



EUROPEAN COMMISSION

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2012/0086 (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 (ETQG) showed that the Member States were ready to open two new quotas, to increase the volumes for three existing quotas and to amend the product description for the quota with order No 09.2633, without disturbing the markets for such products. It was also necessary to close the tariff quota for order No 09.2767 since an autonomous tariff suspension will be opened as of 1 July 2012 for the product concerned.

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 and potential candidates).

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

The ETQG 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 subsidiarity 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 98/C 128/02 of 1998 concerning autonomous tariff suspensions and quotas (C 128, 25.4.1998, p. 2).

4. BUDGETARY IMPLICATION

Uncollected customs duties with a total amount of €- 1 254 825.

5. OPTIONAL ELEMENTS

In the Annex to the proposed regulation openings, increases and amendments of autonomous quotas are listed.

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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 within which those products can be imported at reduced or zero duty rates. For the same reasons it is necessary to open, with effect from 1 July 2012, for two products a new tariff quota at a zero duty rate for an appropriate volume.
- (2) The quota volumes, previously established, for autonomous tariff quotas of the Union with order numbers 09.2638, 09.2814 and 09.2889 are insufficient to meet the needs of the Union industry. Consequently, those quota volumes should be increased from 1 January 2012.
- (3) Moreover, for the autonomous tariff quota of the Union with the order number 09.2633 the product description should be adapted.
- (4) In addition, for the quota with order number 09.2767, it is no longer in the interest of the Union to continue to grant a tariff quota for the second semester 2012. It should therefore be closed with effect from 1 July 2012 and the corresponding row should be deleted from the Annex to Regulation (EU) No 7/2010.
- (5) Regulation (EU) No 7/2010 should therefore be amended accordingly.
- (6) Since some of the measures provided for in this Regulation have to take effect from 1 January 2012 and others from 1 July 2012, this Regulation should apply from the same dates and enter into force immediately,

¹ OJ L 3, 7.1.2010, p.1.

HAS ADOPTED THIS REGULATION:

Article 1

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

- (1) the rows with order numbers 09.2644 and 09.2645 set out in Annex I to this Regulation are inserted;
- (2) the rows for the tariff quotas with order numbers 09.2638, 09.2814 and 09.2889 are replaced by the rows set out in Annex II to this Regulation,
- (3) the row for the tariff quota with order number 09.2633 is replaced by the row set out in Annex I to this Regulation.
- (4) the row for the tariff quota with order number 09.2767 is deleted.

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 2012.

However, Article 1(2) shall apply from 1 January 2012.

This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with the Treaties.

Done at Brussels, 13.4.2012

*For the Council
The President*

ANNEX I

Tariff quotas referred to in Article 1(1) and 1 (3)

Order number	CN code	TARIC	Description	Quota period	Quota volume	Quota duty (%)
09.2644	ex 3824 9 0 97	96	Preparation containing by weight: — 55 % or more but not more than 78 % of dimethyl glutarate — 10 % or more more but not more than 28 % of dimethyl adipate and — not more than 25 % of dimethyl succinate	1.7.- 31.12.	7 500 tonnes	0 %
09.2645	ex 3921 1 4 00	20	Cellular block of regenerated cellulose, impregnated with water containing magnesium chloride and quaternary ammonium compounds, measuring 100 cm (± 10 cm) x 100 cm (± 10 cm) x 40 cm (± 5 cm)	1.7.- 31.12.	650 tonnes	0 %
09.2633	ex 8504 4 0 82	20	Electric rectifier, with a capacity of not more than 1 kVA, for use in the manufacture of hair removal apparatus (1)	1.1.- 31.12.	4 500 0 00 units	0 %

(1) Entry under this subheading is subject to Articles 291 to 300 of Commission Regulation (EEC) No. 2454/93 - OJ L 253 11.10.1993 p. 1.

ANNEX II

Tariff quotas referred to in Article 1(2)

Order number	CN code	TARIC	Description	Quota period	Quota volume	Quota duty (%)
09.2638	ex 2915 2 1 00	10	Acetic acid of a purity by weight of 99 % or more (CAS RN 64-19-7)	1.1.- 31.12.	1 000 000 tonnes	0 %
09.2889	3805 10 9 0		Sulphate turpentine	1.1.- 31.12.	25 000 tonnes	0 %
09.2814	ex 3815 9 0 90	76	Catalyst consisting of titanium dioxide and tungsten trioxide	1.1.- 31.12.	3 000 tonnes	0 %

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

1. NAME OF THE PROPOSAL:

Council Regulation amending Regulation (EC) 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 2012: **€19 171 200 000**

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	12 month period, starting 01/01/2012	6 month period, starting 01/07/2012
Article 120	<i>Impact on own resources</i>	- 0.7	- 0.6

4. ANTI-FRAUD MEASURES

Provisions on the management of tariff quotas include the measures needed to prevent and protect against frauds and irregularities.

5. Other Remarks

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.

ANNEX I

Effective from 1. 7.2012:

Tariff quotas referred to in Article 1(1) and 1 (3)

Description of product	Quota amount (tonnes)	Estimated price (€ per tonne)	Duty (%) (2012 CCT)	Quota duty (%)	Expected loss of revenue (in €)
Preparation 09.2644	+ 7 500 tonnes (initial amount: 0 tonnes)	1 235	6.5	0	602 063
Cellulose block 09.2645	+ 650 tonnes (initial amount: 0 tonnes)	4 230	6.5	0	178 718

Total loss of revenue:
(€780 781 – €195 195) = €585 586 net.

ANNEX II

Effective from 1. 1.2012:

Tariff quotas referred to in Article 1 (2)

Description of product	Variation in quota amount (tonnes)	Estimated price (€ per tonne)	Duty (%) (2012 CCT)	Quota duty (%)	Expected variation in the loss of revenue in relation to the previous quota period (in €)
Acetic acid 09.2638	+ 500 000 tonnes (initial amount: 500 000 tonnes)	20	5.5	0	550 000
Turpentine 09.2889	+ 5 000 tonnes (initial amount: 20 000 tonnes)	677	3.2	0	108 320
Catalyst 09.2814	+ 800 tonnes (initial amount: 3 000 tonnes)	4 500	6.5	0	234 000

Total loss of revenue in relation to previous quota period:
(€892 320 – €223 080) = €669 240 net.