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COMMISSION OF THE EUROPEAN COMMUNITIES

COM (77) 345 Final

Brussels, 20 July 1977

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Proposal for a

COUNCIL REGULATION (EEC)

establishing certain ceilings and Community
supervision of imports of certain products
originating in Algeria, Morocco and Tunisia
(1978)

(submitted to the Council by the Commission)

COM (77) 345 Final

EXPLANATORY MEMORANDUM

between

1. The Co-operation Agreements/the European Economic Community and Algeria, Morocco and Tunisia provide from their entry into force, in particular in the case of industrial products, for the abolition of Common Customs Tariff duties . Notwithstanding this provision, special arrangements are laid down for a certain number of sensitive products : an annual ceiling may be imposed on the volume of such products which may be imported duty free. When this ceiling is reached the Community may reintroduce until the end of the calendar year the customs duties applicable to third countries.

The initial volumes of the annual ceilings operative for 1976 are fixed by the Agreements themselves. The ceilings are to be fixed annually and their levels increased by 3% for cork products (tariff headings 45.02, 45.03 and 45.04) and by 5% for petroleum products (ex Chapter 27). They will be abolished not later than 31 December 1979.

2. The operation of the ceiling arrangements and the power to reintroduce customs duties will necessarily require the adoption of detailed common rules to be applied uniformly by all Member States. This can take the form of a Community system of supervision of actual imports from the partner State. To this end, the Member States should take appropriate measures to permit the rapid collection of statistical returns for the whole Community. In this connection only imports of the products in question should be taken into account, as and when they are submitted to the customs authorities under cover of a declaration of entry for home use and accompanied by a movement certificate conforming to the rules contained in the Agreements referred to under 1.

.../...

These returns are to be made up by each Member State at the end of every month and forwarded before the fifteenth day of the following month to the Commission so as to enable the latter to communicate by telex to all the Member States an overall, product-by-product statement for the preceding month of the imports in question. The system of supervision will require of the responsible departments of the Member States and the Commission diligence and close cooperation. In view of the fact that the products concerned are sensitive products and that duty free imports in excess of the ceilings could cause disturbance of the Community market, it is absolutely essential that all Member States respect rigorously the fifteenth-day time limit referred to above.

The following procedure is to be adopted for setting in train machinery to reintroduce duties : if one of the overall monthly statements drawn up by the Commission reveals that 75% of the ceiling fixed for a given product has been reached, the Member States would be informed and consultations could be held, in particular in the Working Party on Economic Tariff Problems, either at the request of a Member State or the Commission's initiative. The aim of these consultations would be to examine, case by case, whether or not the customs duties applicable to non-member countries should be reintroduced once the target ceiling is actually reached.

Monthly returns would still be made in respect of imports of the product in question or, if the Commission so requested, it would be notified by telex of such imports every ten days. In the latter case, the time limit for forwarding the information would be five days.

In this way, the Commission would be able to take, within the shortest possible time, measures leading to the reintroduction by Regulation, of customs duties in respect of the partner State which would apply until the end of the calendar year. In the above hypothesis, the reintroduction of the customs duties on the product under consideration would, naturally, be effected within a time limit fixed by the Regulation putting an end to the exemption of duties provided for in the Agreements in question.

3. As far as application of the rule on ceilings and reintroduction of duties is concerned, the attached proposal makes provision for the Council to confer powers upon the Commission.

The proposed Regulation does no more than outline how these powers are to be exercised so that, in consultation with the Member States, the machinery to be set in train may be adapted flexibly and rapidly. It is with the same view to maximum efficiency and rapidity that the proposed Regulation provides that the Commission would be responsible for reintroducing, in respect of the partner State, the duties applicable to non-member countries.

ANNEX :

Proposal for a Council Regulation.

Proposal for a
COUNCIL REGULATION (EEC) No

of

establishing ceilings and Community supervision for imports of certain products
originating in Algeria, Morocco and Tunisia (1978)

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,

Co-operation

Whereas the / Agreements between the European Economic Community of the one part and the People's Democratic Republic of Algeria, the Kingdom of Morocco and the Republic of Tunisia of the other part each stipulate in Article 9 that products originating in these countries shall be imported into the Community free of customs duties; whereas, by way of derogation therefrom, Article 12 of each of these Agreements provides that the reduction of duties shall apply to imports of the products listed therein only up to ceilings above which the customs duties applicable to third countries may be reimposed; whereas the ceilings to be applied in 1978 should therefore be established;

Whereas the application of ceilings requires the Community to be regularly informed of the trend of imports of the relevant products originating in these countries; whereas imports should therefore be made subject to a system of supervision;

Whereas this objective may be achieved by means of an administrative procedure based on setting off imports of the products in question against the ceilings at Community level, as and when these

Co-operation

products are submitted to the customs authorities under cover of declarations that they have been made available for consumption; whereas this administrative procedure must make provision for the reintroduction of tariff duties as soon as the ceilings have been reached at Community level;

Whereas this administrative procedure requires close and particularly rapid cooperation between the Member States and the Commission; whereas the latter must, in particular, be able to follow the progress of amounts set off against the ceilings and keep the Member States informed; whereas this cooperation must be all the closer in that the Commission must be able to take adequate measures to reintroduce customs tariff duties whenever one of the ceilings is reached,

HAS ADOPTED THIS REGULATION:

Article 1

1. From 1 January until 31 December 1978, imports of the products originating in Algeria, Morocco and Tunisia which are listed in Annexes I, II and III respectively shall be subject to annual ceilings and Community supervision.

The description of the products referred to in the first paragraph, their tariff headings and statistical numbers and the levels of the ceilings are given in Annexes I, II and III.

2. Amounts shall be set off against the ceilings as and when products are submitted to the customs authorities under cover of a declaration that they have been made available for consumption and accompanied by a movement certificate conforming to the rules contained in the Protocols on rules of origin annexed to the / Agreements between the Community of the one part and Algeria, Morocco and Tunisia of the other part. However, in the case

of products falling within Chapter 27, a certificate of origin may be substituted for the movement certificate.

Goods shall be set off against the ceiling only if the movement certificate or, in the case of goods falling within Chapter 27, the certificate of origin has been submitted before the date on which customs duties are reimposed.

The reaching of a ceiling shall be determined at Community level on the basis of imports set off against it as defined in the preceding subparagraphs.

Member States shall inform the Commission at the intervals and within the time limits specified in paragraph 4 of imports effected in accordance with the above rules.

3. As soon as the ceilings have been reached, the Commission may issue a Regulation reimposing the

customs duties applicable to third countries until the end of the calendar year.

4. Member States shall forward to the Commission not later than the 15th day of each month statements of the amounts set off during the preceding month. They shall, if the Commission so requests, make up such statements for periods of 10 days and forward them within five clear days from the expiry of the preceding 10-day period.

Article 2

For the implementation of this Regulation the Commission shall take all necessary measures in close cooperation with the Member States.

Article 3

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 Council
The President

ANNEX I

List of products originating in Algeria subject to import ceilings in 1978

Order No	CCT heading No	Description	Nimex code	Level of ceiling (metric tons)
1	2	3	4	5
I DZ 1	27.10	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing not less than 70% by weight of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations: A. Light oils: III. For other purposes B. Medium oils: III. For other purposes C. Heavy oils: I. Gas oils: c) For other purposes II. Fuel oils: c) For other purposes III. Lubricating oils; other oils: c) To be mixed in accordance with the terms of Additional Note 7 to this Chapter (a) d) For other purposes	27.10-15, 17, 21, 25, 29 27.10-34, 38, 39 27.10-59 27.10-69 27.10-75 27.10-79	1 155 000
	27.11	Petroleum gases and other gaseous hydrocarbons: A. Propane of a purity not less than 99%: I. For use as power or heating fuel B. Other: I. Commercial propane and commercial butane: c) For other purposes	27.11-03 27.11-19	
	27.12	Petroleum jelly: A. Crude: III. For other purposes B. Other	27.12-19 27.12-90	

(a) Entry under this subheading is subject to conditions to be determined by the competent authorities.

Order No	CCT heading No	Description	Nimexa code	Level of ceiling (metric tons)
1	2	3	4	5
I DZ 1 (cont'd)	27.13	Paraffin wax, micro-crystalline wax, slack wax, ozokerite, lignite wax, peat wax and other mineral waxes, whether or not coloured: B. Other: I. Crude: c) For other purposes II. Other	27.13-89 27.13-90	
	27.14	Petroleum bitumen, petroleum coke and other residues of petroleum oils or of oils obtained from bituminous minerals: C. Other: II. Other	27.14-99	
I DZ 2	45.02	Natural cork in blocks, plates, sheets or strips (including cubes or square slabs, cut to size for corks or stoppers)	45.02 all Nos	52
I DZ 3	45.03	Articles of natural cork	45.03 all Nos	155
I DZ 4	45.04	Agglomerated cork (being cork agglomerated with or without a binding substance) and articles of agglomerated cork	45.04 all Nos	2 060

ANNEX II

List of products originating in Morocco subject to import ceilings in 1978

Order No	CCT heading No	Description	Nimex code	Level of ceiling (metric tons)	
1	2	3	4	5	
I MA 1	27.10	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing not less than 70% by weight of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations:			183 750
		A. Light oils:			
		III. For other purposes	27.10-15, 17, 21, 25, 29		
		B. Medium oils:			
		III. For other purposes	27.10-34, 38, 39		
		C. Heavy oils:			
		I. Gas oils:			
		c) For other purposes	27.10-59		
		II. Fuel oils:			
		c) For other purposes	27.10-69		
III. Lubricating oils; other oils:					
c) To be mixed in accordance with the terms of Additional Note 7 to this Chapter (a)	27.10-75				
d) For other purposes	27.10-79				
	27.11	Petroleum gases and other gaseous hydrocarbons:			
		A. Propane of a purity not less than 99%:			
		I. For use as power or heating fuel	27.11-03		
		B. Other:			
		I. Commercial propane and commercial butane:			
		c) For other purposes	27.11-19		
	27.12	Petroleum jelly:			
		A. Crude:			
		III. For other purposes	27.12-19		
		B. Other	27.12-90		

(a) Entry under this subheading is subject to conditions to be determined by the competent authorities.

Order No	CCT heading No	Description	Nimex code	Level of ceiling (metric tons)
1	2	3	4	5
I MA 1 (cont'd)	27.13	Paraffin wax, micro-crystalline wax, slack wax, ozokerite, lignite wax, peat wax and other mineral waxes, whether or not coloured: B. Other: I. Crude: c) For other purposes II. Other	27.13-89 27.13-90	
	27.14	Petroleum bitumen, petroleum coke and other residues of petroleum oils or of oils obtained from bituminous minerals: C. Other: II. Other	27.14-99	
I MA 2	45.02	Natural cork in blocks, plates, sheets or strips (including cubes or square slabs, cut to size for corks or stoppers)	45.02 all Nos	52
I MA 3	45.03	Articles of natural cork	45.03 all Nos	618
I MA 4	45.04	Agglomerated cork (being cork agglomerated with or without a binding substance) and articles of agglomerated cork	45.04 all Nos	2 060

ANNEX III

List of products originating in Tunisia subject to import ceilings in 1978

Order No	CCT heading No	Description	Nimex code	Level of ceiling (metric tons)
1	2	3	4	5
I TN 1	27.10	<p>Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing not less than 70% by weight of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations:</p> <p>A. Light oils:</p> <p> III. For other purposes</p> <p>B. Medium oils:</p> <p> III. For other purposes</p> <p>C. Heavy oils:</p> <p> I. Gas oils:</p> <p> c) For other purposes</p> <p> II. Fuel oils:</p> <p> c) For other purposes</p> <p> III. Lubricating oils; other oils:</p> <p> c) To be mixed in accordance with the terms of Additional Note 7 to this Chapter (a)</p> <p> d) For other purposes</p>	<p>27.10-15, 17, 21, 25, 29</p> <p>27.10-34, 38, 39</p> <p>27.10-59</p> <p>27.10-69</p> <p>27.10-75</p> <p>27.10-79</p>	<p>183 750</p>
	27.11	<p>Petroleum gases and other gaseous hydrocarbons:</p> <p>A. Propane of a purity not less than 99%:</p> <p> I. For use as power or heating fuel</p> <p>B. Other:</p> <p> I. Commercial propane and commercial butane:</p> <p> c) For other purposes</p>	<p>27.11-03</p> <p>27.11-19</p>	
	27.12	<p>Petroleum jelly:</p> <p>A. Crude:</p> <p> III. For other purposes</p> <p>B. Other</p>	<p>27.12-19</p> <p>27.12-90</p>	

(a) Entry under this subheading is subject to conditions to be determined by the competent authorities.

Order No	CCT heading No	Description	Nimex code	Level of ceiling (metric tons)
1	2	3	4	5
I TN 1 (cont'd)	27.13	Paraffin wax, micro-crystalline wax, slack wax, ozokerite, lignite wax, peat wax and other mineral waxes, whether or not coloured: B. Other: I. Crude: c) For other purposes II. Other	27.13-89 27.13-90	
	27.14	Petroleum bitumen, petroleum coke and other residues of petroleum oils or of oils obtained from bituminous minerals: C. Other: II. Other	27.14-99	
I TN 2	45.02	Natural cork in blocks, plates, sheets or strips (including cubes or square slabs, cut to size for corks or stoppers)	45.02 all Nos	52
I TN 3	45.03	Articles of natural cork	45.03 all Nos	52
I TN 4	45.04	Agglomerated cork (being cork agglomerated with or without a binding substance) and articles of agglomerated cork	45.04 all Nos	824

FINANCIAL STATEMENT

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) establishing certain ceilings and Community supervision of imports of certain products originating in Algeria, Morocco and Tunisia (1978)
4. Objectives :
fulfilment of contractual obligation - Agreement EEC/Algeria-Morocco-Tunisia
5. Method of calculation :
 - No of CCT : ex Chap. 27; 45.02; 45.03; 45.04
 - Volume of the ceilings : 1 528 425 T
 - Duty rate of the ceilings : duty free
 - Duty rate CCT : 5.2 - 16%
6. Loss of receipts : 0 - 8 million UCE
according to the use of the ceilings (estimate)

