

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(77) 537 final.

Brussels, 28 October 1977.

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 (1978)

(submitted to the Council by the Commission)



EXPLANATORY MEMORANDUM

1. During the GATT multilateral negotiations the European Economic Community undertook to open an annual Community tariff quota of 38 500 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.

2. Consequently, to meet the Community's obligations, a regulation should be adopted before 1 January 1978 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 decision 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 30 500 tonnes into two parts, one of 22 000 tonnes and the other of 16 500 tonnes, to be allocated separately among all the Member States regardless of the fact that the Commission decided, in Commission Regulation (EEC) No 3187/76 of 22 December 1976 (1) not to apply the compensatory amount for the quota of 38 500 tonnes.

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

	1974		1975		1976	
	t	%	t	%	t	%
Benelux	10 900	8.34	5 853	9.65	11 064	9.15
Denmark	452	0.35	468	0.77	599	0.50
Germany	22 208	17	9 319	15.36	31 076	25.69
France	13 363	10.23	4 035	6.65	10 748	8.89
Ireland	0	0	0	0	0	0
Italy	39 780	30.45	15 234	25.11	27 888	23.06
United Kingdom	43 922	33.63	25 762	42.46	39 566	32.71
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	130 625		60 671		120 941	

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(1) OJ L 359, 30.12.1976, p. 25.

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However, during the last three years, importations of frozen and veal beef have almost exclusively been carried out under the special regimes (such as GATT quota; Exim regime, exchange systems and the ACP preferential regime). Therefore, these statistics cannot be representative of the trend of imports into each Member State. This is why the Commission proposes to retain for 1978, the participation percentages agreed by the Council for 1977, except for Ireland which receives a percentage of 0;01% in order to retain the Community character of the quota.

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) . . . /77

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 (1978)

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 38 500 tonnes of frozen beef and veal,
expressed as boned or boneless meat, falling within subheading 02.01 A II b);
whereas the Community tariff quota in question must therefore be opened on
1 January 1978, the total quota volume of 38 500 tonnes being divided into
two parts according to the tariff arrangements applicable to each;

Whereas equal and continuous access to the quota should be ensured for
all Community importers 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, imports of frozen beef and veal have been authorized almost exclusively under special arrangements, and whereas consequently the statistics cannot be considered as sufficiently representative to serve as the basis for the allocation of the quota among the Member States; whereas an estimate of the import needs of the Member States for 1978 is difficult to make because of the changes which have occurred in recent years; whereas it is necessary, in order to apportion the tariff quota in an equitable way and to preserve its Community nature, to fix at the levels given below the initial percentage shares of each Member State :

Benelux	11.01
Denmark	0.51
Germany	19.70
France	6.96
Ireland	0.01
Italy	28.70
United Kingdom	33.11;

.../...

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;

Whereas Member States may exhaust their initial shares at different 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, pursuant to Article 2 (4) of Commission Regulation (EEC) No 193/75 of 17 January 1975 laying down common detailed rules for the application of the system of import and export licences and advance fixing certificates for agricultural products,¹ import licences authorize the importation of a quantity exceeding by 5 % the quantity indicated therein; whereas, however, the levy provided for in Article 12 of Council Regulation (EEC) No 805/68 of 27 June 1968 on the common organization of the market in beef and veal,² as last amended by Regulation (EEC) No 425/77³, should be applied to any quantity exceeding that indicated in the licence;

as last amended by Regulation (EEC) No 773/77²,

¹ OJ No L 25, 31.1.1975, p. 10

² OJ No L 94, 16.4.1977, p. 5

³ OJ No L 148, 28.6.1968, p. 24

⁴ OJ No L 61, 5.3.1977, p. 1

Whereas, since the Kingdom of Belgium, the Kingdom of the 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 1978 a Community tariff quota of 38 500 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%.

4. Imports of the products concerned shall be subject to the provisions adopted under Regulation (EEC) No 974/71 (1), as last amended by Regulation (EEC) No 557/76, as regards the fluctuation of the currencies of certain Member States.

5. For the purpose of applying this Regulation, the levy fixed in accordance with Article 12 of Regulation (EEC) No 805/68 shall, as regards imports effected under the conditions laid down in Article 2 (4) of Regulation (EEC) No 193/75, as last amended by Regulation (EEC) No 773/77, be applied to any quantities exceeding those indicated in the import licence.

(1) OJ No L 106, 12.5.1971, p. 1

(2) OJ No L 67, 15.3.1976, p. 1.

Article 2

1. The quantity of 38 500 tonnes referred to in Article 1(1) shall be divided into two parts, one of 22 000 tonnes, the other of 16 500 tonnes. Each one of those parts shall be subdivided into two tranches.

2. The first tranches of 20 000 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 1978 :

	<u>Of the 22 000 tonnes</u>	<u>Of the 16 500 tonnes</u>
Benelux	2 202 tonnes	1 652 tonnes
Denmark	102 tonnes	77 tonnes
Germany	3 940 tonnes	2 955 tonnes
France	1 392 tonnes	1 044 tonnes
Ireland	2 tonnes	1 tonne
Italy	5 740 tonnes	4 305 tonnes
United Kingdom	6 622 tonnes	4 966 tonnes
	<u>20 000 tonnes</u>	<u>15 000 tonnes</u>

3. The second tranches of 2 000 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 1978.

Article 5

The Member States shall return to the reserve, not later than 1 October 1978, the unused portion of their initial shares which, on 15 September 1978, 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 1978, notify the Commission of the total quantities of the product in question imported up to and including 15 September 1978 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 1978, 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

Member States shall inform the Commission, within 45 days of the publication of this Regulation in the Official Journal of the European Communities, of the steps they have taken to implement it.

.../...

Article 11

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

The Presi-

1. Budget Line concerned : Ch. 12 Art. 120
2. Legal basis : Art. 113 and 43 of the Treaty
3. Title of the tariff measure : Proposal for a Council Regulation 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 (1978)

4. Objectives :
Respect of GATT contractual engagements.

5. Method of calculation :
 - No of CCT : 02.01 A II b)
 - Quota volume : 38 500 tonnes
 - Quota duty rate : 20%
 - Duty rate CCT : 20% + P
6. Loss of receipts : 67 375 000 UA

