

COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 10 November 1978

Proposal for a
COUNCIL REGULATION (EEC)
increasing the Community tariff quota opened for 1978
for unwrought magnesium falling within
subheading 77.01 A of the
Common Customs Tariff

(Submitted by the Commission to the Council)

EXPLANATORY MEMORANDUM

1. By Regulation (EEC) N°s 2747/77 of 5.12.1977 ⁽¹⁾ and 1785/78 of 25.7.1978 ⁽²⁾, the Council opened and allocated among the Member States for 1978 a Community tariff quota for unwrought magnesium falling within subheading 77.01 A of the Common Customs Tariff and totalling 8.900 metric tons, which moreover did not preclude adjustments during the quota period. This total comprised 900 metric tons of extra pure magnesium, 1.925 metric tons of unwrought magnesium not in alloy and 6.075 metric tons of unwrought magnesium in alloy.

2. A review of the state of the market in magnesium and of Community requirements for imports from non-member countries was carried out at the meeting of the Economic Tariff Problems Group, held on 22 September 1978, on the basis of the usual estimates for 1978 provided by the Member States in respect of the three qualities of magnesium used for the initial quota. It emerged from this discussion that :

a) at the review carried out at the same period, the state of the Community market in magnesium in 1978 appeared to be substantially the same as in 1977 ;

b) the Community production capacities are not fully utilized especially in France, where it has not been possible to reduce the stocks of magnesium not in alloy built up in 1977 and equivalent to three months' production and which have further increased during 1978, and in both Italy and France where, owing to lack of purchasers, the production of magnesium has had to be reduced to avoid building up excessive stocks.

c) the estimates put forward by the Member States set the usual factors for calculating the quota at the following approximate levels for 1978 :

- consumption	55.020 metric tons
- production	27.900 metric tons
- inward processing traffic	3.300 metric tons
- duty-free imports carried out under other preferential tariff treatment (EFTA, associated countries, etc.)	2.895 metric tons
- exports to non-member countries	2.100 metric tons
- unusual stocks existing on 31 December 1977	3.000 metric tons

d) on this basis and in view of the quota volume of 8.900 tonnes already opened the Community requirements as regards imports from non-member countries until the end of the current year would be set at about 6.925 tonnes, i.e. 600 tonnes of extra pure magnesium, 4.275 tonnes of magnesium not in alloy and 2.050 tonnes of magnesium in alloy.

3. The Commission considers it necessary however, taking into account the uncertainty as to the level which Community consumption might reach during 1978, and also the quantities available within the Community to confine itself to an increase of 1.300 tonnes in the quota volume.
4. As regards the splitting up for the 1.300 tonnes under consideration into the three qualities of magnesium, it should be noted that the Community requirements for imports from non-member countries of extra-pure magnesium of the order of 1.500 metric tons could be covered to a large extent by the quota already opened 900 tonnes and by the Community production.

An immediate increase of 100 tonnes allocated to this quality of magnesium should cover the short-term requirements of the Community industries.

Moreover, it is proposed that the balance, i.e. 1.200 tonnes be split up among the other two qualities taking account of the supply possibilities of the Community industry, the present level of stocks built up since the end of 1977 and the present industrial capacity and thus to allocate 200 metric tons to unwrought magnesium not in alloy and 1.000 metric tons to unwrought magnesium in alloy.

5. The supplementary volumes of 100 and 1.000 metric tons proposed for extra-pure magnesium and magnesium in alloy are allotted to the Community reserves as set up, whereas the supplementary volume allocated to unwrought magnesium not in alloy is, after deduction of the quantity allotted to the Community reserve, divided among the Member States according to the percentages originally used.

PROPOSAL FOR A
COUNCIL REGULATION (EEC) No 178
of

increasing the Community tariff quota opened for 1978 for unwrought magnesium falling within subheading 77.01 A of the Common Customs Tariff

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,

Whereas, for unwrought magnesium falling within subheading 77.01 A of the Common Customs Tariff, a Community tariff quota for 1978 totalling 8.900 tonnes was opened by the Council and allocated among the Member States by Regulations (EEC) No 2747/77⁽¹⁾ and (EEC) 1785/78⁽²⁾;

Whereas the economic data at present available with regard to the consumption, production, exports to non-member countries, imports under the inward processing or other preferential tariff arrangements and to the abnormal stocks existing in one Member State on 31 December 1977 enable it to be estimated that Community requirements for imports from non-member countries could reach, in the course of 1978 a level of 15825 tonnes; whereas in view of the quota volume already opened by the abovementioned Regulations, of the uncertainty as to the levels which Community production and consumption might reach and of the quantities available within the Community either from stocks accumulated in 1977 or from production in 1978 the increase should be limited to 1300 tonnes;

Whereas, in view, moreover, on the one hand of the present requirements in unwrought magnesium with a pure content of not less than 99.95 % and on the other hand of the quantities available in the Community and also the possibility of duty-free imports under agreements concluded by the Community with certain non-acceding EFTA countries, it can be estimated that short-term requirements for imports of unwrought magnesium may, within the limit of the proposed increase, reach 100 tonnes of unwrought magnesium containing 99.95 % or more by weight of pure magnesium (extra-pure magnesium), 200 tonnes of unwrought magnesium containing 99.8 % or more by weight and not exceeding 99.95 % of pure magnesium (unwrought magnesium not in alloy), and 1000 tonnes of unwrought magnesium containing less than 99.8 % by weight of pure magnesium (unwrought magnesium in alloy);

(1) OJ No L 318, 13.12.1977, p. 7
(2) OJ No L 205, 29.7.1978, p. 1

Whereas as far as the distribution of the above quota volume between Member States is concerned, it is necessary to allot to the Community reserves all the supplementary volumes allocated to extra-pure magnesium and unwrought magnesium in alloy and also a relatively small part of the supplementary volume allocated to unwrought magnesium not in alloy, the balance of this volume being divided among the Member States in accordance with the percentages originally used,

HAS ADOPTED THIS REGULATION:

Article 1

The volume of the Community tariff quota opened by Regulations (EEC) No 2747/77 and (EEC) No 1785/78 for unwrought magnesium falling within subheading 77.01 A of the Common Customs Tariff is hereby increased from 8900 to 10200 tonnes.

This increase of 1300 tonnes shall be allocated as follows:

- (a) 100 tonnes of unwrought magnesium containing 99.95 % or more by weight of pure magnesium (extra-pure magnesium), intended for the nuclear industry;
- (b) 200 tonnes of unwrought magnesium containing not less than 99.8 % but less than 99.95 % by weight of pure magnesium (unwrought magnesium not in alloy);
- (c) 1000 tonnes of unwrought magnesium containing less than 99.8 % by weight of pure magnesium (unwrought magnesium in alloy).

Article 2

The volumes of 100 tonnes and 1000 tonnes referred to in Article 1 (a) and (c) allocated to extra-pure unwrought magnesium intended for the nuclear industry and to unwrought magnesium in alloy shall be allotted to the Community reserves set up under Articles 2 (1) and 3 (2) of Regulation (EEC) No 2747/77 as amended by Regulation (EEC) No 1785/78 which shall thus be increased from 900 to 1000 tonnes and from 2925 to 3925 tonnes respectively.

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Article 3

1. A first instalment of the amount referred to in Article 1 (b), of 180 tonnes of unwrought magnesium not in alloy, shall be allocated among the Member States as follows:

	<i>tonnes</i>
Benelux	30.1
Denmark	0.1
Germany	122.0
France	6.0
Ireland	0.1
Italy	0.6
United Kingdom	21.1

2. The second instalment of 20 tonnes shall constitute the reserve.

The amount of the reserve for unwrought magnesium not in alloy, provided for in Article 3 (2) of Regulation (EEC) No 2747/77 as amended by Regulation (EEC) No 1785/78 shall be increased from 170 to 190 tonnes.

Article 4

This Regulation shall enter into force on the 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