

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(80) 834 final

Brussels, 8 December 1980

Proposal for a

## COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of a  
Community tariff quota for newsprint falling within subheading  
48.01 A of the Common Customs Tariff (1981) and extending this  
quota to include certain other types of paper

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(submitted to the Council by the Commission)

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## EXPLANATORY MEMORANDUM

1. At the last multilateral GATT negotiations, the Community undertook to open annually a nil-duty Community tariff quota for 1 500 000 tonnes of newsprint falling within subheading 48.01 A of the Common Customs Tariff.

Furthermore, the Community informed the Nordic delegation (text Nord 4 of document NCG(67)44 rev.) that it had decided to open a nil-duty tariff quota each year under Article 28 of the Treaty of Rome if it were established that all possibilities of supply on the internal market of the Community had been exhausted during a given accounting period and after having entirely used up the nil duty quota bound under GATT.

Moreover, Protocol N° 13 annexed to the Act of Accession also provides for the opening of an autonomous Community tariff quota for this product when it has been established that all possibilities of supply on the internal market of the Community have been exhausted during the period for which the quota is opened.

2. Judging from market trends over the past few years it is already clear that the 1981 Community tariff quota to be opened must be greater than the 1 500 000 tonnes originally established. The matter of the quota amount to be provided for 1981 was the subject of a discussion by the Economic Tariff Questions Group on 9 September 1980, at the conclusion of which it transpired that :
  - (i) the market for Community production in 1981 did not seem to be guaranteed at the moment and, therefore, that the condition imposed on the opening of an autonomous tariff quota by Protocol N° 13, and by the commitment entered into with the Nordic delegation, did not therefore appear to be currently fulfilled ;
  - (ii) the estimates, put forward by the Member States, fixed their import requirements from third countries at 2 740 000 or 2 870 000 tonnes, according to the level which might be reached by Community production, although the actual utilization of quotas opened for 1977, 1978 and 1979 was only 2 385 000, 2 500 000 and 2 660 000 respectively and for 1980 it could be less than 2 700 000 tonnes, while the consumption trend and the unfavourable current general economic situation would not justify such requirements for 1981.

3. Generally speaking, the Commission considers in this case that in view of the uncertainties regarding the levels of consumption, production and imports from third countries, as well as of the need to ensure parallel development of Community production and of supplies for the consumer industries on satisfactory terms, it is necessary to show discretion in fixing the quota to be opened so as not to jeopardize the stability of the market. For the above reasons, the Commission proposes that the quota be fixed for 1981 at the anticipated minimum level of import requirements of the Member States, namely 2 500 000 tonnes, and that the situation be reviewed in the course of the year.
4. The tariff quota is allocated in accordance with the method which has normally been applied : allocation is based on past import figures and on estimates for the quota year in question.

Furthermore, in view of the size of the quota proposed from the start, the Commission considers that it would be contrary to the Community nature of this quota to divide it up into shares allocated definitively to all the Member States. It therefore proposes a system of administration based on the establishment of a Community reserve limited to 6 %. This system of allocation and administration was, moreover, unanimously approved by all Member States at the time of the opening of the tariff quota for previous years.

5. Pending a definitive decision on the problem of watermark criteria, contained in the Additional Note to Chapter 48, it is proposed to renew for 1981 the possibility for the Member States to charge against the quota concerned other types of paper which, leaving aside the criteria of watermarks, correspond to the definition of newsprint to be found in the abovementioned Additional Note.

Proposal for  
COUNCIL REGULATION (EEC)

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certain other types of paper

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 28 and 113 thereof,

Having regard to the proposal from the Commission,

Whereas the Community has undertaken to open an annual duty-free Community tariff quota of 1 500 000 tonnes of newsprint falling within subheading 48.01 A ;

Whereas, in accordance with Protocol No 13 annexed to the Act of Accession (1), each year an autonomous Community tariff quota is to be opened for this product when it has been established that all possibilities of supply on the internal market of the Community will be exhausted during the period for which the quota is opened;

Whereas, in view of present Community production capacity, the contractual quota of 1 500 000 tonnes is insufficient to meet anticipated import requirements ; whereas provision should therefore be made for an autonomous supplementary quota which, in order not to jeopardize the stability of the market and so as to ensure parallel development of the market for Community production and of supplies for the consumer industries on satisfactory terms, should be fixed at a level so that the total quota does not exceed its anticipated minimum utilization, namely 2 500 000 tonnes ; whereas the fact that the figure of 1 000 000 tonnes has been adopted for the autonomous supplementary quota does not rule out a readjustment during the quota period ; whereas a Community tariff quota should therefore be opened for 1981 for a total quantity of 2 500 000 tonnes of the product in question ;

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(1) OJ No L 73, 27.3.1972, p. 14.

Whereas provision should be made for extending the tariff quota in question to include certain types of paper fulfilling all the conditions set out in the Additional Note to Chapter 48 except those relating to water marks;

Whereas equal and continuous access to the quota should be ensured for all Community importers and the rate of duty for the tariff quota should be applied without interruption to all imports of the product in question until the quota is exhausted; whereas in the light of these principles, arrangements for the utilization of the Community tariff quota based on an allocation among Member States would seem to be consistent with the Community nature of the quota; whereas, in order that it may correspond as closely as possible to the actual trend of the market in the product in question, allocation of the quota should be in proportion to the requirements of the Member States as calculated by reference to statistics on imports from third countries during a representative reference period and to the economic outlook for the year covered by the quota in question;

Whereas, for the last three years for which complete statistics are available, the imports of each of the Member States sharing in the above allocation amounted to the following percentages of total imports of the products in question :

	<u>1977</u>	<u>1978</u>	<u>1979</u>
Benelux	14.41	14.78	13.05
Denmark	5.43	6.55	5.85
Germany	27.85	25.28	25.64
Greece	1.77	1.66	1.16
France	11.82	11.12	12.08
Ireland	1.85	1.94	1.76
Italy	0.49	0.89	1.03
United Kingdom	38.15	39.44	39.43;

Whereas, in view of the above and of the foreseeable trend of the market in newsprint in general and of Community production in particular during 1981, the initial quota may be allocated approximately in the following percentages :

Benelux	11.91
Denmark	7.00
Germany	25.57
Greece	2.45
France	11.56
Ireland	0.53
Italy	0.70
United Kingdom	40.28 ;

Whereas, to take account of import trends for the product concerned, the quota should be divided into two tranches, the first being allocated among the Member States and the second held as a reserve to cover subsequently the requirements of Member States which have exhausted their initial shares; whereas, to give importers some degree of certainty and yet enable Community production to be disposed of on satisfactory terms, the first tranche of the quota should be fixed at about 94% of the full amount;

Whereas Member States may exhaust their initial shares at different rates; whereas to provide for this eventuality and avoid disruption of supplies any Member State which has almost used up its initial share should draw an additional share from the reserve; whereas each time its additional share is almost exhausted a Member State should draw a further share, and so on as many times as the reserve allows; whereas the initial and additional shares should be valid until the end of the quota period; whereas this form of administration requires close collaboration between the Member States and the Commission, and the latter must be in a position to keep account of the extent to which the quota has been used up and to inform the Member States accordingly;

Whereas, if at a given date in the quota period a considerable quantity of a Member State's initial share remains unused it is essential, to prevent a part of the Community tariff quota from remaining unused in one Member State while it could be used in others, that the State in question should return a significant proportion thereof to the reserve;

Whereas, since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are united within and jointly represented by the Benelux Economic Union, any transaction in respect of the administration of the shares allocated to that economic union may be carried out by any one of its members,

HAS ADOPTED THIS REGULATION:

*Article 1*

1. During the period 1 January to 31 December 1981, a Community tariff quota of 2 500 000 tonnes shall be opened in respect of newsprint falling within subheading 48.01 A of the Common Customs Tariff (1).

2. Member States may charge against this tariff quota the other types of paper complying with the definition of newsprint contained in the Additional Note to Chapter 48, except as regards the criteria governing watermarks.

3. Imports of newsprint shall not be charged against this tariff quota if they are already free of customs duties under other preferential tariff treatment. Furthermore, imports of any other paper referred to in paragraph 2 enjoying duty-free exemption under the said tariff quota shall not be charged against the target ceilings fixed under certain free trade agreements.

4. The Common Customs Tariff duty shall be totally suspended within the limits of the abovementioned quota.

Within the limits of the abovementioned quota, Greece shall apply customs duties calculated in accordance with the relevant provisions laid down in the Act of Accession of Greece (2).

Article 2

1. The Community tariff quota referred to in Article 1 shall be divided into two tranches.

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

(2) OJ No L 291, 19.11.1979, p. 17

2. A first tranche of 2 350 000 tonnes shall be allocated among the Member States. Member States' shares, which subject to Article 5 shall be valid from 1 January until 31 December 1981, shall be as follows :

	<u>tonnes</u>
Benelux	279 885
Denmark	164 500
Germany	600 895
Greece	57 575
France	271 660
Ireland	12 445
Italy	16 450
United Kingdom	946 580

3. The second tranche, of 150 000 tonnes, shall constitute the reserve.

*Article 3*

1. If 90 % or more of a Member State's initial share as fixed in Article 2 (2), or of that share minus the portion returned to the reserve where Article 5 has been applied, has been used up it shall forthwith, by notifying the Commission, draw a second share, to the extent that the reserve so permits, equal to 15 % of its initial share, rounded up as necessary to the next whole number.

2. If, after its initial share has been exhausted, 90 % or more of the second share drawn by a Member State has been used up, that Member State shall, in the manner and to the extent provided in paragraph 1, draw a third share equal to 7.5 % of its initial share.



3. If, after its second share has been exhausted, 90 % or more of the third share drawn by a Member State has been used up, that Member State shall, in the manner and to the extent provided in paragraph 1, draw a fourth share equal to the third.

This procedure shall apply until the reserve is exhausted.

4. Notwithstanding paragraphs 1, 2 and 3, Member States may draw lesser shares than those specified in those paragraphs if there are grounds for believing that those specified may not be used in full. They shall inform the Commission of their reasons for applying this provision.

#### Article 4

Additional shares drawn pursuant to Article 3 shall be valid until 31 December 1987.

#### Article 5

The Member States shall return to the reserve, not later than 1 October 1987, the unused portion of their initial share which, on 15 September 1987, is in excess of 20 % of the initial amount. They may return a greater portion if there are grounds for believing that such portion may not be used in full.

Member States shall, not later than 1 October 1987, notify the Commission of the total quantities of the products in question imported up to and including 15 September 1987 and charged against the Community tariff quota and of any portion of their initial shares returned to the reserve.

#### Article 6

The Commission shall keep an account of the shares opened by the Member States pursuant to Articles 2 and 3 and shall, as soon as it has been notified, inform each Member State of the extent to which the reserve has been used up.

It shall inform the Member States, not later than 5 October 1987 of the amount still in reserve after amounts have been returned thereto pursuant to Article 5.

It shall ensure that when a quantity exhausting the reserve is drawn, the amount so drawn does not exceed the balance available, and to this end shall notify the amount of that balance to the Member State making the last drawing.

#### Article 7

1. Member States shall take all appropriate measures to ensure that additional shares drawn pursuant to Article 3 are opened in such a way that imports may be charged without interruption against their accumulated share of the Community quota.

2. Member States shall take all measures necessary to ensure that the types of paper referred to in Article 1 (2) included in this tariff quota are in fact intended for the printing of newspapers, weekly papers or other periodicals falling under heading No 49.02 of the Common Customs Tariff, published at least 10 times per year. In such a case, checks to ensure that the goods are used for their prescribed end-use shall be carried out by employing the relevant Community provisions.

3. Member States shall ensure that importers of the products in question established in their territory have free access to the shares allocated to it.

4. The extent to which a Member State has used up its shares shall be determined on the basis of imports of the products in question entered with the customs authorities for free circulation.

Article 8

At the Commission's request, the Member States shall inform it of imports actually charged against their shares.

*Article 9*

Member States and the Commission shall cooperate closely to ensure that this Regulation is complied with.

*Article 10*

This Regulation shall enter into force on 1 January 1981.

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

Done at Brussels,

*For the Council*  
*The President*

