

# COMMISSION OF THE EUROPEAN COMMUNITIES

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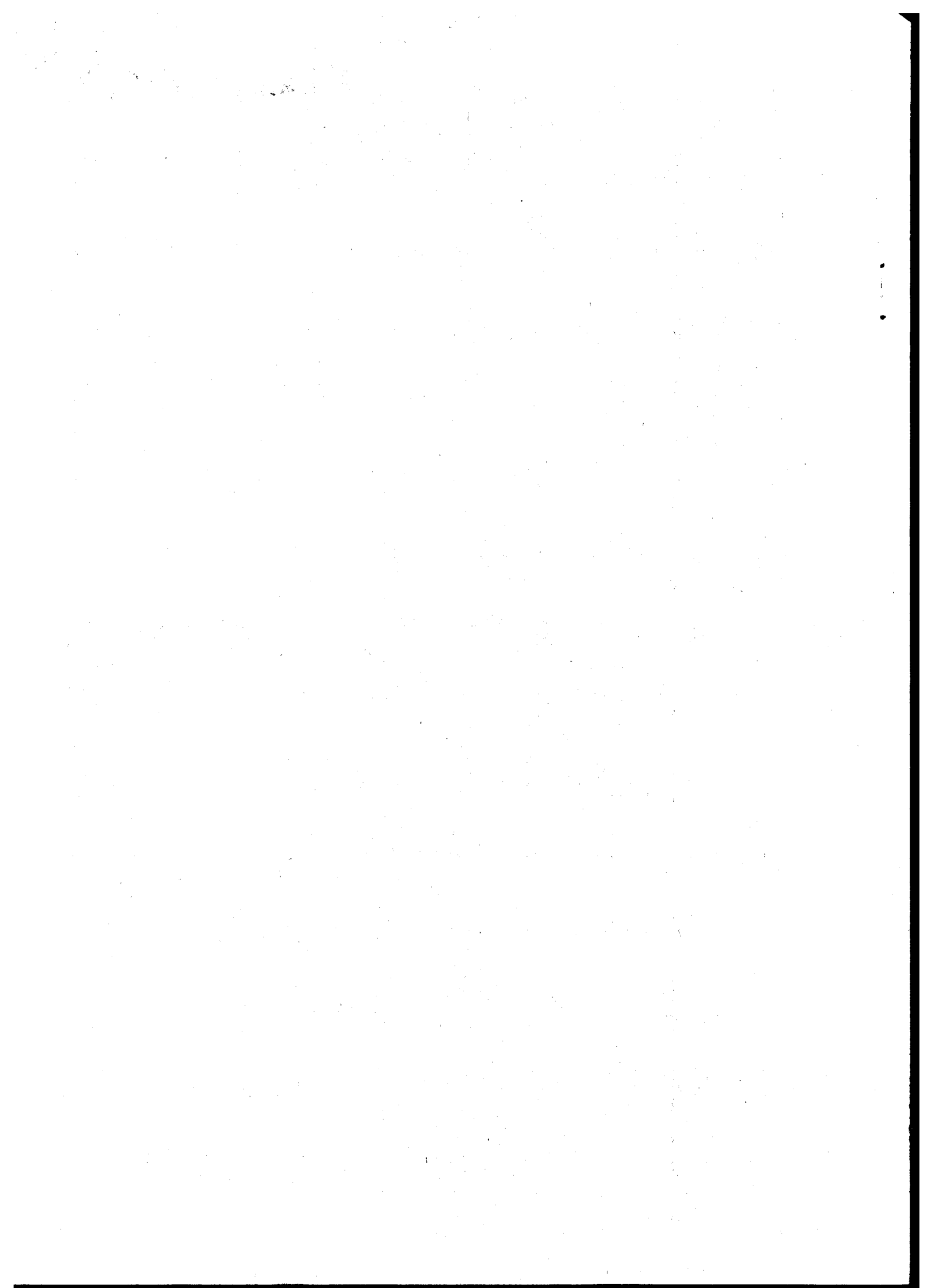
Proposal  
for a Council Regulation (EEC)

establishing ceilings and Community surveillance  
of imports of certain products originating  
in Malta (1978)

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(submitted to the Council by the Commission)

COM(77) 427 final



EXPLANATORY MEMORANDUM

1. The 1971 Agreement between the European Economic Community and Malta, as amended by the Additional Protocol to that Agreement, provides, in particular in respect of industrial products, for the abolition of the duties laid down in the Common Customs Tariff. Notwithstanding this provision, special arrangements exist for a number of sensitive products : the volume of such products which may be imported free of duties is limited to an annual ceiling. When this ceiling is reached, the customs duties applicable to third countries may be reimposed by the Community until the end of the calendar year.

The initial volumes of the annual ceilings are fixed by the amended Agreement itself. Each year these ceilings are reopened and their level is increased by 5 %.

2. The implementation of the system of ceilings and the option of reintroducing customs duties require the adoption of precise common rules to be applied uniformly by all the Member States. These requirements may be met by setting up a Community system of surveillance of actual imports from Malta. To that end the Member States must take appropriate measures to permit the rapid collection of statistical returns for the whole Community.

In this connection imports of the products in question should be recorded only as and when they are entered for home use accompanied by a movement certificate conforming to the rules of the Agreement referred to in 1 above.

The returns will be drawn up by each Member State at the end of each month and forwarded before the fifteenth day of the following month to the Commission in order to enable the latter to send by telex to all the Member States a comprehensive product-by-product statement of the imports in question effected during the preceding month. The surveillance system will require quick action and close cooperation between the relevant departments of the Member States and the Commission. Since the products in question belong to the sensitive products category and duty-free imports in excess of the ceilings may disturb the Community market, it is absolutely essential that all the Member States observe strictly the abovementioned time limit of fifteen days.

.../...

The following procedure will be used for setting in train the machinery for reintroducing duties : as soon as one of the comprehensive monthly statements compiled by the Commission shows that 75 % of the ceiling fixed for a given product has been reached, the Commission will inform the Member States and consultations may take place, in particular within the Economic Tariff Problems Group, either at the request of a Member State or on the Commission's own initiative. The purpose of these consultations will be to examine in each individual case whether the customs duties applicable to third countries should be reimposed when the ceiling is actually reached.

Imports of the product in question will continue to be the subject of monthly returns or, if the Commission so requests, of a telex message covering each period of ten days. This message must reach the Commission within five days.

The Commission can thus take within the shortest possible time the measures required for the adoption of a regulation reintroducing customs duties in respect of Malta until the end of the calendar year. In that event, the customs duties on the product in question would naturally be reimposed within the time limit laid down by the regulation ending exemption from duties.

3. The attached proposal provides for the delegation by the Council to the Commission of the power to apply the rule on ceilings and the reintroduction of duties.

The proposal for a regulation merely outlines how these powers are to be exercised so that the machinery to be used may be adjusted flexibly and rapidly in consultation with the Member States. Again with a view to maximum efficiency and rapidity, the proposal lays down that the Commission will be responsible for reintroducing, in respect of Malta, the duties applicable to third countries.

ANNEX :

Proposal for a Council Regulation.

Proposal for  
COUNCIL REGULATION (EEC)

establishing ceilings and Community surveillance of imports  
of certain products originating in Malta (1978)

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 establishing an association between the European Economic Community and Malta (1), as amended by the Additional Protocol to that Agreement (2), makes provision for the total abolition of customs duties in respect of the products to which the Agreement applies ; whereas, however, for a number of products, exemption from duties is limited to ceilings above which the customs duties applicable to third countries may be reintroduced ; whereas the ceilings to be applied in 1978 should therefore be determined ; whereas the application of ceilings requires that the Community be regularly informed of the trend of imports of the products in question originating in Malta ; whereas it is therefore desirable that imports of these products be subjected to a system of surveillance.

Whereas this objective may be achieved by means of an administrative procedure based on setting off imports of the products in question against the ceilings at Community level, as and when these products are entered for home use ; whereas this administrative procedure must make provision for the possibility of customs tariff duties being reintroduced as soon as the ceilings are reached at Community level ;

Whereas this administrative procedure requires close and particularly rapid cooperation between the Member States and the Commission ; whereas the latter must, in particular, be able to follow the progress of quantities

.../...

(1) OJ No L 61, 14.3.1971, p. 2.

(2) OJ No L .....

set off against the ceilings and keep the Member States informed ; whereas this cooperation has to be particularly close since the Commission must be able to take adequate measures to reintroduce customs tariff duties whenever one of the ceilings is reached,

HAS ADOPTED THIS REGULATION :

Article 1

1. From 1 January until 31 December 1978, imports of products originating in Malta listed in the Annex shall be subject to annual ceilings and Community surveillance.

The description of the products referred to in the first paragraph, their tariff headings and statistic numbers and the levels of the ceilings are given in the Annex.

2. Quantities shall be set off against the ceilings as and when products are entered for home use accompanied by a movement certificate conforming to the rules contained in the Protocol concerning the definition of the concept of 'originating products' and methods of administrative cooperation annexed to the Protocol laying down certain provisions relating to the Agreement establishing an association between the European Economic Community and Malta (1).

Goods shall be set off against the ceiling only if the movement certificate is submitted before the date on which customs duties are reimposed.

The extent to which a ceiling has been reached shall be determined at Community level on the basis of imports set off against it in the manner defined in the preceding subparagraphs.

The Member States shall inform the Commission at the intervals and within the time limits specified in paragraph 4 of imports effected in accordance with the above rules.

3. As soon as the ceilings have been reached, the Commission may adopt a Regulation reimposing until the end of the calendar year the customs duties applicable to third countries.

(1) OJ No L 111, 28.4.1976, p.3

.../...

4. Member States shall forward to the Commission not later than the fifteenth day of each month statements of the quantities set off during the preceding month. They shall, if the Commission so requests, make up such statements for periods of ten days and forward them within five clear days of expiry of the preceding ten-day period.

Article 2

The Commission shall take, in close cooperation with the Member States, such measures as may be necessary for purposes of application of this Regulation.

Article 3

This Regulation shall enter into force on 1 January 1978.

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

Done at Brussels,

For the Council  
The President





LIST OF PRODUCTS SUBJECT TO IMPORT CEILINGS IN 1978

Order No	CCT heading No	Description	Nimexe code	Level of ceiling (tonnes)
1	2	3	4	5
I M 1	55.05	Cotton yarn, not put up for retail sale	55.05 all Nos	1.260
I M 2	55.09	Other woven fabrics of cotton	55.09 all Nos	105
I M 3	56.04	Man-made fibres (discontinuous or waste), carded, combed or otherwise prepared for spinning	56.04 alle Nos	840
I M 4	60.05	Outer garments and other articles, knitted or crocheted, not elastic nor rubberised	60.05 alle Nos	227
I M 5	61.01	Men's and boy's outer garments	61.01 all Nos	856

1. Budget line concerned : Ch. 12 Art. 120

2. Legal basis : Article 113

3. Title of the tariff measure :

Proposal for a Council Regulation (EEC) establishing ceilings and Community supervision of imports of certain products originating in Malta (1978)

4. Objectives :

Fulfilment of a contractual obligation (EEC-Malta Agreement)

5. Method of calculation :

- No of CCT : 55.05 55.09 56.04 60.05 61.01  
 - level of ceilings : 1260 t 105 t 840 t 227 t 856 t  
 - Quota duty rate : free  
 - Duty rate CCT : 4 to 8% 13 to 15% 8.5 to 10% 10.5 to 17% 18%

6. Loss of receipts : 1 751 000 EUR

	Average cif price EUR/t	Average rate of duty in %	volume in t		
55.05	1 520	6	1 260	=	114 660
55.09	4 120	14	105	=	60 560
56.04	1 050	9	840	=	79 380
60.05	13.180	14	227	=	418 860
61.01	7.410	17	856	=	1 078 000
					<u>1 751 460</u>