

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(82) 373 final

Brussels, 17 June 1982

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Recommendation for a  
COUNCIL REGULATION

concerning 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 1982 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)

# HILLMAN

COM(82) 373 final

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Explanatory Memorandum

1. As in 1979, 1980 and 1981 the United Kingdom has requested that the 1982 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 followings:
  - 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.
  - There is no production of this type of paper in the United Kingdom and even though there has been a considerable increase in imports of this type of paper from mills within the Community over the past years, United Kingdom converters are continuing to experience difficulties in obtaining adequate supplies in the present tight situation. 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 duty-paid supplies from Finland.
  
3. The increase in the quotas for coated printing and writing paper would be for 1982 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. In view of the present shortage of light weight coated paper in the Community and the fact that the increase requested is limited to the year 1982, this facilitation of imports to the United Kingdom should not cause difficulties to the Community paper industry. The increase of imports of LWC from other Member States into the United Kingdom in the course of the last years shows that imports from Finland have not hurt the penetration of the United Kingdom market by Community producers.

5. 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.
6. It is proposed that Mr. Pierre Duchateau signs on behalf of the Community. The Finnish Ambassador could sign on behalf of his government.
7. 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.

Financial sheet

The increase by 7,571 t of the duty-free quota would mean a reduction of 205,707 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.

## I

(Acts whose publication is obligatory)

RECOMMENDATION FOR A  
COUNCIL REGULATION (EEC) No

of

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 1982 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 (1) 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 1982 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 1982 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, 1981

*For the Council*  
*The President*

(1) 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 1982 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. As in 1979, 1980 and in 1981 the paper in question is presently in short supply in the Community. In view of this continued shortage it is therefore proposed that the permissible maximum for the quota which the United Kingdom may open in 1982 for coated printing and writing paper be increased by 7 571 tonnes to a total of 30,149 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 1982 by 7 571 tonnes to 48,722 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. As in 1979, 1980 and in 1981 the paper in question is presently in short supply in the Community. In view of this continued shortage it is therefore proposed that the permissible maximum for the quota which the United Kingdom may open in 1982 for coated printing and writing paper be increased by 7 571 tonnes to a total of 30.14 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 1982 by 7 571 tonnes to 48.722 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*