281 tonnes |
| United Kingdom | 8 750 tonnes | 4 310 tonnes |
| | <hr/> | <hr/> |
| | 30 150 tonnes | 14 850 tonnes |

3. The second tranches of 3 350 and 1 650 tonnes respectively shall constitute the reserves.

Article 3

1. As soon as a Member State has used 90% or more of one of its initial shares as fixed in Article 2(2), or of that share minus any portion returned to the appropriate reserve pursuant to the provisions of Article 5, it shall forthwith, by notifying the Commission, draw a second share, to the extent that the appropriate reserve so permits, equal to 10% of its initial share, rounded up, if necessary, to the next whole number.

2. As soon as a Member State, having exhausted one of its initial shares, has used 90% or more of the second share drawn by it, that Member State shall forthwith, in the manner and to the extent laid down in paragraph 1, draw a third share equal to 5% of its initial share.

3. As soon as a Member State, having exhausted one of its second shares, has used 90 % or more of the third share drawn by it, that Member State shall, in the manner and to the extent described above, draw a fourth share equal to the third.

It shall continue in this fashion until the reserve is exhausted.

4. By way of derogation from paragraphs 1 to 3, a Member State may draw shares lower than specified in those paragraphs if there are grounds for believing that those specified may not be used in full. Any Member State applying the provisions of this paragraph shall inform the Commission of its grounds for so doing.

Article 4

Each of the additional shares drawn pursuant to the provisions of Article 3 shall be valid until 31 December 1981.

Article 5

The Member States shall return to the reserve, not later than 1 October 1981, the unused portion of their initial shares which, on 15 September 1981, is in excess of 20 % of the initial amount. They may return a greater portion if there are grounds for believing that such portion may not be used in full.

Member States shall, not later than 1 October 1981, notify the Commission of the total quantities of the product in question imported up to and including 15 September 1981 and charged against the Community quota and of any portion of their initial shares returned to the appropriate reserve.

Article 6

The Commission shall keep an account of the shares opened by the Member States pursuant to the provisions of Articles 2 and 3 and shall, as soon as the information reaches it, inform each State of the extent to which the reserves have been used up.

It shall, not later than 5 October 1981, inform the Member States of the amounts still in reserve following any return of shares pursuant to Article 5.

It shall ensure that when an amount exhausting a reserve is drawn the amount so drawn does not exceed the balance available, and to this end shall notify the amount of that balance to the Member State making the last drawing.

Article 7

1. Every Member State shall take all appropriate measures to ensure that additional shares drawn pursuant to Article 3 are opened in such a way that imports may be charged without interruption against its accumulated shares of the Community quota.

2. It shall ensure that importers of the product in question established in its territory have free access to the shares allocated to it.

3. The extent to which a Member State has used up its shares shall be determined by reference to the imports of the product in question entered with the customs authorities for home use.

Article 8

On receipt of a request from the Commission, the Member States shall notify it of the imports effectively charged against their shares.

Article 9

The Member States and the Commission shall cooperate closely to ensure that this Regulation is complied with.

Article 10

This Regulation shall enter into force on 1 January 1981.

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

Done at Brussels,1980

For the Council

The President