

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(77) 606 final.

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Brussels, 18 November 1977

Proposal for a
COUNCIL REGULATION (EEC)

increasing the Community tariff quota opened for 1977
for unwrought magnesium falling within
subheading 77.01 A of the
Common Customs Tariff

(submitted to the Council by the Commission)

COM(77) 606 final.

EXPLANATORY MEMORANDUM

1. By Regulation (EEC) N°s 2930/76 of 29.11.1976 (1) and 1645/77 of 20.7.1977 (2), the Council opened and allocated among the Member States for 1977 a Community tariff quota for unwrought magnesium falling within sub-heading 77.01 A of the Common Customs Tariff and totalling 9 800 metric tons, which moreover did not preclude adjustments during the quota period. This total comprised 1 100 metric tons of extra pure magnesium; 2 325 metric tons of unwrought magnesium not in alloy and 6 375 metric tons of unwrought magnesium in alloy.

2. A review of the state of the market in magnesium and of Community requirements for imports from non-member countries was carried out at the meeting of the Economic Tariff Problems Group, held on 27 September 1977, on the basis of the usual estimates for 1977 provided by the Member States in respect of the three qualities of magnesium used for the initial quota. It emerged from this discussion that:
 - a) at the review carried out at the same period, the state of the Community market in magnesium in 1977 appeared to be substantially the same as in 1976;
 - b) the Community production capacities are not fully utilized especially in France, where it has not been possible to reduce the stocks of magnesium not in alloy built up in 1976 and equivalent to three months' production, and in Italy where, owing to lack of purchasers, the extra-pure magnesium produced has been sold as magnesium not in alloy built up in 1976 and equivalent to three months' production, and in Italy where, owing to lack of purchasers, the extra-pure magnesium produced has been sold as magnesium not in alloy, and where stocks of magnesium not in alloy have been built up.
 - c) the estimates put forward by the Member States set the usual factors for calculating the quota at the following approximate levels for 1977:

- consumption	55 798 metric tons
- production	25 700 metric tons
- inward processing traffic	3 100 metric tons
- duty-free imports carried out under other preferential tariff treatment (EFTA, associated countries, etc.)	3 304 metric tons
- exports to non-member countries	2 280 metric tons
- unusual stocks existing on 31 December 1976	2 500 metric tons

(1) OJ N° L 334, 3.12.1976, p. 3

(2) OJ N° L 184, 23.7.1977, p. 1

- d) on this basis and in view of the quota volume of 9 800 tonnes already opened the Community requirements as regards imports from non-member countries until the end of the current year would be set at about 11 114 tonnes, i.e. 250 tonnes of extra pure magnesium, 6 159 tonnes of magnesium not in alloy and 4 705 tonnes of magnesium in alloy.
3. The Commission considers it necessary however, taking into account the uncertainty as to the level which Community consumption might reach during 1977, and also the quantities available within the Community to confine itself to an increase of 2.500 tonnes in the quota volume.
 4. As regards the splitting up for the 2 500 tonnes under consideration into the three qualities of magnesium, it should be noted that the Community requirements for imports from non-member countries of extra-pure magnesium of the order of 1 850 metric tons could be covered to a large extent by the quota already opened 1 100 tonnes and by the Community production of about 500 tonnes.

An immediate increase of 250 tonnes allocated to this quality of magnesium should cover the short-term requirements of the Community industries.

Moreover, it is proposed that the balance, i.e. 2 250 tonnes be split up among the other two qualities taking account of the supply possibilities of the Community industry, the present level of stocks built up since the end of 1976 and the present industrial capacity and thus to allocate 400 metric tons to unwrought magnesium not in alloy and 1 850 metric tons to unwrought magnesium in alloy.

5. The supplementary volumes of 250 and 1 850 metric tons proposed for extra-pure magnesium and magnesium in alloy are allotted to the Community reserves as set up, whereas the supplementary volume allocated to unwrought magnesium not in alloy is, after deduction of the quantity allotted to the Community reserve, divided among the Member States according to the percentages originally used.

Proposal for
COUNCIL REGULATION (EEC)

increasing the Community tariff quota opened for 1977 for unwrought magnesium falling within subheading 77.01 A of the Common Customs Tariff

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, for unwrought magnesium falling within subheading 77.01 A of the Common Customs Tariff, a Community tariff quota for 1977 totalling 9 800 tonnes was opened by the Council and allocated among the Member States by Regulations (EEC) No 930/76 and (EEC) No 1645/77 (2);

Whereas the economic data at present available with regard to the consumption, production, exports to non-member countries, imports under the inward processing or other preferential tariff arrangements and to the abnormal stocks existing in one Member State on 31 December 1976 enable it to be estimated that Community requirements for imports from non-member countries could reach, in the course of 1977, a level of 20 900 tonnes; whereas in view of the quota volume already opened by the abovementioned Regulations, of the uncertainty as to the levels which Community production and consumption might reach and of the quantities available within the Community either from stocks accumulated in 1976 or from production in 1977 the increase should be limited to 2 500 tonnes;

Whereas in view, moreover, on the one hand of the present requirements in unwrought magnesium with a pure content of not less than 99.95 % and on the other hand of the quantities available in the Community and also the possibility of duty-free imports under agreements concluded by the Community with certain non-acceding EFTA countries, it can be estimated that short-term requirements for imports of

unwrought magnesium may, within the limit of the proposed increase, reach 250 tonnes of unwrought magnesium containing 99.95 % or more by weight of pure magnesium (extra-pure magnesium), 400 tonnes of unwrought magnesium containing 99.8 % or more by weight and not exceeding 99.95 % of pure magnesium (unwrought magnesium not in alloy), and 1 850 tonnes of unwrought magnesium containing less than 99.8 % by weight of pure magnesium (unwrought magnesium in alloy);

Whereas as far as the distribution of the above quota volume between Member States is concerned, it is necessary to allot to the Community reserves all the supplementary volumes allocated to extra-pure magnesium and unwrought magnesium in alloy and also a relatively small part of the supplementary volume allocated to unwrought magnesium not in alloy, the balance of this volume being divided among the Member States in accordance with the percentages originally used,

HAS ADOPTED THIS REGULATION:

Article 1

The volume of the Community tariff quota opened by Regulations (EEC) No 2930/76 and (EEC) No 1645/77 for unwrought magnesium falling within subheading 77.01 A of the Common Customs Tariff is hereby increased from 9 800 to 12 300 tonnes.

This increase of 2 500 tonnes shall be allocated as follows:

- (a) 250 tonnes of unwrought magnesium containing 99.95 % or more by weight of pure magnesium (extra-pure magnesium), intended for the nuclear industry and under customs supervision or equivalent administrative supervision;

(1) OJ No L 334, 3.12.1976, p. 3

(2) OJ No L 184, 23.7.1976, p. 1

- (b) 400 tonnes of unwrought magnesium containing not less than 99.8 % but less than 99.95 % by weight of pure magnesium (unwrought magnesium not in alloy);
- (c) 1850 tonnes of unwrought magnesium containing less than 99.8 % by weight of pure magnesium (unwrought magnesium in alloy).

sium not in alloy, shall be allocated among the Member States as follows:

	(in tonnes)
Benelux	60.3
Denmark	0.1
Germany	244
France	12.1
Ireland	0.1
Italy	1.2
United Kingdom	42.2

Article 2

The volumes of 250 tonnes and 1 850 tonnes referred to in Article 1 (a) and (c) allocated to extra-pure unwrought magnesium intended for the nuclear industry and to unwrought magnesium in alloy shall be allotted to the Community reserves set up under Articles 2 (1) and 3 (2) of Regulation (EEC) No 2930/76 as amended by Regulation (EEC) No 1645/77 which shall thus be increased from 1100 to 1350 tonnes and from 3225 to 5075 tonnes respectively.

2. The second tranche of 40 tonnes shall be allotted to the Community

reserve for unwrought magnesium not in alloy, provided for in Article 3 (2) of Regulation (EEC) No 2930/76s amended by Regulation (EEC) No 1645/77 which shall be increased from 210 to 250 metric tons.

Article 3

1. A first tranche of the amount referred to in Article 1 (b), of 360 tonnes of unwrought magne-

Article 4

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

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

Done at Brussels,

For the Council
The President

1. Ligne budgétaire concernée : Chap. 12 art. 120
2. Base juridique : Article 113 du traité
3. Intitulé de la mesure tarifaire : Proposition de règlement portant augmentation du volume du contingent tarifaire communautaire ouvert, pour l'année 1977, pour le magnésium brut

4. Objectif : Assurer le respect des engagements contractuels de la Communauté.

5. Mode de calcul :

- N° du T.D.C. : 77.01 A
- Volume du/dés contingent(s) : 2.500 tonnes
- Droits à appliquer : 0 %
- Droits du T.D.C. : 8 % (4,8 % dans C.E.E. à 6)

6. Perte de recettes :

non allié ; Norvège	: 350.269 UC x 4,8 % =	16.813 UC
autres pays	: 583.781 UC x 8 % =	46.702 UC
allié : Norvège	: 1.241.147 UC x 4,8 % =	59.575 UC
autres pays	: 936.304 UC x 8 % =	74.905 UC
		<hr/>
		197.995 UC
Arrondi à		198.000 UC

