

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(79) 317 final.

Brussels, 15 June 1979

Proposal for a
COUNCIL REGULATION (EEC)

increasing the Community tariff quota opened for 1979 by
Regulation (EEC) No 2919/78 for unwrought magnesium
falling within subheading 77.01 A of the
Common Customs Tariff

(submitted to the Council by the Commission)

COM(79) 317 final.

EXPLANATORY MEMORANDUM

1. By means of its Regulation (EEC) No 2919/78 of 12 December 1978¹, the Council opened and allocated between the Member States, for the year 1979, a Community tariff quota for unwrought magnesium falling within subheading 77.01 A of the Common Customs Tariff, the initial overall volume of which was fixed at 5 500 tonnes, on the basis of estimates put forward at the end of 1978 although an adjustment during the quota period was not excluded.

2. The situation on the magnesium market and the requirements for imports from third countries were re-examined at a meeting of the Working Party on Economic Tariff Problems on 2 April 1979, on the basis of available forward data relating to 1979, as far as the three qualities of magnesium selected for the initial quota were concerned. It emerged from this discussion that :

- (a) owing to the lack of certain data on consumption and production it was not possible to draw up the Community balance of requirements for imports from third countries to be covered by the quota; nevertheless on the basis of estimates made by the competent departments of the Commission it may be accepted that the situation on the magnesium market in the Community is the same now as in 1978 at the time of the first re-examination carried out at the same period;
- (b) the Community production capacities are not fully utilized, particularly in France where it has not been possible to reduce the stocks of magnesium (approximately 2 500 tonnes) left over at the end of 1978.

3. These various factors indicate that caution should still be exercised in fixing the quota volumes for this product, bearing in mind the uncertainty as regards the level which Community consumption and production could reach during 1979.

(1) OJ No L 354; 18.12.1978, p. 10.

The Commission therefore considers it advisable, pending a further review of the situation which could take place in September on the basis of more accurate forecasts, to confine itself to a still provisional increase in the tariff quota of a volume of 3 400 tonnes.

4. With regard to the subdivision of the volume of 3 400 tonnes between the three qualities of magnesium, it should be noted that the requirements for imports from third countries of extra-pure magnesium of about 1 850 tonnes can largely be covered by the quota opened at the beginning of the year (600 tonnes) and by available Community production/ ^(500 tonnes) Pending the later review an immediate increase of 3 00 tonnes in the volume earmarked for this quality of magnesium is appropriate to cover the short-term requirements of the Community user industries.

Furthermore, it is proposed that the remainder, i.e. 3 100 tonnes, be subdivided between the other two qualities, more or less in proportion to the requirements for these two qualities, and that 600 tonnes be assigned to unwrought magnesium not in alloy and 2 500 tonnes to unwrought magnesium in alloy.

5. The additional volumes of 300 and 2 500 tonnes proposed for extra-pure magnesium and magnesium in alloy are allocated to the Community reserves laid down, whereas that assigned to unwrought magnesium not in alloy is, after deduction of the quantity put into the Community reserve, allocated among the Member States in accordance with the percentage fixed at the occasion of the first increase in the quota for 1978.

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increasing the Community tariff quota opened for 1978 by Regulation (EEC) No 2919/78 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 1979 totalling 5 500 tonnes has been opened by the Council and allocated among the Member States by Regulation (EEC) No 2919/78 (1);

Whereas the economic data at present available with regard to the consumption and production of unwrought magnesium do not yet permit Community requirements of imports from non-member countries to be evaluated with sufficient precision; whereas it appears that certain Member States have considerable magnesium requirements which cannot be met by Community production; whereas the quota concerned should therefore be increased by an appropriate amount, approximately 3 400 tonnes; whereas the fixing at this level of this supplementary quota does not preclude further adjustments during the quota period; whereas, in view, moreover, on the one hand of the present requirements in unwrought magnesium, not in alloy, with a pure magnesium content of not less than 99.95 % and, on the other, of the quantities available in the Community and of the possible increase in production by Community industries based principally on unwrought magnesium, not in alloy, 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 300 tonnes of unwrought magnesium containing 99.95 % or more by weight of pure magnesium (extra-pure magnesium), 600 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 2 500 tonnes of unwrought magnesium containing not more than 99.8 % by weight of pure magnesium (unwrought magnesium in alloy);

Whereas as far as the distribution of the above quota volumes 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 last volume being divided among the Member States in accordance with the percentages used when the first increase to the quota for 1978 was made.

HAS ADOPTED THIS REGULATION:

Article 1

The volume of the Community tariff quota opened by Regulation (EEC) No 2919/78 for unwrought magnesium falling within subheading 77.01 A of the Common Customs Tariff is hereby increased from 5 500 to 8 900 tonnes.

This increase of 3 400 tonnes shall be allocated as follows:

- (a) 300 tonnes of unwrought magnesium containing 99.95 % or more by weight of pure magnesium (extra-pure magnesium), intended for the nuclear industry;
- (b) 600 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) 2 500 tonnes of unwrought magnesium containing less than 99.8 % by weight of pure magnesium (unwrought magnesium in alloy).

(1) OJ No L 354, 18.12.1978, p. 10.

Article 2

The volumes of 300 and 2 500 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 allocated to the Community reserves set up under Articles 2 (1) and 3 (2) of Regulation (EEC) No 2919/78 which shall thus be increased from 600 to 900 tonnes and from 425 to 2 925 tonnes respectively.

Article 3

1. A first tranche of the amount referred to in Article 1 (b), of 560 tonnes of unwrought magnesium not in alloy, shall be allocated among the Member States as follows :

	(tonnes)
Benelux	116.5
Denmark	0.2
Germany	365.5
France	12
Ireland	0.2
Italy	1.6
United Kingdom	64

2. The second tranche of 40 tonnes shall constitute the reserve.

The amount of the reserve for this type of unwrought magnesium, provided for in Article 3 (2) of Regulation (EEC) No 2919/78 is thus increased from 130 to 170 tonnes.

Article 4

This Regulation shall enter into force on the seventh 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

1. Ligne budgétaire concernée : Chap. 12 art. 120

2. Base juridique : Article 113

3. Intitulé de la mesure tarifaire :

Proposition de règlement portant augmentation du volume du contingent tarifaire communautaire ouvert, pour l'année 1979, par le règlement CEE n. 2919/78 pour le magnésium brut de la sous-position 77.01 A du TDC.

4. Objectif :

Respect des obligations contractées au GATT pour le produit en question.

5. Mode de calcul :

- N° du T.D.C. : 77.01 A
 - Volume du contingent : 3.400 tonnes
 - Droits à appliquer : 0 %
 - Droits du T.D.C. : 8 % (droit NOR = 1,6 % dans Com. à 6)

6. Perte de recettes :

Prix à la tonne : non allié : 1.844 UCE
 allié : 1.584 UCE

Valeur des 900 tonnes de non allié : 1.659.600 UCE
 NOR: 47,68 % = 791.298 UCE
 Autres: 868.302 UCE

Valeur des 2.500 tonnes d'allié : 3.960.000 UCE
 NOR: 87,61% = 3.469.356 UCE
 Autres: 490.644 UCE

791.298 UCE x $\frac{1,6}{100}$ = 12.661 UCE
 868.302 UCE x $\frac{8}{100}$ = 69.464 UCE
 3.469.356 UCE x $\frac{1,6}{100}$ = 55.510 UCE

490.644 UCE x $\frac{8}{100}$ = 39.252 UCE
 176.887 UCE (arrondi à 177.000 UCE)

Perte de recettes estimée lors lère augmentation en 1978 : 325.000 UCE

Différence en moins par rapport à lère augmentation de 1978 : 148.000 UCE

