



Brussels, 23.4.2013
COM(2013) 227 final

2013/0118 (NLE)

Proposal for a

COUNCIL REGULATION

amending Regulation (EU) No 7/2010 opening and providing for the management of autonomous tariff quotas of the Union for certain agricultural and industrial products

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

Autonomous tariff quotas of the Union are needed for products where production in the Union is insufficient to meet the needs of the user industry in the Union for the current quota period. In response to requests from several Member States, the Commission, together with the government experts concerned, considered whether to open autonomous tariff quotas for certain agricultural and industrial products.

On 22 December 2009 the Council adopted Regulation (EU) No 7/2010 opening and providing for the management of autonomous tariff quotas of the Union for certain agricultural and industrial products so that Union demand for the products in question could be met under the most favourable conditions.

Tariff quotas of the Union should be opened at zero or reduced rates of the autonomous Common Customs Tariff duty for appropriate volumes, without disturbing the markets for such products. Discussions at meetings of the Economic Tariff Questions Group showed that the Member States were ready to open quotas for the products listed in Annex I to this proposal for a Regulation, without disturbing the markets for such products.

Furthermore, it became necessary to adapt the quotas listed in Annex II to this proposal: for order no 09.2620 and 09.2633 the description had to be changed and for order no 09.2629 another TARIC code had to be added. Moreover, in the interests of transparency the end-date of the quotas with order no 09.2632 and 09.2917 have been integrated in Annex II of this proposal for a regulation in order to announce the date on which these quotas will be discontinued.

The proposal is in line with agricultural, trade, enterprise, development and external relations policies. Especially this proposal is not at the expense of countries enjoying a preferential trading agreement with the EU (e.g. GSP, ACP regime, candidate countries and potential candidates).

2. RESULTS OF CONSULTATIONS OF THE INTERESTED PARTIES AND IMPACT ASSESSMENTS

The Economic Tariff Questions Group representing the industries of each Member State was consulted. All listed quotas reflect the agreement reached by the Group.

There was no mention of potentially serious risks with irreversible consequences.

This proposal will follow an inter service consultation procedure and will be published after its adoption by the Council.

3. LEGAL ELEMENTS OF THE PROPOSAL

Amendment of a Council Regulation opening and providing for the management of autonomous tariff quotas of the Union for certain agricultural and industrial products on the legal basis of Article 31 of the Treaty on the Functioning of the European Union. By virtue of

that Article autonomous tariff quotas are fixed by the Council acting on a qualified majority on the basis of a Commission proposal.

The proposal falls under the exclusive competence of the Union. The subsidiary principle therefore does not apply.

This set of measures is in line with the principles for simplifying the procedures for the operators engaged in foreign trade and with the Commission communication of 2011 concerning autonomous tariff suspensions and quotas (C 363, 13.12.2011, p.6).

4. BUDGETARY IMPLICATION

Uncollected customs duties of a total amount of approximately 8,8 Mio €/year. The effect on the traditional own resources of the budget is -6,6 Mio €/year (75% x 8,8 Mio €/year).

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 31 thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) In order to ensure sufficient and uninterrupted supplies of certain goods insufficiently produced in the Union and to avoid any disturbances on the market for certain agricultural and industrial products, autonomous tariff quotas have been opened by Council Regulation (EU) No 7/2010¹. Products within those tariff quotas can be imported at reduced or zero duty rates. For the same reasons it is necessary to open, with effect from 1 July 2013, new tariff quotas at reduced or zero duty rates for an appropriate volume for the nine products with order numbers 09.2644 and 09.2663 until 09.2671.
- (2) Moreover, for the autonomous tariff quotas of the Union with order numbers 09.2620 and 09.2633 the product description should be adapted and for order number 09.2629 another TARIC code should be added.
- (3) For the autonomous tariff quotas of the Union with the order numbers 09.2917 and 09.2632 an end date of 31.12.2013 should be inserted, as it is not in the interest of the Union to continue granting such quotas beyond this date.
- (4) Regulation (EU) No 7/2010 should therefore be amended accordingly.
- (5) Since the tariff quotas have to take effect from 1 July 2013, this Regulation should apply from the same date and enter into force immediately,

HAS ADOPTED THIS REGULATION:

Article 1

The Annex to Regulation (EU) No 7/2010 is amended as follows:

¹ OJ L 3, 7.1.2010, p.1.

- (1) the rows with order numbers 09.2644 and 09.2663 until 09.2671 set out in Annex I to this Regulation are inserted;
- (2) the rows for the tariff quotas with order numbers 09.2620, 09.2629, 09.2632, 09.2633 and 09.2917 are replaced by the rows set out in Annex II to this Regulation.

Article 2

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Union*.

It shall apply from 1 July 2013.

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

Done at Brussels,

For the Council
The President

ANNEX I

Tariff quotas referred to in Article 1(1)

Order number	CN code	TARIC	Description	Quota period	Quota volume	Quota duty (%)
09.2663	ex 1104 29 17	10	Milled sorghum grains that have been at least hulled and degermed for use in the manufacture of loose fill packaging products (1)	1.7-31.12	750 tonnes	0 %
09.2664	ex 2008 60 19	30	Sweet cherries containing added spirit, whether or not with a sugar content of 9 % by weight, of a diameter of not more than 19,9 mm, with stone, for use in chocolate products (1)	1.7-31.12	500 tonnes	10 % (2)
	ex 2008 60 39	30				
09.2665	ex 2916 19 95	30	Potassium (E,E)-hexa-2,4-dienoate (CAS RN 24634-61-5)	1.7-31.12	4 000 tonnes	0 %
09.2666	ex 3204 17 00	55	Dye C.I. Pigment Red 169 (CAS RN 12237-63-7)	1.7-31.12	20 tonnes	0 %
09.2644	ex 3824 90 97	96	Preparation containing by weight: — 55 % or more but not more than 78 % of dimethyl glutarate — 10 % or more but not more than 28 % of dimethyl adipate and — not more than 25 % of dimethyl succinate	1.7-31.12	3 000 tonnes	0 %
09.2671	ex 3905 99 90	81	Poly(butylal of vinyl) (CAS RN 63148-65-2): — containing hydroxyl groups of 17,5 - 20 mol %, and — with a median particle size (D50) greater than 0,6 mm	1.7-31.12	5 500 tonnes	0 %
09.2667	ex 8537 10 99	51	Electromechanical switch board: — with a 5-way switch, — with an electric conductor, — with an integrated circuit, — with or without an infra-red receiver for use in the manufacture of products falling within headings 8521 and 8528 (1)	1.7-31.12	3 000 000 units	0 %
09.2668	ex 8714 91 10	21	Bicycle frame, constructed from carbon fibres and artificial resin, painted, lacquered and/or polished, for use in the manufacture of bicycles (1)	1.7-31.12	38 000 units	0 %
	ex 8714 91 10	31				
09.2669	ex 8714 91 30	21	Bicycle front fork, constructed from carbon fibres and artificial resin, painted, lacquered and/or polished, for use in the manufacture of bicycles (1)	1.7-31.12	26 000 units	0 %
	ex 8714 91 30	31				
09.2670	ex 9405 40 39	30	Electric light assembly containing: — printed circuit boards and — Light Emitting Diodes (LED) for the manufacture of backlight units for flat TV sets (1)	1.7-31.12	8 500 000 pieces	0 %

⁽¹⁾ Suspension of duties is subject to Articles 291 to 300 of Commission Regulation (EEC) No 2454/93 (OJ L 253 11.10.1993, p. 1).

⁽²⁾ The specific duty shall apply.

ANNEX II

Tariff quotas referred to in Article 1(2)

Order number	CN code	TARIC	Description	Quota period	Quota volume	Quota duty (%)
09.2632	ex 2921 22 00	10	Hexamethylenediamine (CAS RN 124-09-4)	1.1-31.12.2013	40 000 tonnes	0 %
09.2917	ex 2930 90 13	90	Cystine (CAS RN 56-89-3)	1.1-31.12.2013	600 tonnes	0 %
09.2629	ex 7616 99 90 ex 8302 49 00	85 91	Aluminium telescopic handle for use in the manufacture of luggage (1)	1.1-31.12	800 000 units	0 %
09.2633	ex 8504 40 82	20	Electric rectifier, with a capacity of not more than 1 kVA, for use in the manufacture of appliances falling within headings 8509 80 and 8510 (1)	1.1-31.12	4 500 000 units	0 %
09.2620	ex 8526 91 20	20	Assembly for GPS system having a position determination function, without display, and a weight of not more than 2 500 g	1.1-31.12	3 000 000 units	0 %

⁽¹⁾ Suspension of duties is subject to Articles 291 to 300 of Commission Regulation (EEC) No 2454/93 (OJ L 253 11.10.1993, p. 1).

**LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS HAVING A
BUDGETARY IMPACT EXCLUSIVELY LIMITED TO THE REVENUE SIDE**

1. NAME OF THE PROPOSAL:

Council Regulation amending Regulation (EU) No 7/2010 opening and providing for the management of autonomous tariff quotas of the Union for certain agricultural and industrial products

2. BUDGET LINES

Chapter and Article: Chapter 12, Article 120

Amount budgeted for the year 2013: **€18 631 800 000 (DB 2013)**

3. FINANCIAL IMPACT

Proposal has no financial implications

Proposal has no financial impact on expenditure but has a financial impact on revenue. The effect is as follows:

(€million to one decimal place)

Budget line	Revenue ²	6 month period, starting dd/mm/aaaa	[Year: 2/2013]
Article 120	<i>Impact on own resources</i>	01/07/2013	-3,3

(€million to one decimal place)

Situation following action	
	[2014 – 2017]
Article 120	- 6,6 / year

The total amount of uncollected duties in 2012 due to the running autonomous tariff quota of Regulation (EU) No 7/2010 amounted to €54,9 MEUR.

The additions of this Regulation will result in an annual increase of uncollected duties estimated to the amount of 8,8 MEUR.

² Regarding traditional own resources (agricultural duties, sugar levies, customs duties) the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25 % of collection costs

On the basis of the above, the impact on the loss of revenue resulting from this Regulation may be estimated at 6,6 MEUR/year for the period 01.01.2014 - 31.12.2017 (8,8 MEUR gross amount x 0,75) and 3,3 MEUR for the period 01.07.2013 - 31.12.2013

4. ANTI-FRAUD MEASURES

Checks on the end-use of some of the products covered by this Council Regulation will be carried out in accordance with Articles 291 to 300 of Commission Regulation (EEC) No 2454/93.