COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 12 September 1978

Proposal for a

COUNCIL REGULATION (EEC)

on the opening, allocating and administration of tariff quotas for certain types of paper and paperboard falling within subheadings ex 48.01 C II and 48.01 F of the Common Customs Tariff originating in Portugal (1979)

(submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

1. On 20 September 1976 the European Economic Community signed an Interim Agreement with the Portuguese Republic. Article 4 of the Agreement stipulates that for kraft paper and kraft board for wrapping, known as "Kraftliner", and for paper and paperboard, other, of tariff subheadings ex 48.01 C II and 48.01 F, originating in Portugal, the Community, as originally constituted, and Ireland, shall open, for the period from 1 January 1976 to 31 December 1983, annual zero-duty tariff quotas of 42 000 tonnes and 1 500 tonnes respectively. These quotas should be increased yearly by 5%. The tariff quotas for 1979 should now be opened.

2. The draft regulation opening the tariff quotas provides - as is customery in this field - for the division of each quota volume into two instalments, the first being allocated among the Member States as quota shares and the second being held as a reserve.

   The allocation of the volume of the first instalment of the quota should be based on the rules generally applied. These involve calculating each Member State's total imports over the last three years as a proportion of total Community imports during the same period and applying, for each Member States, the percentages thus obtained to the volume of the first instalment.

3. The foregoing is the subject of the proposal for a regulation.

ANNEX : 1 proposal for a Regulation.

PROPOSAL FOR A
COUNCIL REGULATION (EEC)

on the opening, allocation and administration of tariff quotas for certain types of paper and paperboard falling within subheadings ex 48.01 C II and 48.01 F of the Common Customs Tariff, originating in Portugal (1979)

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 Article 4 of the Interim Agreement between the European Economic Community and the Portuguese Republic (1) lays down that the Community as originally constituted and Ireland should open annual duty-free tariff quotas for Kraftliner and for other paper and paperboard falling within subheadings ex 48.01 C II and 48.01 F of the Common Customs Tariff, originating in Portugal, of 42 000 and 1 500 tonnes respectively, which should be increased yearly by 5 % as from 1 January 1977; whereas the tariff quotas concerned should be opened for 1979 ;

Whereas it is in particular necessary to ensure for all Community importers equal and uninterrupted access to the abovementioned quotas and uninterrupted application of the rates laid down for these quotas to all imports of the products concerned into all Member States until the quotas have been used up ; whereas, having regard to the above principles, the Community nature of the quotas can be respected by allocating the Community tariff quotas among the Member States ; whereas, in order to reflect as accurately as possible the true trend of the market in the products in question, such allocation should be in proportion to the requirements of the Member States, calculated by reference to the statistics for imports from Portugal over a representative reference period and also to the economic outlook for the quota period in question ;

Whereas, during the last three years for which statistics are available, the corresponding imports by each of the Member States represent the following percentages of imports into the Community from Portugal of the products concerned :

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(1) OJ N° L 266, 29.9.1976, p. 1.

	subheading ex 48.01 C II			subheading 48.01 F		
	1975	1976	1977	1975	1976	1977
Benelux	20,1	25,2	31,4	2,8	28,7	-
Germany	34,7	28,1	32,1	-	54,0	20,7
France	21,4	18,2	21,7	73,1	8,0	79,3
Ireland	6,7	6,7	-	24,1	9,3	-
Italy	17,1	21,8	14,8	-	-	-

Whereas, in view of these factors and of market forecasts for the products concerned during the quota period in question, the percentage shares in the quota volumes may be expressed roughly as follows :

	subheading ex 48.01 C II	subheading 48.01 F
Benelux	20·1	6,0
Germany	34·7	9,0
France	22·4	64,0
Ireland	5·8	16,5
Italy	17·0	4,5

Whereas, in order to take into account import trends for the products concerned in the various Member States, each of the quota amounts should be divided into two instalments, the first being shared among the Member States and the second constituting a reserve to cover at a later date the requirements of the Member States which have used up their initial quota shares ; whereas, in order to give importers in each Member State a certain degree of security, the first instalment of the Community quotas might under the present circumstances be fixed at 75% and 50% respectively of the quota volumes.

Whereas the Member States'initial shares may be used up at different times ; whereas, in order to take this fact into account and avoid any break in continuity, any Member State which has almost used up its initial quota shares, should draw an additional share from the corresponding reserve ; whereas this must be done by each Member State as and when each of its additional shares in almost used up, and repeated as many times as the reserve allows ; whereas the initial and additional shares must be valid until the end of the quota period; whereas this method of administration requires close cooperation between the Member States and the Commission, and the latter must be in a position to monitor the extent to which the quota volumes have been used up and to inform the Member States thereof ;

Whereas if, at a given date in the quota period, a substantial quantity remains unused , it is essential that that Member State should return a significant proportion to the corresponding reserve to prevent a part of any Community quota from remaining unused in one Member State when it could be used in others ;

Whereas, 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 operation relating to the administration of the quota shares allocated to the Economic Union may be carried out by any of its members,

HAS ADOPTED THIS REGULATION :

Article 1

For the period 1 January to 31 December 1979, duty-free tariff quotas shall be opened in the Community as originally constituted and Ireland for products originating in Portugal and within the limits set out below :

CCT heading No	Description	Tariff quota (tonnes)
48.01	Paper and paperboard (including cellulose wadding), machine-made, in rolls or sheets :	
	C. Kraft paper and kraft board :	
	ex II. Other :	
	— Kraftliner	48.620
	F. Other	1.736

Article 2

1. The tariff quotas referred to in Article 1 shall be divided into two instalments.

2. A first instalment of each quota, that is 36.465 and 868 tonnes respectively, shall be shared among the Member States ; the respective shares, which subject to Article 5 shall be valid until 31 December 1979 and shall be as follows :

(tonnes)

Member States	subheading ex 48.01 C II	subheading 48.01 F
Benelux	7 330	52
Germany	12.650	78
France	8.170	556
Ireland	2.115	143
Italy	6.200	39

3. The second instalment of each quota, 12.155 and 868 tonnes respectively, shall constitute the corresponding reserve.

Article 3

1. If 90% or more of one of the Member State's initial shares as specified in Article 2 (2), or 90% of that share minus the portion returned to the corresponding reserve where Article 5 is applied, has been used up, then, to the extent permitted by the amount of the reserve, that Member State shall forthwith, by notifying the Commission, draw a second share equal to 15% of its initial share, rounded up where necessary to the next unit.

2. If, after one of its initial shares has been used up, 90% or more of the second share drawn by a Member State has been used up, then, to the extent permitted by the amount of the reserve, that Member State shall, in accordance with the conditions laid down in paragraph 1, draw a third share equal to 7,5% of its initial share, rounded up where necessary to the next unit.

3. If, after one of its second shares has been used up, 90% or more of the third share drawn by a Member State has been used up, that Member State shall, in accordance with the conditions laid down in paragraph 1, draw a fourth share equal to the third.

   This process shall continue until the reserve is used up.

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

Article 4

Additional shares drawn pursuant to Article 3 shall be valid until 31 December 1979.

Article 5

The Member States shall return to the reserve, not later than 1 October 1979, such unused portions of their initial shares as, on 15 September 1979, are in excess of 20% of the initial volumes. They may return a larger quantity if there are grounds for believing that this quantity may not be used.

The Member States shall, not later than 1 October 1979, notify the Commission of the total quantities of the products in question imported up to 15 September 1979 and charged against the Community quotas, and of any quantities of the initial shares returned to the reserve.

Article 6

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

It shall inform the Member States, not later than 5 October 1979, of the amount in each reserve after quantities have been returned pursuant to Article 5.

The Commission shall ensure that any drawing which uses up any reserve is limited to the balance available, and to this end shall indicate the amount of their balance to the Member State which makes such last drawing.

Article 7

1. The Member States shall take all measures necessary to ensure that additional shares drawn pursuant to Article 3, are opened in such a way that imports may be charged without interruption against their accumulated shares of the Community quotas.

2. The Member States shall ensure that importers of the products in question established in their territory have free access to the shares allocated to them.

3. The Member States shall charge imports of the products in question against their shares as and when the products are entered for home use.

4. The extent to which a Member State has used up its shares shall be determined on the basis of the imports charged in accordance with paragraph 3.

Article 8

At the request of the Commission, the Member States shall inform it of imports actually charged against their shares.

Article 9

The Member States and the Commission shall cooperate closely in order to ensure compliance with this Regulation.

Article 10

This Regulation shall enter into force on 1 January 1979.

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

Done at Brussels,

For the Council
The President