



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 20.4.2007
COM(2007) 202 final

Proposal for a

COUNCIL REGULATION

amending Regulation (EC) No 2505/96 opening and providing for the administration of autonomous Community tariff quotas for certain agricultural and industrial products

(presented by the Commission)

EXPLANATORY MEMORANDUM

1) CONTEXT OF THE PROPOSAL

- **Grounds for and objectives of the proposal**

The quota amount for certain autonomous Community tariff quotas is insufficient to meet the needs of the Community industry for the current quota period. In response to requests from several Member States, the Commission's departments, together with the government experts concerned, considered whether to open, increase or extend autonomous tariff quotas for certain industrial products.

- **General context**

On 20 December 1996 the Council adopted Regulation (EC) No 2505/96 opening and providing for the administration of autonomous Community tariff quotas for certain agricultural and industrial products so that Community demand for the products in question could be met under the most favourable conditions. New Community tariff quotas should be opened at reduced or zero rates of 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, increase or extend quotas for the products covered by the proposal for a Regulation, without disturbing the markets for such products.

- **Provisions in force in the field covered by the proposal**

Regulation (EC) No 2505/96 (OJ L 345, 31.12.1996) as last amended by Regulation (EC) No 2014/2006 (OJ L 384, 29.12.2006).

- **Consistency with the other policies and objectives of the Union**

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

2) CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT

- **Consultation of stakeholders**

Consultation methods, main sectors targeted and general profile of respondents

The Economic Tariff Questions Group representing the industries of each Member State was consulted.

Summary of responses and how they have been taken into account

All listed quotas reflect the agreement reached by the Group.

- **Collection and use of expertise**

Scientific areas or fields of expertise concerned

Experts representing the Member States in the Economic Tariff Questions Group.

Methodology used

Open consultation.

Main organisations/experts consulted

Experts designated by each of the Member States.

Summary of advice received and used

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

Agreement of the Economic and Tariff Questions Group.

Methods used to make the results of these expert opinions available to the public

Publication of the proposal.

- **Impact assessment**

Not applicable.

The proposal does not figure in the Commission's Legislative and Work Programme for 2007.

3) LEGAL ELEMENTS OF THE PROPOSAL

- **Summary of the proposed action**

Council Regulation amending Regulation (EC) No 2505/96 opening and providing for the administration of autonomous Community tariff quotas for certain agricultural and industrial products

- **Legal basis**

Article 26 of the EC Treaty

- **Subsidiarity principle**

The subsidiarity principle does not apply, as the proposal falls under the exclusive competence of the Community.

- **Proportionality principle**

The proposal complies with the principle of proportionality for the following reasons.

The proposed measures are in accordance with the objectives of the "Customs 2007" action programme.

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 concerning autonomous tariff suspensions and quotas (98/C 128/02).

- **Choice of instruments**

Proposed instruments: Regulation

Other instruments would not be appropriate for the following reasons:

By virtue of Article 26 of the EC Treaty autonomous tariff suspensions and quotas are approved by the Council acting on a qualified majority on the basis of a Commission proposal.

4) BUDGETARY IMPLICATION

Uncollected customs duties with a total amount of € 5 405 993.

5) ADDITIONAL INFORMATION

- **Review/revision/sunset clause**

The proposal includes a sunset clause for all or part of the act.

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amending Regulation (EC) No 2505/96 opening and providing for the administration of autonomous Community tariff quotas for certain agricultural and industrial products

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 26 thereof,

Having regard to the proposal from the Commission¹,

Whereas:

- (1) On 20 December 1996 the Council adopted Regulation (EC) No 2505/96 opening and providing for the administration of autonomous Community tariff quotas for certain agricultural and industrial products². Community demand for the products in question should be met under the most favourable conditions. For that purpose new Community tariff quotas should be opened at zero rates of duty for appropriate volumes while avoiding any disturbance to the markets for these products.
- (2) The quota amounts for two autonomous Community tariff quotas are insufficient to meet the needs of the Community industry. Consequently, those quota amounts should be increased.
- (3) It is no longer in the Community interest to continue to grant a Community tariff quotas from 1 July 2007 for one product, on which duties were suspended until that date. The product in question should therefore be removed from the table in Annex I to Regulation (EC) No 2505/96.
- (4) Regulation (EC) No 2505/96 should therefore be amended accordingly.
- (5) Having regard to the economic importance of this Regulation, it is necessary to rely on the grounds of urgency provided for in point 1.3 of the Protocol on the role of national parliaments in the European Union annexed to the Treaty on European Union and to the Treaties establishing the European Community.
- (6) Since this Regulation is to apply from 1 July 2007, it should enter into force immediately,

¹ OJ C [...], [...], p. [...].

² OJ L 345, 31.12.1996, p.1. Regulation as last amended by Regulation (EC) No 2014/2006 (OJ L 384, 29.12.2006, p.20).

HAS ADOPTED THIS REGULATION:

Article 1

The tariff quotas for the products set out in Annex I to this Regulation are inserted in Annex I to Regulation (EC) No 2505/96.

Article 2

In Annex I to Regulation (EC) No 2505/96, the rows for the tariff quotas with order numbers 09.2603, 09.2727 and 09.2977 are replaced by the rows set out in Annex II to this Regulation.

Article 3

In Annex I to Regulation (EC) No 2505/96, tariff quotas for order numbers 09.2907 and 09.2908, shall be inserted with effect from 1 July 2007.

Article 4

In Annex I to Regulation (EC) No 2505/96, the row for the tariff quota with order number 09.2970 is deleted.

Article 5

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

This Regulation shall apply from 1 July 2007.

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

Order number	CN code	TARIC	Description	Quota period	Quota volume	Quota duty
09.2907	ex 3824 90 98	86	Plant sterols obtained from wood or soya oil, containing by weight: — 75 % or more of sterols, — not more than 25 % of stanols, used as raw material for stanol ester (1)	1.7. - 31.12.	4 000 tonnes	0 %
09.2908	ex 3804 00 90	10	Sodium lignosulphonate	1.7. - 31.12.	28 000 tonnes	0 %
09.2977	2926 10 00		Acrylonitrile	1.7. - 31.12.2007	35 000 tonnes	0 %

(1) Entry under this subheading is subject to conditions laid down in the relevant Community provisions (see Articles 291 to 300 of Commission Regulation (EEC) No. 2454/93 - OJ L 253 11.10.1993 p. 1 and subsequent amendments).

ANNEX II

Order number	CN code	TARIC	Description	Quota period	Quota volume	Quota duty
09.2603	ex 2930 90 85*	79*	Bis(3-triethoxysilylpropyl)tetrasulfide	1.1.-31.12.	4 500 tonnes	0 %
09.2727	ex 3902 90 90	93	Synthetic poly-alpha-olefin having a viscosity of at least $38 \times 10^{-6} \text{m}^2 \text{s}^{-1}$ (38 cetistokes) at 100°C measured using the ASTM D 445 method	1.1. - 31.12	16 000 tonnes	0 %
09.2977	2926 10 00		Acrylonitrile	1.1. - 30.06.2007	35 000 tonnes	0 %

*CN and TARIC Code applicable as from 1. July 2007.

**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 2505/96 opening and providing for the administration of autonomous Community tariff quotas for certain agricultural and industrial products

2. BUDGET LINES:

Chapter and Article: Chapter 12, Article 120

Amount budgeted for the year 2007: € 15 287.900

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 ³	12 month period, starting dd/mm/yyyy	[Year 2007]
Article 120	<i>Impact on own resources</i>	1/1/2007	- 5.4

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

³ 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 1.1.2007:

Description of product	Variation in quota volume (unit/tonnes)	Variation in estimated price (€ per unit/€ per tonne)	Quota duty (%) (2007 CCT)	Quota duty (%)	Expected variation in the loss of revenue in relation to the previous quota period (in €)
Acrylonitrile 09.2977	+ 23 000 tonnes (initial volume: 12 000 tonnes)	900	6.5	0	1 345 500
Olefin 09.2727	+ 1 000 tonnes (initial volume: 15 000 tonnes)	3 766	6.5	0	244 790

**Total loss of revenue in relation to previous quota period:
(€ 1 590 290 – € 397 572) € 1 192 718 net.**

ANNEX II

Effective from 1.7.2007:

Description of product	Variation in quota volume (unit/tonnes)	Variation in estimated price (€ per unit/€ per tonne)	Quota duty (%) (2007 CCT)	Quota duty (%)	Expected variation in the loss of revenue in relation to the previous quota period (in €)
Sterols 09.2907	+ 4.000tonnes (initial volume: 0 tonnes)	13 500	6.5	0	3 510 000
Ligno-sulphonate 09.2908	+ 28 000 tonnes (initial volume: 0 tonnes)	43	5	0	60 200
Acrylonitrile 09.2977	+ 35 000 tonnes (initial volume: 0 tonnes)	900	6.5	0	2 047 500

**Total loss of revenue in relation to previous quota period:
(€ 5 617 700 – € 1 404 425) € 4 213 275 net.**