

COMMISSION OF THE EUROPEAN COMMUNITIES

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PROPOSAL FOR
REGULATION (EEC) OF THE COUNCIL

increasing the Community tariff quota opened for unwrought
magnesium, falling within subheading No 77.01 A of the Common
Customs Tariff, by Regulation (EEC) No 3591/73 of 23 December 1973

(submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

1. By exchange of letters with the Nordic Delegation (Doc. NCG(67)44 Rev. of 13 October 1967 - Annexes NORD 2 and 5) the European Economic Community undertook that as soon as the Geneva Protocol entered into force it would open an annual tariff quota, of an amount to be so calculated as to enable Community requirements not covered by Community production to be imported free of duty.
2. Certain Member States have significant requirements for pure and alloyed magnesium which, it appears, cannot as a general rule be wholly met by Community producers.
3. It is extremely difficult to estimate in advance, with any degree of accuracy, the likely production and consumption of magnesium. This is due to the fact^{that} magnesium is technically a difficult product to produce, is normally produced to the purchaser's special specifications, and of which the quantities of pure and alloyed magnesium produced vary according to the orders for the different qualities. Consumption depends on the general economic situation and on the behaviour of certain industries whose production varies with demand.
4. Accordingly, the Council decided in Regulation (EEC) No 3591/73 of 28 December 1973¹ to open, for 1974, a Community tariff quota, the amount of which has been fixed at an initial level of 10 250 metric tons, which amount, divided into 1 000 metric tons of unwrought magnesium not in alloy, and 9 250 metric tons of unwrought magnesium in alloy, is subject to revision during the year on the basis of more precise data.
5. At a Consultative meeting held at the request of a Member State on 12 February 1974 it appeared that the situation had changed very little in the sense that the economic data at present available is not much more precise than before. Nevertheless, it seems

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¹OJ No L 365, 31 December 1973, p. 39.

that certain Member States are likely to have large requirements this year for both pure and alloyed magnesium which cannot be met by Community production. In addition, it appears that the United Kingdom requires extra-pure magnesium which cannot at present be produced within the Community.

For this reason, taking into account:

- the special requirements of the United Kingdom;
- the quantities at present available in the Community, resulting from stocks built up either at the end of 1973 or in the first months of 1974;
- the increase in Community production, of unwrought magnesium, especially in alloy;
- the possibility, in certain Member States, of duty-free imports under the agreements concluded with some of the non-acceding EFTA countries;

it is the Commission's view that in these circumstances, until a new review of the situation can take place, the amount of the tariff quota should be increased by 6 750 metric tons, divided as follows:

- 1 500 metric tons of magnesium of a purity of not less than 99.95%;
 - 1 000 metric tons of unwrought magnesium of a purity of not less than 99.8% and not exceeding 99.95%;
 - 4 250 metric tons of unwrought magnesium in alloy.
6. The proposed distribution among the Member States of amounts allocated for the different qualities of magnesium shall:
- in the absence of more precise data on the needs of each of the Member States remain the same as that laid down for 1974 in Regulation (EEC) No 3591/73 in respect of unwrought magnesium in alloy;
 - be in proportion to the estimated import requirements of unwrought magnesium not in alloy, and the major share of extra-pure magnesium shall be allocated to the United Kingdom and one metric ton to each of the other Member States. ./.

Proposal for
REGULATION (EEC) OF THE COUNCIL

increasing the Community tariff quota opened for unwrought magnesium, falling within subheading No 77.01 A of the Common Customs Tariff, by Regulation (EEC) No 3591/73 of 23 December 1973.

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 No 77.01 A of the Common Customs Tariff, a Community tariff quota totalling 10 250 metric tons has been opened for 1974 and allocated among the Member States by Regulation (EEC) No 3591/73¹ of 28 December 1973;

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 tariff quota concerned should therefore be increased by an appropriate amount, approximately 6 750 metric tons; whereas the fixing of this level of increase does not preclude further adjustments during the quota period; whereas, in view, moreover, on the one hand of the known requirements in unwrought magnesium not in alloy with a pure magnesium content of not less than 99.95%, not produced within the Community, and on the other hand of the quantities available in the Community and of the possible increase in production by Community industries of unwrought magnesium, especially not in alloy and also the possibility

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¹OJ No L 365, 31 December 1973, p. 39

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 1 500 metric tons of unwrought magnesium containing 99.95% or more by weight of pure magnesium (extra-pure magnesium), 1 000 metric tons of unwrought magnesium containing 99.8% or more by weight and not exceeding 99.95% of pure magnesium (unwrought magnesium not in alloy), and 4 250 metric tons 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 apply the criteries included in the above-mentioned Regulation (EEC) No 3591/73 for unwrought magnesium in alloy; whereas, as far as unwrought magnesium not in alloy is concerned, it is necessary to maintain the prorata arrangement for supplementary importation requirements; whereas for the volume of extra-pure unwrought magnesium, in the absence of statistical data relating to importations coming from third countries, it is necessary to consider distribution based, in particular, on the specific requirements of processing industries of each Member State; whereas on the basis of information at present to hand, it appears that the British industry is almost the only one using this special quality of magnesium; whereas in consequence, it is necessary to allot to the United Kingdom a preponderant share of the quota volume under consideration, while allotting to the other Member States less important shares to safeguard by an adequate reserve the Community character of this quota,

HAS ADOPTED THIS REGULATION :

Article 1

The amount of 10 250 metric tons of the Community tariff quota opened for unwrought magnesium falling within subheading No 77.01 A of the Common Customs Tariff by Regulation No 3591/73 of 28 December 1973, shall be increased by 6 750 metric tons to 17 000 metric tons.

This increase of 6 750 metric tons shall be allocated as follows :

- (a) 1 500 metric tons of unwrought magnesium containing 99.95% or more by weight of pure magnesium (extra-pure magnesium);
- (b) 1 000 metric tons of unwrought magnesium containing not less than 99.8% and not more than 99.95% by weight of pure magnesium (unwrought magnesium not in alloy);
- (c) 4 250 metric tons of unwrought magnesium containing not more than 99.8% by weight of pure magnesium (unwrought magnesium in alloy).

Article 2

1. A first tranche of each of the additional quota shares referred to in Article 1 of 1 200 metric tons of extra-pure magnesium, 800 metric tons of unwrought magnesium not in alloy and 3 000 metric tons of unwrought magnesium in alloy, shall be allocated among the Member States as follows:

(a) For extra-pure unwrought magnesium:

Benelux	3 metric tons
Denmark	1 metric ton
Germany	1 metric ton
France	1 metric ton
Ireland	1 metric ton
Italy	1 metric ton
United Kingdom	1 192 metric tons

(b) For unwrought magnesium not in alloy:

Benelux	122.7 metric tons
Germany	478.5 metric tons
France	98.6 metric tons
Italy	6.2 metric tons
United Kingdom	94 metric tons

(c) For unwrought magnesium in alloy:

Benelux	39 metric tons
Denmark	1 metric ton
Germany	2 904 metric tons
France	1 metric ton
Ireland	1 metric ton
Italy	39 metric tons
United Kingdom	15 metric tons

2. The second tranches of 300 metric tons, 200 metric tons and 1 250 metric tons respectively shall constitute Community reserves.

The amount of Community reserves for the latter two types of unwrought magnesium, provided for in Article 2 (2) of Regulation

(EEC) No 3591/73, shall be increased respectively;

- (a) from 150 metric tons to 350 metric tons for unwrought magnesium not in alloy;
- (b) from 1 000 metric tons to 2 250 metric tons for unwrought magnesium in alloy.

Article 3

Should Denmark or Ireland require additional unwrought magnesium not in alloy, they shall draw a sufficient share from the appropriate reserve to the extent that the reserve so permits.

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