

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(77) 239 final

Brussels, 15 June 1977

Proposal for a
COUNCIL REGULATION (EEC)

increasing the Community tariff quota opened for
1977 by Regulation (EEC) No 2930/76 for unwrought
magnesium falling within subheading 77.01 of the
Common Customs Tariff

(submitted to the Council by the Commission)

COM(77) 239 final

EXPLANATORY MEMORANDUM

1. By Regulation (EEC) No 2930/76 of 29 November 1976,¹ the Council opened and allocated among the Member States for 1977 a Community tariff quota for unwrought magnesium falling within subheading 77.01 A of the Common Customs Tariff and initially totalling 5 500 metric tons, based on estimates put forward at the end of 1976, which moreover did not preclude adjustments during the quota period.

When this Regulation was adopted by the Council, the Commission was requested to pursue the study of the state of the market in this product and to propose an increase in the quota volume before mid-1977 if it appeared that Community requirements as regards imports from non-member countries would exceed the quota volume under consideration.

This is the purpose of this proposal for a regulation.

2. A review of the state of the market in magnesium and of Community requirements for imports from non-member countries was carried out at the meeting of the Economic Tariff Problems Group, held on 14 April 1977, on the basis of the usual estimates for 1977 provided by the Member States in respect of the three qualities of magnesium used for the initial quota. It emerged from this discussion that :
 - (a) at the first review carried out at the same period, the state of the Community market in magnesium in 1977 appeared to be substantially the same as in 1976;
 - (b) the Community production capacities are not fully utilized especially in France, where it has not been possible to reduce the stocks of magnesium not in alloy built up in 1976 and equivalent to three months' production, and in Italy where, owing to lack of purchasers, the extra-pure magnesium produced has been sold as magnesium not in alloy;
 - (c) the estimates put forward by the Member States set the usual factors for calculating the quota at the following approximate levels for 1977 :

	unwrought magnesium in general	extra-pure magnesium	magnesium not in alloy	magnesium in alloy
- consumption	55 748	1 850	30 378	23 520
- production	25 700	500	16 000	9 200
- inward processing traffic	3 000	0	1 500	1 500
- duty-free imports carried out under other preferential tariff arrangements (EFTA, associated countries, etc.)	3 256	0	2 906	350
- exports to non-member countries	2 280	0	890	1 390
- unusual stocks existing on 31 December 1977	2 500	0	2 500	0

(d) on this basis and in view of the quota volume of 5 500 tonnes already opened at the beginning of the year, the requirements as regards imports from non-member countries the end of the current year would be set at about 13 500 tonnes, i.e. 750 tonnes of extra pure magnesium, 5 250 tonnes of magnesium not in alloy and 7 500 tonnes of magnesium in alloy.

3. These various factors indicate that cautious must still be exercised in fixing quota volumes for this product, taking into account the uncertainty as to the level which Community consumption might reach during 1977.

For this reason the Commission considers it necessary, pending a further review of the situation which might be carried out in September on the basis of more specific estimates, to confine itself again to a ^{further} provisional increase in the tariff quota of 4 500 tonnes.

4. As regards the splitting up of the 4 500 tonnes under consideration into the three qualities of magnesium, it should be noted that the Community requirements for extra-pure magnesium imports from non-member countries of the order of 1 850 tonnes could be covered to a large extent by the quota opened at the beginning of the year (600 tonnes) and by Community production of about 5 00 tonnes. Until a subsequent review is made, an immediate increase of 500 tonnes allocated to this quality of magnesium should cover the short-term requirements of the Community industries.

Furthermore, it is proposed that the balance, i.e. 4 000 tonnes, be split up among the other two qualities approximately in proportion to the requirements for these two qualities (35/65) and that 1 400 tonnes be allocated to unwrought magnesium not in alloy and 2 600 tonnes to unwrought magnesium in alloy.

5. The supplementary volumes of 500 and 2 600 tonnes proposed for extra-pure magnesium and magnesium in alloy are allotted to the Community reserves set up, whereas the supplementary volume allocated to unwrought magnesium not in alloy is, after deduction of the quantity allotted to the Community reserve, divided among the Member States according to the percentages originally used.



Proposal for
COUNCIL REGULATION (EEC)

increasing the Community tariff quota opened for 1977
by Regulation (EEC) No 2930/76 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 197 totalling 5 500
tonnes was opened by the Council and allocated among the Member
States by Regulation (EEC) No 2930/76⁽¹⁾;

Whereas the economic data at present available with regard to the consump-
tion and production of unwrought magnesium do not yet permit Community
requirements for 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 pro-
duction; whereas the quota concerned should therefore be increased by
an appropriate amount, approximately 4 500 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 for 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), 1 400 tonnes
of unwrought magnesium containing 99.8% or more but less than 99.95%

by weight of pure magnesium (unwrought magnesium not in alloy), and 2 600 tonnes of unwrought magnesium containing less 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 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 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 2930/76 for unwrought magnesium falling within subheading 77.01 A of the Common Customs Tariff is hereby increased from 5 500 to 10 000 tonnes.

This increase of 4 500 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) 1 400 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);
- (c) 2 600 tonnes of unwrought magnesium containing less than 99.8% by weight of pure magnesium (unwrought magnesium in alloy).

Article 2

The volumes of 500 tonnes and 2 600 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 allotted to the Community reserves set up under to Articles 2 (1) and 3 (2) of Regulation (EEC) No 2930/76, which shall thus be increased from 600 to 1 100 tonnes and from 425 to 3 025 tonnes respectively.

Article 3

1. A first tranche of 1 260 tonnes from the amount referred to in Article 1(b) allocated to unwrought magnesium not in alloy shall be allocated among the Member States as follows :

Benelux	211	tonnes
Denmark	0.5	tonne
Germany	854	tonnes
France	42	tonnes
Ireland	0.5	tonne
Italy	4	tonnes
United Kingdom	148	tonnes.

2. The second tranche of 140 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 2930/76, is thus be increased from 130 to 270 tonnes.

Article 4

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

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FINANCIAL STATEMENT

Date : 18 April 1977

1. Budget line concerned : Ch. 12 Art. 120
2. Legal basis : Art. 113
3. Title of the tariff measure :
Proposal for a Council Regulation (EEC) increasing the Community tariff quota opened for 1977 by Regulation (EEC) No 2930/76 for unwrought magnesium falling within subheading 77.01 A of the Common Customs Tariff
4. Objectives :
Compliance with obligations contracted in GATT for the product in question.
5. Method of calculation :
 - No of CCT : 77.01 A
 - Quota volume : 4,500 metric tons
 - Quota duty rate : 0%
 - Duty rate CCT : 8% (NOR rate : 4.8%)
6. Loss of receipts : 350.000 UC

