

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(79) 531 final

Brussels, 11th October 1979

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 No 02.02 A II b)  
OF THE COMMON CUSTOMS TARIFF (1980)

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(presented by the Commission to the Council)

COM(79) 531 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,

The Commission is aware that this concession is still subject to the formal conclusion by the contracting parties.

Pending a final decision on this subject, this proposal constitutes the instrument (having regard to the obligation to consult the European Parliament as provided for in Article 43 which is invoked as one of the legal bases) which would ensure that the commitments entered into by the Community are observed.

The Commission therefore reserves the right to amend its proposal during the procedure, in order to adapt it, if necessary, to the final outcome of the negotiations.

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.

3. The Community's imports of frozen beef and veal from non-member countries, expressed in tonnes of unboned (bone-in) meat, for the last three years were as follows:

	1976		1977		1978	
	t	%	t	%	t	%
Benelux	13 649	8.88	24 339	17.28	23 682	19.37
Denmark	785	0.51	899	0.64	1 014	0.83
Germany	40 127	26.10	41 985	29.81	39 530	32.32
France	13 182	8.57	9 274	6.58	10 780	8.82
Ireland	0	0	0	0	0	0
Italy	34 385	22.37	23 531	16.71	15 040	12.30
United Kingdom	51 612	33.57	40 810	28.98	32 230	26.36
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	153 740		140 838		122 276	

However, during these years, importations of frozen veal and beef have almost exclusively been carried out under the special regimes (such as GATT quota, Exim regime, exchange systems, the ACP preferential regime and the balance of meat destined for manufacture). Therefore, these statistics cannot be representative of the trend of imports into each Member State. Having regards to these statistics and seeing that the economic prospects for the quota year in question cannot be assessed sufficiently accurately, the Commission proposes to retain the repartition applied in 1979, for the amount of 38,500 tonnes agreed in 1979, with the exception of Ireland which, receives a percentage of 0.01 % in order to retain the Community character of the quota, and to use for the supplementary reserve of 11,500 tonnes resulting from those MTN a repartition based on the estimated needs of each of the Member States in the course of the quota period concerned, taking into account the trade regime in the beef sector.

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 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 volume, will assist in ensuring equal access for all importers and in avoiding a possible situation in which customs preference is no longer applied in one or more Member States while it is still applied in others.

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 (1980)

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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 1980, the total quota volume of 50,000 tonnes being divided into two parts according to the tariff arrangements applicable;

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 regularly 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, allocation of the quota should be 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, for the last three years for which statistics are available, corresponding imports of each Member State represent, in relation to total imports of the product in question, the percentages shown below :

	<u>1976</u>	<u>1977</u>	<u>1978</u>
Benelux	8,88	17,28	19,37
Denmark	0,51	0,64	0,83
Germany	26,10	29,81	32,32
France	8,57	6,58	8,82
Ireland	0	0	0
Italy	22,37	16,71	12,30
United Kingdom	33,57	28,98	26,36

whereas, for these 3 years, imports of beef and veal from third countries were almost exclusively carried out under special regimes;

whereas, therefore, these statistics may not be representative of the trend of imports into each Member State;

Whereas, having regard to these statistics and seeing that an estimate of the import needs of the Member States for 1980 is difficult to make, it is advisable, in order to apportion the tariff quota in an equitable way and to preserve its Community nature, to fix the initial percentage shares of each Member State at the levels given below :

Benelux	10,82
Denmark	0,48
Germany	20,43
France	6,93
Ireland	0,01
Italy	30,84
United Kingdom	30,49

Whereas, to take account of future trends of imports into the various Member States of the product under consideration, 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 cover subsequently 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 be fixed at approximately 90% of its full amount;

rates; whereas to avoid disruption of supplies on this account it should be provided 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 quotas have been 'used up' and to 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 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 1980 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 the benefit of some other preferential tariff regime 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 30.000 tonnes and 15,000 tonnes respectively shall be allocated as follows among the Member States, the shares being, subject to the provisions of Article 5, valid from 1 January until 31 December 19 80 :

	<u>Of the 33,500 tonnes</u>	<u>Of the 16 500 tonnes</u>
Benelux	3 246 tonnes	1 623 tonnes
Denmark	144 tonnes	72 tonnes
Germany	6 129 tonnes	3 065 tonnes
France	2 079 tonnes	1 039 tonnes
Ireland	3 tonnes	1 tonne
Italy	9 252 tonnes	4 626 tonnes
United Kingdom	9 147 tonnes	4 574 tonnes
	<u>30 000 tonnes</u>	<u>15 000 tonnes</u>

3. The second tranches of 3 500 and 1 500 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 provided 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 as aforesaid, 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 those 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 1980.

#### Article 5

The Member States shall return to the reserve, not later than 15 September 1980, the unused portion of their initial shares which, on 15 September 1980, 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 1980, notify the Commission of the total quantities of the product in question imported up to and including 15 September 1980 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 1980, 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 importations 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 1980.

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 : Articles 113 et 43 du traité

3. Intitulé de la mesure tarifaire :

Proposition de règlement du Conseil portant ouverture, répartition et mode de gestion du contingent tarifaire communautaire de viande bovine congelée de la sous-position 02.01 A II b du TDC

4. Objectif :

Respect des engagements contractés au GATT

5. Mode de calcul :

- N° du T.D.C. : 02.01 A II b
- Volume du/des contingent(s) : 50.000 sans os (= 65.000 t avec os)
- Droits à appliquer : 20 %
- Droits du T.D.C. : 20 % + P

6. Perte de recettes :

Prélèvement moyen, selon qualités importées : 72 ECU / 100 kg (sans os)

Perte de prélèvement :  $720 \text{ ECU} \times 65.000 = 46.800.000 \text{ ECU}$