

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(78) 314 final.

Brussels, 6 July 1978.

Proposal for a
COUNCIL REGULATION (EEC)

increasing the Community tariff quota opened for 1978
by Regulation (EEC) No 2747/77 for unwrought magnesium
falling within subheading 77.01 A of the Common Customs
Tariff

(submitted to the Council by the Commission)

COM(78) 314 final.

EXPLANATORY MEMORANDUM

1. By means of its Regulation (EEC) No 2747/77 of 5 December 1977¹, the Council opened and allocated between the Member States, for the year 1978, a Community tariff quota for unwrought magnesium falling within subheading 77.01 A of the Common Customs Tariff, the initial overall volume of which was fixed at 5 500 tonnes, on the basis of estimates put forward at the end of 1977 although an adjustment during the quota period was not excluded.

2. The situation on the magnesium market and the requirements for imports from third countries were re-examined at a meeting of the Working Party on Economic Tariff Problems on 5 April 1978, on the basis of available forward data relating to 1978, as far as the three qualities of magnesium selected for the initial quota were concerned. It emerged from this discussion that :

- (a) owing to the lack of certain data on consumption and production it was not possible to draw up the Community balance of requirements for imports from third countries to be covered by the quota; nevertheless on the basis of estimates made by the competent departments of the Commission it may be accepted that the situation on the magnesium market in the Community is the same now as in 1977 at the time of the first re-examination carried out at the same period;
- (b) the Community production capacities are not fully utilized, particularly in France where it has not been possible to reduce the stocks of magnesium (approximately 3 000 tonnes) left over at the end of 1977 and representing three months' production.

3. These various factors indicate that caution should still be exercised in fixing the quota volumes for this product, bearing in mind the uncertainty as regards the level which Community consumption and production could reach during 1978.

The Commission therefore considers it advisable, pending a further review of the situation which could take place in September on the basis of more accurate forecasts, to confine itself to a still provisional increase in the tariff quota of a volume of 4 300 tonnes.

4. With regard to the subdivision of the volume of 4 300 tonnes between the three qualities of magnesium, it should be noted that the requirements for imports from third countries of extra-pure magnesium of about 1 500 tonnes can largely be covered by the quota opened at the beginning of the year (600 tonnes) and by available Community production. Pending the later review an immediate increase of 500 tonnes in the volume earmarked for this quality of magnesium is appropriate to cover the short-term requirements of the Community user industries.

Furthermore, it is proposed that the remainder, i.e. 3 800 tonnes, be subdivided between the other two qualities, more or less in proportion to the requirements for these two qualities, and that 1 000 tonnes be assigned to unwrought magnesium not in alloy and 2 800 tonnes to unwrought magnesium in alloy.

5. The additional volumes of 500 and 2 800 tonnes proposed for extra-pure magnesium and magnesium in alloy are allocated to the Community reserves laid down, whereas that assigned to unwrought magnesium not in alloy is, after deduction of the quantity put into the Community reserve, allocated among the Member States in accordance with the percentage fixed initially.

Proposal for a
COUNCIL REGULATION (EEC) No ...
of

increasing the Community tariff quota opened for 1978 by Regulation (EEC) No 2747/77
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 1978 totalling 5 500
tonnes has been opened by the Council and allocated
among the Member States by Regulation (EEC) No
2747/77 (1);

Whereas the economic data at present available with
regard to the consumption and production of
unwrought magnesium do not yet permit Community
requirements of imports from non-member countries
to be evaluated with sufficient precision; whereas it
appears that certain Member States have considerable
magnesium requirements which cannot be met by
Community production; whereas the quota
concerned should therefore be increased by an appropriate
amount, approximately 4 300 tonnes; whereas
the fixing at this level of this supplementary quota
does not preclude further adjustments during the
quota period; whereas, in view, moreover, on the one
hand of the present requirements in unwrought
magnesium not in alloy with a pure magnesium
content of not less than 99.95 %, and on the other
hand of the quantities available in the Community
and of the possible increase in production by Community
industries based principally on unwrought magnesium
not in alloy, 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 500 tonnes of unwrought
magnesium containing 99.95 % or more by weight of

pure magnesium (extra-pure magnesium), 1 000
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 2 800 tonnes of unwrought magnesium
containing not more than 99.8 % by weight of pure
magnesium (unwrought magnesium in alloy);

Whereas, as far as the distribution of the above quota
volumes between Member States is concerned, it is
necessary to allot to the Community reserves of 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 last 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
Regulation (EEC) No / for unwrought magnesium / 2747/77
falling within subheading 77.01 A of the
Common Customs Tariff is hereby increased from
5 500 to 9 800 tonnes.

This increase of 4 300 tonnes shall be allocated as
follows:

- (a) 500 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;
- (b) 1 000 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);

(1) OJ No L 318, 13.12.1977, p. 7

(c) 2 800 tonnes of unwrought magnesium containing less than 99.8 % by weight of pure magnesium (unwrought magnesium in alloy).

Article 2

The volumes of 500 and 2 800 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 allocated to the Community reserves set up under Articles 2 (1) and 3 (2) of Regulation (EEC) No / , which shall thus be increased from 600 to 1 100 tonnes and from 425 to 3 225 tonnes respectively.

Article 3

1. A first tranche of the amount referred to in Article 1 (b), of 920 tonnes of unwrought magnesium not in alloy, shall be allocated among the Member States as follows:

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

Done at Brussels,

	(in tonnes)
Benelux	191
Denmark	0.5
Germany	600
France	20
Ireland	0.5
Italy	3
United Kingdom	105

2. The second tranche of 80 tonnes shall constitute the reserve.

The amount of the reserve for this type of unwrought magnesium, provided for in Article 3 (2) of Regulation (EEC) No / , is thus increased from 130 to 210 tonnes. 2747/77

Article 4

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

For the Council

The President

1 2747/77

1. Ligne budgétaire concernée : Chap. 12 art. 120

2. Base juridique : Article 113

3. Intitulé de la mesure tarifaire :

Proposition de règlement portant augmentation du volume du contingent tarifaire communautaire ouvert, pour l'année 1978, par le règlement CEE n. 2747/77 pour le magnésium brut de la sous-position 77.01 A du TDC.

4. Objectif :

Respect des obligations contractées au GATT pour le produit en question.

5. Mode de calcul :

- N° du T.D.C. : 77.01 A
- Volume du/des contingent(s) : 4.300 tonnes
- Droits à appliquer : 0 %
- Droits du T.D.C. : 8 % (droit NOR = 3 %)

6. Perte de recettes :

Prix à la tonne : non allié : 1.680 UCE

allié : 1.428 UCE

Valeur des 1.500 tonnes de non allié : 2.520.000 UCE

NOR: 1.357.776 UCE

Autres: 1.162.224 UCE

Valeur des 2.800 tonnes d'allié : 3.998.400 UCE

NOR : 2.588.164 UCE

Autres: 1.410.236 UCE

$$1.357.776 \text{ UCE} \times \frac{3}{100} = 40.733$$

$$1.162.224 \text{ UCE} \times \frac{8}{100} = 92.977$$

$$2.588.164 \text{ UCE} \times \frac{3}{100} = 77.645$$

$$1.410.236 \text{ UCE} \times \frac{8}{100} = \frac{112.819}{324.174}$$

Arrondi à 325.000 UCE

