REGULATION (EEC) No 2777/73 OF THE COUNCIL

of 11 October 1973

on the opening, allocation and administration of a Community tariff quota for certain petroleum products falling within Chapter 27 of the Common Customs Tariff refined in the Arab Republic of Egypt

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 the Agreement between the European Economic Community and the Arab Republic of Egypt (1), hereinafter called 'the Agreement', and the Protocol laying down certain provisions concerning the Agreement between the European Economic Community and the Arab Republic of Egypt in consequence of the Accession of new Member States to the European Economic Community (2), hereinafter called 'the Protocol', provides for the opening of an annual Community tariff quota of 360 000 metric tons for certain petroleum products falling within Chapter 27 of the Common Customs Tariff refined in the Arab Republic of Egypt ; whereas under the Protocol the tariff quota should be allocated among the Member States as follows : 200 000 metric tons for the Member States of the Community as originally constituted, 5 000 metric tons for Denmark, 5 000 metric tons for Ireland and 150 000 metric tons for the United Kingdom ; whereas Annex I to the Agreement provides that the duties applicable to the quota shall be equal to 55 % of the duties of the Common Customs Tariff ; whereas as regards the duties to be applied to the quota by the new Member States, the special provisions of the Protocol and of the Act of Accession (3) should be observed ; whereas a Community tariff quota of 360 000 metric tons should therefore be opened for those products ; whereas to comply with the special provisions of the Protocol, separate arrangements should be made for the Member States of the Community as originally constituted on the one hand and for the new Member States on the other ;

Whereas as regards in particular the Member States of the Community as originally constituted :

— equal and continuous access to the quota should be ensured for all importers and quota duties should be applied consistently to all imports of the products in question until the quota is used up ;

— in the light of the principles set out above, the Community nature of the quota may best be preserved by an arrangement allocating it among those Member States ; whereas in order to reflect most accurately the actual development of the market in the products in question, such allocation should be proportionate to the requirements of the Member States, calculated both from the statistics of each Member State's imports from the Arab Republic of Egypt over a representative reference period and from the economic outlook for the quota period in question ;

— however, in view of the fact that over the past three years none of the products in question refined in the Arab Republic of Egypt has been imported and that no forecast for 1973 can be made, an initial share percentage of approximately 25 % allocated to each of the Member States concerned would ensure a fair distribution among them ;

— in order to take account of import trends for the products in question in the Member States concerned, the quota amount should be divided into two tranches, the first tranche being allocated among the same Member States, the second tranche constituting a reserve intended to cover the later requirements of those Member States which have used up their initial quota shares ; whereas in order to ensure a certain degree of security to importers in each of those Member States the first tranche of the quota should be fixed in this case at approximately 70 % ;

— the initial quota shares may be used up at different rates ; whereas, therefore, to avoid disruption of supplies, any Member State which has almost used up its initial quota share must draw an additional quota share from the reserve ; whereas this must be done by each

(1) OJ No L 251, 7. 9. 1973, p. 2.
(2) OJ No L 251, 7. 9. 1973, p. 87.
(3) OJ No L 73, 27. 3. 1972, p. 14.

Member State as each one of its additional quota shares is almost used up, and as many times as the reserve allows ; whereas the initial and additional quota shares must be valid until the end of the quota period ; whereas this form of administration requires close collaboration between the Member States concerned and the Commission, and the Commission must be in a position to follow the extent to which the quota volume has been used up and inform the Member States thereof ;

— if, at a given date in the quota period, a considerable quantity of the initial quota share is left over in a Member State, it is essential that that State should return a significant proportion to the reserve, to prevent a part of the quota allocated to the Member States of the Community as originally constituted from remaining unused in one Member State while it could be used in others ;

— since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are jointly represented by the Benelux Economic Union, any measure concerning the administration of the quota shares allocated to that economic union may be carried out by one of its members ;

Whereas, as regards in particular the new Member States :

— the quota duties are to be calculated by the new Member States primarily in accordance with Articles 3 and 4 of the Protocol ;

— equal and continuous access to the quota should be ensured for all importers and quota duties should be applied consistently to all imports of the products in question until the quota is used up,

HAS ADOPTED THIS REGULATION :

Article 1

Subject to any measures which may be taken in application of Article 3 (2) and (4) of Annex I to the Agreement, a Community tariff quota of 360 000 metric tons is opened for the period 1 November to 31 December 1973 in respect of the products listed below refined in the Arab Republic of Egypt :

CCT heading No	Description of goods
27.10	Petroleum oils and oils obtained from bituminous minerals, other than crude ; preparations not elsewhere specified or included, containing not less than 70 % by weight of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations : A. Light oils : III. For other purposes B. Medium oils : III. For other purposes C. Heavy oils : I. Gas oil : c) For other purposes II. Fuel oil : c) For other purposes III. Lubricating oils ; other oils : c) To be mixed in accordance with the terms of Additional Note 7 to this Chapter d) For other purposes

CCT heading No	Description of goods
27.11	Petroleum gases and other gaseous hydrocarbons :
	B. Other :
	I. Commercial propane and commercial butane :
	c) For other purposes
27.12	Petroleum jelly :
	A. Crude
	III. For other purposes
	B. Other
27.13	Paraffin wax, micro-crystalline wax, slack wax, ozokerite, lignite wax, peat wax and other mineral waxes, whether or not coloured :
	B. Other :
	I. Crude :
	c) For other purposes
	II. Other
27.14	Petroleum bitumen, petroleum coke and other residues of petroleum oils or of oils obtained from bituminous minerals :
	C. Other
	II. Other

The quota shall be allocated and administered in accordance with the following provisions.

Provisions applicable to the Member States of the Community as originally constituted

Article 2

The Common Customs Tariff duties are partially suspended at the rates indicated below in respect of 200 000 metric tons of the quota referred to in Article 1 :

CCT heading No	Rate of duty (%)
27.10 A III	3·3
27.10 B III	3·3
27.10 C I c)	1·9
27.10 C II c)	1·9
27.10 C III c)	2·2
27.10 C III d)	3·3
27.11 B I c)	0·8
27.12 A III	1·1
27.12 B	3·8
27.13 B I c)	1·1
27.13 B II	3·3
27.14 C II	1·1

Article 3

1. A first tranche of 135 000 metric tons of the amount mentioned in Article 2 is allocated among those Member States ; the shares which, subject to Article 6, are valid until 31 December 1973 are as follows :

Germany	35 000 metric tons,
Benelux	30 000 metric tons,
France	35 000 metric tons,
Italy	35 000 metric tons.

2. The second tranche, amounting to 65 000 metric tons, constitutes the reserve.

Article 4

1. If 90 % or more of a Member State's initial quota share as specified in Article 3 (1), or of that share minus the portion returned to the reserve where Article 6 is applied, has been used up, that Member State shall without delay, by notifying the Commission, draw a second quota share, to the extent that the reserve is sufficient, equal to 15 % of its initial quota share, rounded up where necessary to the next unit.

2. If, after its initial quota share has been used up, 90 % or more of the second quota share drawn by a Member State has been used up, that Member State shall without delay, by notifying the Commission, draw a third quota share, to the extent that the reserve is sufficient, equal to 7·5 % of its initial quota share, rounded up where necessary to the next unit.

3. If, after its second quota share has been used up, 90 % or more of the third quota share drawn by a Member State has also been used up, that Member State shall, in accordance with paragraph 2, draw a fourth quota share equal to the third.

This process is continued until the reserve is used up.

4. Notwithstanding paragraphs 1 to 3, a Member State may draw quota shares lower than those fixed in those paragraphs if there are grounds for believing that those fixed may not be used up. It shall inform the Commission of its reasons for applying this paragraph.

Article 5

Additional quota shares drawn pursuant to Article 4 shall be valid until 31 December 1973.

Article 6

A Member State which on 1 December 1973 has not used up its initial quota share shall return to the reserve not later than 10 December 1973 the unused portion exceeding 20 % of the initial amount. It may return a greater portion if there are grounds for believing that it may not be used up.

Member States shall, not later than 10 December 1973, notify to the Commission the total quantities of the products in question imported up to and including 1 December 1973 and charged against the Community tariff quota and any quantities returned to the reserve.

Article 7

The Commission shall keep an account of the quota shares opened by the Member States pursuant to Articles 3 and 4 and shall, as soon as information reaches it, inform each State of the extent to which the reserve has been used up.

It shall, not later than 15 December 1973, inform the Member States of the amount still in reserve after returns have been made pursuant to Article 6.

It shall ensure that the drawing which uses up the reserve is limited to the balance available and to this end shall specify the amount thereof to the Member State making the last drawing.

Article 8

Member States shall take all necessary measures to ensure that the additional shares taken up under Article 4 are so drawn as to allow for uninterrupted charges against their accumulated shares of the Community quota.

Provisions applicable to the Member States

Article 9

A quantity of 160 000 metric tons of the quota referred to in Article 1 is allocated among the new Member States as follows :

Denmark	5 000 metric tons,
Ireland	5 000 metric tons,
United Kingdom	150 000 metric tons.

Article 10

The new Member States shall apply quota duties which conform with the relevant provisions of the Agreement, the Protocol and the Act of Accession.

Provisions applicable to all Member States

Article 11

1. Member States shall ensure that the quota shares allocated to them are freely accessible to importers of the products in question established in their territory.

2. The extent to which the Member State's shares have been used up shall be ascertained from the imports of the products concerned presented for customs clearance under declarations of entry for consumption.

Article 12

Member States shall regularly inform the Commission of imports of products refined in the Arab Republic of Egypt actually charged against their quota shares.

Article 13

Member States and the Commission shall collaborate closely in order to ensure that this Regulation is observed.

Article 14

This Regulation shall enter into force on 1 November 1973.

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

Done at Brussels, 11 October 1973.

For the Council

The President

I. NØRGAARD