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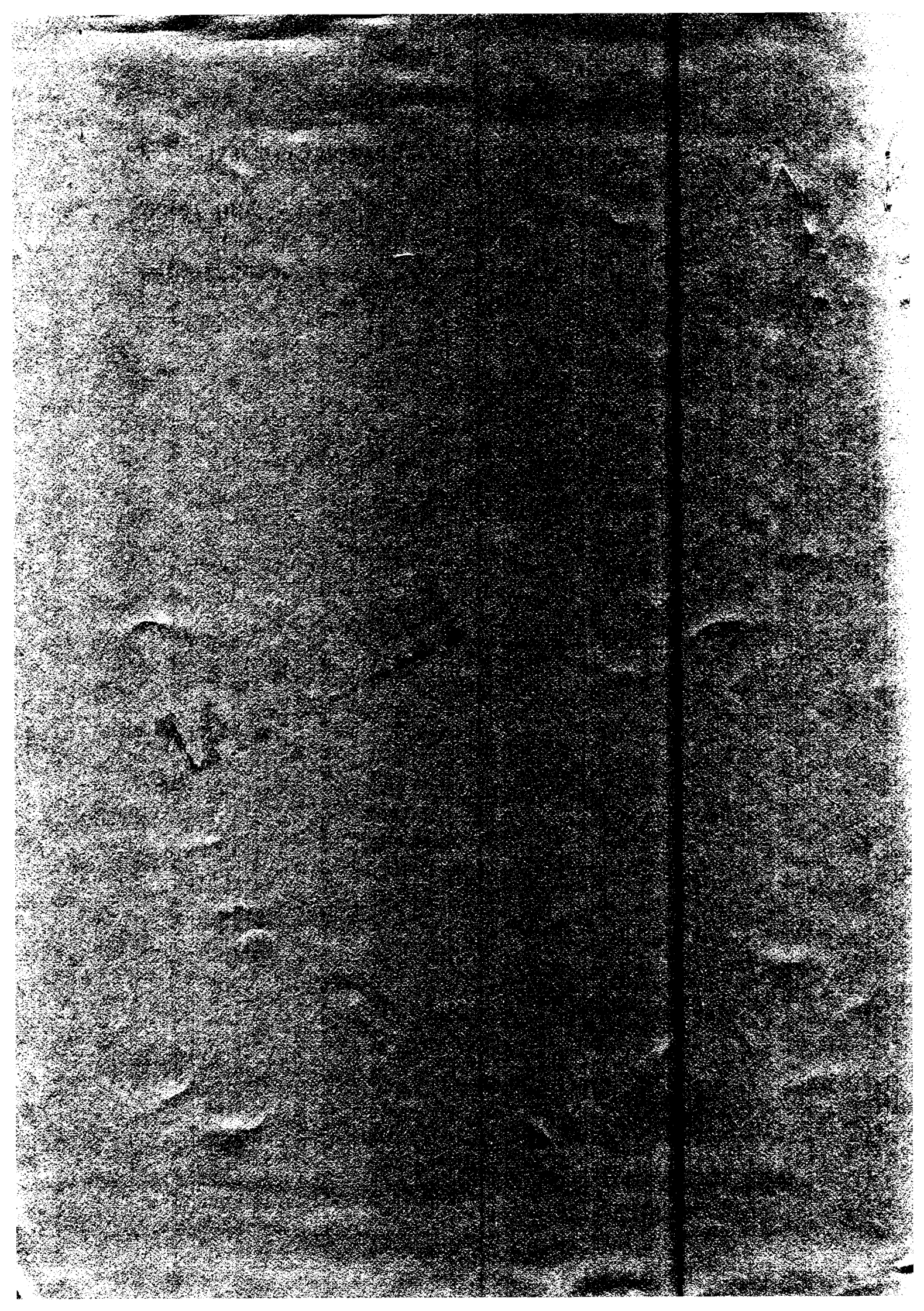
Brussels, 24.07.83

Recommendation for a  
COUNCIL REGULATION (EEC)

on the conclusion of the Agreement in the form of an exchange of  
letters amending certain zero-duty tariff quotas opened by the  
United Kingdom for 1983 in accordance with Protocol 1 of the  
Agreement between the European Economic Community and the  
Republic of Finland

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(submitted to the Council by the Commission)

COM(83) 280 final



## Explanatory Memorandum

1. As for the last four years the United Kingdom has requested that the 1983 zero-duty tariff quota for coated printing and writing paper, including light weight coated mechanical paper weighing less than 65 gms/m<sup>2</sup> (LWC), provided for in Protocol No 1 of the Free Trade Agreement between the European Economic Community (EEC) and Finland be increased.
2. The reasons for this request are the following:
  - Since the conclusion of the Agreement in 1973 the demand structure for paper products imported from Finland has changed considerably.
  - The demand for light weight coated paper has increased sharply since 1973, in particular for a special type of this paper supplied by Finland.
  - There is no production of this type of paper in the United Kingdom and although the rest of the Community has been able to supply an increasing proportion of U.K. demand, much of the latter has still to be met by supplies from Finland. Politically and economically it would not be desirable to impose customs duties - even very minor ones - on this traditional commerce during the last year of transition towards full free trade.
3. The increase in the quotas for coated printing and writing paper would be for 1983 and would be accomplished through a temporary transfer of 7.571 tons from the underutilized quota for ex 48.01 C II (kraft paper for large capacity sacks) to the quota ex 48.07 D (coated printing and writing paper).

4. As a result of the negotiations between the Commission and Finland the attached draft exchange of letters proposes to amend the United Kingdom zero-duty tariff quotas for coated printing and writing paper and kraft paper for large capacity sacks contained in Annex A to Protocol No 1 of the above mentioned Free Trade Agreement.
5. It is proposed that Mr. Pierre Duchateau signs on behalf of the Community. The Finnish Ambassador could sign on behalf of his government.
6. If the Council agrees to the proposed temporary transfer from the zero-duty tariff quota ex 48.01 C II to the zero-duty tariff quota ex 48.07 D the corresponding quotas will have to be modified by an exchange of letters. A draft regulation to this end is attached.

## EXPLANATORY MEMORANDUM

## I

*(Acts whose publication is obligatory)*

## RECOMMENDATION FOR A

## COUNCIL REGULATION (EEC)

on the conclusion of the Agreement in the form of an exchange of letters amending certain zero-duty tariff quotas opened by the United Kingdom for 1983 in accordance with Protocol 1 of the Agreement between the European Economic Community and the Republic of Finland

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 Agreement between the European Economic Community and the Republic of Finland <sup>(1)</sup> signed in Brussels on 5 October 1973,

Having regard to the recommendation from the Commission,

Whereas certain zero-duty tariff quotas opened by the United Kingdom for 1983 in accordance with Protocol 1 of the Agreement should be amended; whereas the Agreement in the form of an exchange of letters negotiated to this effect should be approved,

HAS ADOPTED THIS REGULATION:

*Article 1*

The Agreement in the form of an exchange of letters amending certain zero-duty tariff quotas opened by

the United Kingdom for 1983 in accordance with Protocol 1 of the Agreement between the European Economic Community and the Republic of Finland is hereby approved on behalf of the Community.

The text of the Agreement is attached to this Regulation.

*Article 2*

The President of the Council is hereby authorized to designate the person empowered to sign the Agreement in order to bind the Community.

*Article 3*

This Regulation shall enter into force on the third 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*

<sup>(1)</sup> OJ No L 328, 28. 11. 1973, p. 2.

**AGREEMENT**

in the form of an exchange of letters amending certain zero-duty tariff quotas opened by the United Kingdom for 1983 in accordance with Protocol 1 of the Agreement between the European Economic Community and the Republic of Finland

Sir,

In accordance with Protocol 1 of the Agreement between the European Economic Community and the Republic of Finland signed in Brussels on 5 October 1973, the United Kingdom has since 1 January 1974 opened tariff quotas for coated printing paper and writing paper (subheading ex 48.07 D of the Common Customs Tariff) as well as for kraft paper for large-capacity sacks (subheading ex 48.01 C II of the Common Customs Tariff). The permissible maxima for these quotas were fixed on the basis of statistics available for the period 1968 to 1971.

Within the quota for coated printing and writing paper the United Kingdom has established a subquota for lightweight coated mechanical paper weighing less than 65 g/m<sup>2</sup> (LWC).

During recent years the demand for LWC has increased significantly in the United Kingdom and elsewhere. Although the rest of the Community has been able to supply an increasing proportion of United Kingdom demand, much of the latter is still being met by supplies from Finland. It is therefore proposed that the permissible maximum for the quota which the United Kingdom may open in 1983 for coated printing and writing paper be increased by 7 571 tonnes to a total of 31 278 tonnes, it being understood that the increase will be confined to the subquota for LWC. By way of compensation the permissible maximum for the quota for kraft paper for large-capacity sacks will be reduced for 1983 by 7 571 tonnes to 51 537 tonnes. The quota for this type of paper has been under-utilized during recent years.

I should be grateful if you would confirm that your Government is in agreement with the above.

Please accept, Sir, the assurance of my highest consideration.

*On behalf of the  
Council of the European Communities*

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:

In accordance with Protocol 1 of the Agreement between the European Economic Community and the Republic of Finland signed in Brussels on 5 October 1973, the United Kingdom has since 1 January 1974 opened tariff quotas for coated printing paper and writing paper (subheading ex 48.07 D of the Common Customs Tariff) as well as for kraft paper for large-capacity sacks (subheading ex 48.01 C II of the Common Customs Tariff). The permissible maxima for these quotas were fixed on the basis of statistics available for the period 1968 to 1971.

Within the quota for coated printing and writing paper the United Kingdom has established a subquota for lightweight coated mechanical paper weighing less than 65 g/m<sup>2</sup> (LWC).

During recent years the demand for LWC has increased significantly in the United Kingdom and elsewhere. Although the rest of the Community has been able to supply an increasing proportion of United Kingdom demand, much of the latter is still being met by supplies from Finland. It is therefore proposed that the permissible maximum for the quota which the United Kingdom may open in 1983 for coated printing and writing paper be increased by 7 571 tonnes to a total of 31.278 tonnes, it being understood that the increase will be confined to the subquota for LWC. By way of compensation the permissible maximum for the quota for kraft paper for large-capacity sacks will be reduced for 1983 by 7 571 tonnes to 51.537 tonnes. The quota for this type of paper has been under-utilized during recent years.

I should be grateful if you would confirm that your Government is in agreement with the above.

I have the honour to confirm that my Government is in agreement with the contents of your letter.

Please accept, Sir, the assurance of my highest consideration.

*For the Republic of Finland*

Financial sheet

The increase by 7,571 t of the duty-free quota would mean a reduction of 98.600 UCE in Customs duties levied on light weight coated paper. It is unlikely that the revenue from duties levied on kraft paper would increase because of the quota reduction, since these quotas were not fully utilized in the past.

Please accept Sir, the assurance of my highest consideration.

On behalf of the  
Council of the European Communities

SECRET