

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(79) 390 final
Brussels, 16 July 1979

Draft

COUNCIL REGULATION (EEC)

increasing the volume of the Community tariff quota opened for 1979, for ferro-chromium containing not less than 4% by weight of carbon and falling within subheading ex 73.02 E I of the Common Customs Tariff

(submitted to the Council by the Commission)

COM(79) 390 final

EXPLANATORY MEMORANDUM

1. By its Regulations (EEC) No 326/79 of 19 February 1979¹ and 928/79 of 8 May 1979², the Council opened and allocated among the Member States, in respect of the year 1979, a duty-free Community tariff quota for ferro-chromium containing not less than 4% by weight of carbon (and to a limited extent a quantity of carbon of between 3 and 4% (hereinafter called 'high-carbon ferro-chromium) the volume of which was fixed at the provisional global level of 190 000 tonnes to meet the requirements of the first 7 months, whilst not in any way precluding adjustments during the quota period.

The purpose of opening such a quota is to meet Community requirements at a nil rate and follow up the conclusion of an agreement between producers and consumers under which the consumers would have their requirements for imports from third countries met by a duty-free tariff quota in exchange for a guarantee that Community output, which has been reduced in appropriate proportions, will find a market.

2. The situation prevailing in the market for this ferro-chromium and the requirements for imports from third countries were reviewed at that meeting of the Economic Tariff Problems Group held on 29 May 1979. This meeting had been preceded by a talk with the consumers on 23 February 1979. It emerged from these discussions that, notwithstanding the relative shortness of the period elapsed since the conclusion of the agreement, the experience gained in connection with its implementation is nevertheless adequate for an new increase in the volume of the quota to be contemplated without it being possible, however, to provide very precise information concerning the actual requirements for imports from third countries.

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¹OJ No L 45 of 22.2.1979, p. 3

²OJ No L 117 of 12.5.1979, p. 3

This being so, fixing the increase in the quota must still be done prudently in order not to endanger the equilibrium of the market. To this end and having regard on the one hand to the time required by the procedures for the approval of regulations and on the other hand to the need to ensure the parallel development of sales of Community output and supplies to the user industries on favourable terms and conditions whilst providing them with some security, the Commission feels that it is appropriate to fix the volume of the increase in question at the volume of the forecast import requirements for the ensuring up to 31 December 1979, and review the situation again between now and then if it seems necessary.

From the information at the Commission's disposal, the supplementary requirements up to the end of the year of imports from third countries not entitled to any other preferential tariff arrangement (EFTA or associated) would amount to about 140 000 tonnes, so that the annual volume of requirements, taking account of the volume already opened, would amount to 330 000 tonnes.

3. As is usual in such cases, the volume of the proposed increase has been divided into two instalments of which the first, which makes up about 93%, is allocated among the Member States in proportion to their forecast imports from third countries and the second, making up the balance, constitutes the Community reserve. The constitution of a reserve of this size is justified in the present case especially since the quota volume reaches an appreciable level, which is still liable to be revised, and since the initial shares assigned to each of the Member States cannot be ascertained as accurately as might be wished.

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As regards the allocation of the volume of the increase, the Commission proposes that a large quantity (127 710 tonnes) be allocated among the Member States prorata with the foreseen requirements and that the balance (2 290 tonnes) be assigned to *GERMANY* as arrears and additional compensation.

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ing not less than 4% by weight of carbon and falling
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Tariff

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
and in particular Article 28 thereof,

Having regard to the draft regulation submitted by the Commission,

Whereas by its Regulations (EEC) No 326/79¹ and 928/79²,
the Council opened, for 1979, and allocated among
the Member States, a duty-free Community tariff quota for ferro-chromium
containing not less than 4% by weight of carbon and falling within sub-
heading ex 73.02 E I of the Common Customs Tariff, the volume of which
was fixed at the provisional level of 190 000 tonnes; whereas the benefit
of the tariff quota in question was extended by the first of those Regul-
ations, up to the limit of 20% of its volume, to imports of ferro-chromium
containing a quantity of between 3 and 4% by weight of carbon;

Whereas it can be estimated from the economic data now available on
consumption, production and imports benefiting from other preferential
tariff arrangements that Community requirements of imports from third
countries could, during the current year, reach a level far higher than
the volume of the abovementioned quota; whereas, in order not to disturb

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¹ OJ No L 45 of 22.2.1979, p. 3

² OJ No L 117 of 12.5.1979, p. 3

the equilibrium of the market for this ferro-alloy and ensure parallel development of the sales of Community output and satisfactory supplies to the consuming industries under acceptable conditions of security, it is appropriate to limit any increase in the quota volume to the volume of the foreseeable needs up to 31 December 1979 i.e., 140 000 tonnes, and if necessary to review the position in due course with a view to making a further adjustment ;

Whereas, as regards the allocation of this volume among the Member States, it is appropriate to assign a relatively small part of the additional volume to a Community reserve, the balance of this volume being allocated among the Member States in proportion of their forecast needs for imports from third countries,

HAS ADOPTED THIS REGULATION :

Article 1

The volume of the Community tariff quota opened by Regulations (EEC) Nos 326/79 and 928/79 for ferro-chromium containing not less than 4% by weight of carbon, falling within subheading ex 73.02 E I of the Common Customs Tariff, shall be raised from 190 000 to 330 000 tonnes.

Article 2

1. The first instalment of the additional volume referred to in Article 1, i.e., 130 000 tonnes, shall be allocated among the Member States as follows :

Benelux	8,410 tonnes
Denmark	25 tonnes
Germany	56,890 tonnes
France	20,525 tonnes
Italy	22,200 tonnes
United Kingdom	21,950 tonnes

.../...

2. The second instalment of 10 000 tonnes shall constitute the reserve.

The reserve laid down by Article 2(2) of Regulation (EEC) No 326/79 as amended by Regulation (EEC) No 928/79 is thus raised from 9 000 to 19 000 tonnes.

Article 3

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