

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(78)459 final

Brussels, 26 September 1978

Proposal for a

COUNCIL REGULATION (EEC)

amending Regulation (EEC) No 950/68 on the Common Customs
Tariff and Regulation (EEC) No 2710/77 establishing in respect of
certain products falling within Chapters 1 to 24 of the Common
Customs Tariff a scheme of generalized preferences in favour of
developing countries.

(submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

The Commission's attention was recently drawn to the increase in palm oil imports into the Community and to the fact that this palm oil, which was previously imported in the natural state, is now fractionated in the exporting countries, making it possible to export to the Community both the liquid fraction, which is presented in the same way as seed oils (soya, sunflower, cotton, etc), and the hardened fraction, which is intended either for industrial uses or for incorporation in foodstuffs, in particular margarine.

These two fractions naturally have a different fatty acid content from that of crude palm oil.

Since the customs services of the various Member States had difficulties in classifying the two palm oil fractions uniformly, the Customs Nomenclature Committee, to which the matter was referred, delivered a formal opinion that the liquid fraction should be classified under heading No 15.07 "Other", and the hardened fraction under heading No 15.12. The same classification is applied to imports of other fractionated vegetable oils.

It is now necessary to determine the customs duties applicable to the hardened fraction on importation into the Community.

In order to ensure a balanced situation in the oils and fats sector a very low rate should be laid down in respect of the hardened fraction when it is intended for industrial uses. It also seems advisable to reduce the rate of customs duty normally applicable to products falling within No 15.12 in respect of the hardened fraction of palm oil from countries covered by the system of generalized preferences.

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and
in particular Article 43 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas Article 2 of Council Regulation (EEC) No 136/66⁽¹⁾, as last amended
by Regulation (EEC) No 178⁽²⁾, provides that vegetable and animal oils
are subject to the Common Customs Tariff;

Whereas the development of the use of fractionation processes makes it
possible to obtain from the crude oil a liquid fraction and a hardened
fraction, each with a different composition from that of the original sub-
stance, and whereas in view of the absence of details concerning these new
products the Member States use or could use different interpretations when
applying the Common Customs Tariff, thereby giving rise to distortions of
the cost prices of the imported products in this category; whereas this
situation should be remedied by laying down specific definitions of these
products;

(1) OJ No L 172, 30. 9. 1966, p. 3025

(2) OJ No L

Whereas the liquid fraction obtained from fractionation of the oil should be classified as "other than crude" under subheading 15.07 D, the hardened fraction should be under heading No 15.12, and a subheading 15.12B relating to the hardened fraction of the fractionated oils should be added, comprising two lines to make a distinction between the technical uses of these products and their use in foodstuffs;

Whereas, given the economic impact on all the markets in oils and fats, the economic balance of these markets must be safeguarded by altering the rates of the duties which the Common Customs Tariff lays down in respect of the hardened fraction of the oil to be classified under heading 15.12 of the CCT;

Whereas the relevant preferential rates of duty as set out in Annex A to Council Regulation (EEC) No 2710/77 of 28 November 1977 establishing in respect of certain products falling within Chapters 1 to 24 of the Common Customs Tariff a scheme of generalized preferences in favour of developing countries⁽³⁾ should also be altered.

HAS ADOPTED THIS REGULATION:

Article 1

The Common Customs Tariff annexed to Regulation (EEC) No 950/68 of 28 June 1968 relating to the Common Customs Tariff, as last amended by Regulation (EEC) No 2500/77⁽⁵⁾, is amended to read as follows:

1. Additional Note 1 to Chapter 15 shall be replaced by the following:

For the purposes of subheading 15.07 D:

- A. Fixed vegetable oils, fluid or solid, obtained by pressure, shall be considered as "crude" if they have undergone no other processing than:

(3) OJ No L 324, 19.12.1977, p. 107.

(4) OJ No L 172, 22.7.1968, p. 1.

(5) OJ No L 289, 14.11.1977, p. 1.

- decantation within the normal time limits;
 - centrifugation or filtration, provided that, in order to separate the oils from their solid constituents, only mechanical force, such as gravity, pressure or centrifugal force, has been employed (excluding any adsorption filtering process, fractionation or any other physical or chemical process);
- B. Fixed vegetable oils, fluid or solid, obtained by extraction shall continue to be considered as "crude" when they cannot be distinguished, by their colour, odour or taste, nor by recognised special analytical properties, from vegetable oils and fats obtained by pressure;
- C. The expression "crude oils" shall be taken to extend to degummed soya bean oil and to cotton seed oil from which the gossypol has been removed.

2. Heading 15.12 is amended to read as follows:

Heading number	Description	Rate of duty	
		Autonomous % or levy (L)	Conventional %
1	2	3	4
15.12	Animal or vegetable oils and fats, wholly or partly hydrogenated, or solidified or hardened by any other process, whether or not refined, but not further prepared:		
	A. In immediate packings of a net capacity of 1 kg or less	20 (a)	
	B. Other:		
	I. Vegetable oils hardened by fractionation:		
	a) For industrial uses other than the manufacture of foodstuffs for human consumption (c).....	4 (a)	-
	b) Other.....	17 (a)	-
	II. Other.....	17 (a)	(b)

- (a) In certain conditions, the collection of a compensatory amount is provided for in addition to the customs duty.
- (b) See Annex.
- (c) Entry under this subheading is subject to conditions to be determined by the competent authorities.

Article 2

Annex A to Regulation (EEC) 2710/77 is amended to read as follows:

CCT Heading No	Description	Rate of duty
15.12	Animal or vegetable oil and fats, wholly or partly hydrogenated, or solidified or hardened by any other process, whether or not refined, but not further prepared:	
	A. In immediate packings of a net capacity of 1 kg or less	16%
	B. Other:	
	I. Vegetable oils hardened by fractionation:	
	a) For industrial uses other than the manufacture of foodstuffs for human consumption (c)	2.5
	b) Other	9%
	II. Other	11%

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

Article 3

This Regulation shall enter into force on 1st January 1979.

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

Done at Brussels,

For the Council

The President