

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(78) 165 final.

Brussels, 21 April 1978

Proposal for a

COUNCIL REGULATION (EEC)

fixing for 1978 Community quantitative export quotas for certain
types of copper ash and residues and for certain types
of copper, aluminium and lead waste and scrap

(submitted to the Council by the Commission)

COM(78) 165 final.

EXPLANATORY MEMORANDUM

I. The Community has maintained quantitative export quotas for the following categories of products for several years :

- ex 26.03 Ash and residues of copper and copper alloys
- ex 74.01 Waste and scrap of copper and copper alloys :
 - Resulting from the breaking-up of ships registered in third countries or of ammunition sold by the armed forces of third countries
 - Other
- 76.01 B Aluminium waste and scrap
- 78.01 B Lead waste and scrap

These quotas were introduced and maintained in the interests of stable supplies within the Community of copper, aluminium and lead.

II. For 1978 the arrangements in force in 1977 were extended, on a pro rata basis, for only four months, i.e. up to 30 April, by a Council Regulation of 20 December 1977¹, for the Commission and certain Member States considered it necessary to carry out a detailed examination of the grounds for maintaining unchanged the arrangements applied hitherto. Pending the conclusions of this examination the 1977 arrangements were extended for the first four months of the year in order to avoid any disturbance of trade flows.

¹ OJ No . L 332, 24.12.1977

III. The Advisory Committee set up under Council Regulation (EEC) No 2603/69 (establishing common rules for exports¹) met in order to examine whether, in the light of the economic situation of the products in question on the Community market and having regard to the provisions of Regulation (EEC) No 2603/69, the system of export quotas should be extended for 1978 on the same terms as for 1977.

During this consultation the Commission's departments indicated that, in their opinion, "a critical situation" due to "a shortage of essential products", which had hitherto justified the establishment of export quotas under the terms of Regulation (EEC) No 2603/69, was no longer in evidence. The trend of supply and demand during 1977/78 for non-ferrous metals in general (with the exception of tin and tungsten) showed a surplus of production in relation to consumption, reflected in the continued existence of major stocks of both metal and waste, particularly in the case of copper.

Furthermore the maintenance of export quotas fixed at levels which are too low, particularly with the present surplus of supplies, creates a closed market situation which brings down the selling price of waste. This severely penalises the recovery of industry and trade in the Community, which, faced with too captive a market, has difficulty in maintaining its profitability threshold and in safeguarding its rate of activity.

Stimulation of the recovery sector could not furthermore, fail to have a favourable effect on the collection of non-ferrous metal waste and therefore on the improvement of the environment. As was also pointed out these export quotas are often the subject, at international level, of criticism from other industrialized countries which practise a more liberal policy. The United States, Canada and certain EFTA countries constitute the main source of imports of non-ferrous metal waste; the fact that exports are limited creates a situation of non-reciprocity.

¹ OJ No L 324, 27.12.1969

The Commission's departments stated, however, that they were not aiming to liberalise exports. An abrupt change in the arrangements would only seriously disturb established trade flows. Furthermore, non-ferrous metal waste undoubtedly constitutes an important raw material resource for Community industry, either as a supplement to the one in the first smelting or for direct use in the second smelting.

In the present market situation, it would therefore be advisable for the export arrangements not to be altered at this stage subject to certain adjustments, but for the level of the quotas to be raised. The purpose of Regulation (EEC) No 2603/69 was furthermore to permit adjustment to cyclical developments. Under its provisions measures taken can be adjusted, even during the year, if the grounds for those measures change or disappear. This regulation must therefore be applied in a flexible way and cannot, in any event, be used to support an attitude which has been static for a long time and which, in the Commission's opinion, is no longer fully justified by the state of the market in the products in question.

1. Consequently, the Commission departments proposed that the quotas be altered as follows :

(a) Copper ash and residues : raising of the quota from 16 505 t to 21 000 t

(b) Copper waste and scrap

Amalgamation of the current two quotas into one. The quota of waste and scrap resulting from the breaking-up of ships or of ammunition partially or entirely unused in several Member States. Furthermore, it has emerged that in practice certain Member States no longer make any real distinction in the control of trade between that quota and the quota for "other" waste and scrap. The amalgamated quota would be fixed at 27 000 t. The addition of the two quotas would have given a higher figure (29 331 t); however, in view of the different export opportunities created by the abolition of the distinction between the two quotas, it was considered advisable not to provide for an increase in export opportunities, and even to reduce slightly the overall level, but in such a way as to take into account the actual market requirements.

(c) Aluminium waste and scrap

The present quota represents 0.38% of Community resources.

This percentage would be raised to 0,77% i.e. quota of 7.000 t (3 493 t in 1977).

(d) Lead waste and scrap

The present quota represents 0.29% of Community resources.

This percentage would be raised to 0.60%, i.e. a quota of 3 000 t (1 481 t in 1977).

2. During the consultations all the delegations expressed their agreement on the Commission departments' proposal concerning copper ash and residues. Only one delegation did not accept the proposal concerning copper waste and scrap.

Two delegations stated that they were against any increase for Lead and aluminium.

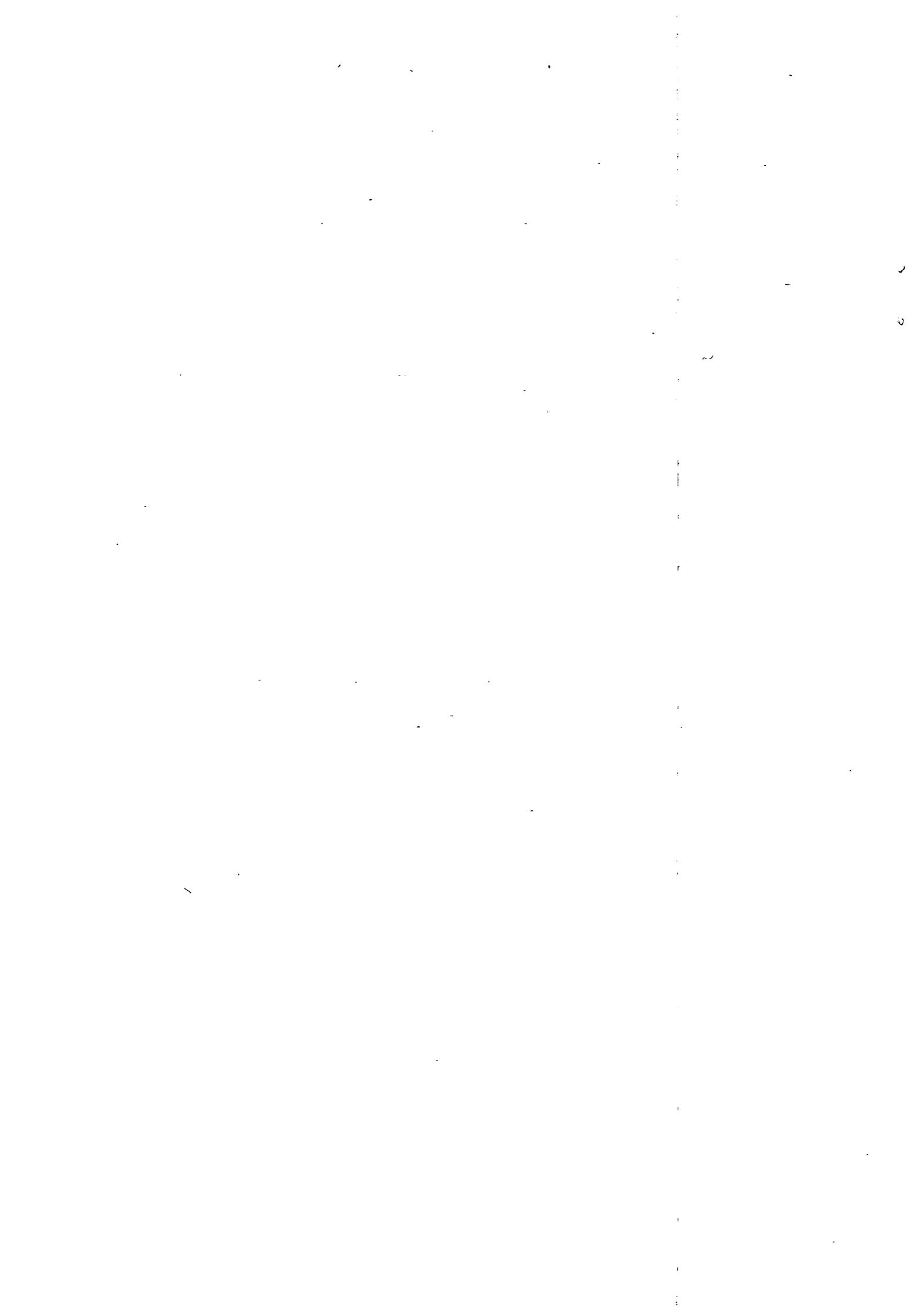
The delegations in favour of increasing the quotas adopted, generally speaking, the arguments put forward by the Commission departments. Two of them stressed particular points : one mentioned the need to take into account the interests of the Community waste-recycling industry and trade, and the other stated that a fundamental problem was to determine whether, at present, the maintenance of the quotas was in fact compatible with Regulation (EEC) No 2603/69, namely whether the state of the market in the products in question was such that measures were required in order to prevent or remedy a "critical situation" due to "a shortage" of these products.

The delegations which were against increasing the quotas for aluminium and lead and, in one case, copper waste, stressed the economic importance of waste as a source of supply for Community industry. Any increase in the quotas, in the opinion of these delegations, would create new trade flows and it would then no longer be possible to revert to the status quo even if the shortage became more pronounced.

IV. The Commission considers that the proposals for adjusting and increasing the quotas which were made during the consultations, and which take into account the various aspects of the problem, are reasonable and constitute a compromise between the differing positions adopted by the Member States' delegations. It notes, particularly with regard to aluminium and lead (over which there was marked opposition from some delegations), that the proposed increase would not amount to even 1% of Community resources; it would seem highly unlikely, under these circumstances, that this increase would do any harm to the sectors of Community industry which use this waste.

The Commission consequently proposes that the Council adopt the attached regulation.

The regulation provisionally in force will expire on 30 April 1978; it is advisable that the present regulation is adopted before that date.



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fixing for 1978 Community quantitative export quotas
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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 2603/69 of 20 December 1969
establishing common rules for exports¹, and in particular Article 7 thereof,

Having regard to Council Regulation (EEC) No 1023/70 of 25 May 1970
establishing a common procedure for administering quantitative quotas²,
and in particular Article 2 thereof,

Having regard to the proposal from the Commission,

Whereas, in order to avoid supply difficulties for certain types of copper
ash and residues and for certain types of copper, aluminium and lead waste
and scrap, Community quantitative export quotas were fixed by Council
Regulation (EEC) No 2878/77 of 20 December 1977³;

Whereas these quotas were fixed by way of a transitional measure, on the
basis of the 1977 arrangements, for the period 1 January to 30 April 1978
pending the results of the examination being held to determine the arrange-
ments for the whole of 1978;

Whereas, in the light of the outcome of this examination, the quantitative
export quotas should be maintained in force for 1978 for the products in
question, the amount of the quotas should be increased and certain of them
should be redistributed as against the 1977 arrangements;

¹ OJ No L 324, 27.12.1969, p. 25

² OJ No L 124, 8.6.1970, p. 1

³ OJ No L 332, 24.12.1977, p. 10

Whereas the criterion for their allocation should be determined;

Whereas the provisions relating to the control of trade within the Community laid down in Commission Regulation (EEC) No 223/77 of 22 December 1976 on the use of Community transit documents for the purpose of applying certain measures on the exportation of certain goods apply only if the measures introducing export restrictions provide for their application,

HAS ADOPTED THIS REGULATION :

Article 1

1. Community quantitative export quotas shall be established as follows for 1978:

CCT heading No	Description	Quantity (tonnes)
ex 26.03	Ash and residues of copper and copper alloys	21 000
ex 74.01	Waste and scrap of copper and copper alloys	27 000
76.01 B	Aluminium waste and scrap	7 000
78.01 B	Lead waste and scrap	3 000

2. The quantities exported on the basis of the quotas fixed for the first four months of 1978 by Regulation (EEC) No 2878/77 shall be deducted from the above amounts.

¹ OJ No L 38, 9.2.1977, p. 20

Article 2

The quotas fixed in Article 1 shall be allocated according to estimated requirements.

Article 3

Exports outside the Community of products listed in Article 1 obtained under inward processing arrangements within the meaning of Council Directive 69/73/EEC of 4 March 1969 on the harmonization of provisions laid down by law, regulation or administrative action in respect of inward processing¹ and temporary exports for processing, working or repair in a third country of products which are to be reimported for home use within the customs territory of the Community (outward processing), shall be counted against the quota share of the exporting Member State.

Article 4

Regulation (EEC) No 223/77 shall apply to movement within the Community of the products listed in Article 1.

Article 5

The Council shall decide in good time and in any case by 31 December 1978 at the latest on the measures to be taken after expiry of the validity of this Regulation as regards the export of the products listed in Article 1.

¹ OJ No L 58, 8.3.1969, p. 1

Article 6

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

It shall apply until 31 December 1978.

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

Done at Brussels,

For the Council
The President