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EUROPEAN COMMISSION

Brussels, 4.5.2010
COM(2010)201 final

2010/0111 (NLE)

Proposal for a

COUNCIL REGULATION (EU) No .../...

of

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 it is necessary 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 and repealing Regulation (EC) No 2505/96 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 a new quota and to increase quota volumes for the products covered by the proposal for a Regulation, without disturbing the markets for such goods.

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 candidate countries of the Western Balkans).

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 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 €- 1 613 617

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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) 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 2010, for a certain product a new tariff quota at a zero duty rate for an appropriate volume.
- (2) The quota volumes for autonomous tariff quotas of the Union with order Nos 09.2814, 09.2816 and 09.2807 are insufficient to meet the needs of the Union industry. Consequently, those quota volumes should be increased.
- (3) For the autonomous tariff quota of the Union with order No 09.2907 the product description should be revised.
- (4) Regulation (EU) No 7/2010 should therefore be amended accordingly.
- (5) Since the tariff quotas provided for in this Regulation have to take effect from 1 July 2010, this Regulation should apply from the same date 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 row set out in Annex I to this Regulation is inserted;
- (2) the rows for the tariff quotas with order numbers Nos 09.2814, 09.2907 09.2816 and 09.2807 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 2010.

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

Done at Brussels,

*For the Council
The President*

ANNEX I

Tariff quotas referred to in Article 1(1)

ANNEX II

Tariff quotas referred to in Article 1(2)

**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 2010: **€14 079 700 000 €**

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	6 month period, starting 01/07/2010	[2010]
Article 120	<i>Impact on own resources</i>	- 1.6	

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. 7.2010:

Tariff quotas referred to in Article 1

Description of product	Quota amount (unit/tonnes)	Estimated price (€per km)	Duty (%) (2010 CCT)	Quota duty (%)	Expected loss of revenue (in €)
Optical fibres 09.2635	1 150 000 km	6.66	2.9	0	222 111

Total loss of revenue:

(€222 111 – €55 529) = €166 583 net.

ANNEX II

Effective from 1. 7.2010:

Tariff quotas referred to in Article 2

Description of product	Variation in quota amount (tonnes/g)	Estimated price (€/per tonne)	Duty (%) (2010 CCT)	Quota duty (%)	Expected variation in the loss of revenue in relation to the previous quota period (in €)
09.2814 Catalyst	+ 600 tonnes (initial amount: 1 600 tonnes)	4 500 €/t	6.5	0	+ 175 500
09.2816 Flakes	+ 21 500 tonnes (initial amount: 37 000 tonnes)	933 €/t	6.5	0	+ 1 303 868
09.2807 Hyaluronate	+ 40 000 g (initial amount: 110 000 g)	173 081 €/kg	6.5	0	+450 011

**Total loss of revenue in relation to previous quota period:
(€1 929 379 – €482 345) = €1 447 034 net.**

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