REGULATION (EEC) No 166/74 OF THE COUNCIL

of 21 January 1974

opening, allocating and providing for the administration of a Community tariff quota for unmanufactured tobacco of the type 'flue-cured Virginia' originating in developing countries

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Whereas in the Joint Declaration of Intent [1] on the development of trade relations with Sri Lanka, India, Malaysia, Pakistan and Singapore, the Community declared its readiness to seek solutions to the problems which may arise in the field of trade with the countries referred to;

Whereas in respect of several Asian countries of the Commonwealth and particularly as regards India, the type of unmanufactured tobacco concerned is an important export product and the flow of trade in such products is likely to be changed as a result of the enlargement of the Community; whereas the system of generalized tariff preferences may constitute a solution to the problems of this nature and whereas this type of unmanufactured tobacco should be included for a transitional period of one year in the system of generalized preferences;

Whereas, within the context of UNCTAD, the European Economic Community offered to grant tariff preferences on certain processed agricultural products of Chapters 1 to 24 of the Common Customs Tariff which originate in developing countries; whereas the preferential treatment proposed in that offer consists, in respect of certain goods which are subject to the trade arrangements laid down in Regulation (EEC) No 1059/69, of a reduction in the fixed component of the charge applicable to such goods by virtue of that Regulation, and, in respect of products which are subject to the single customs duty, of a reduction in such duty; whereas preferential imports of the products concerned could be effected without quantitative restrictions; whereas it appears appropriate, however, in view of the sensitiveness of the tobacco sector generally and of the need to safeguard the interests of the associated countries in this field, to lay down for raw or unmanufactured tobacco of the 'flue-cured Virginia' type special conditions consisting in a reduction of the customs duty applicable to that product within the limits of a Community tariff quota;

Whereas the offer made by the Community includes a clause stating that the Community drew up the offer on the assumption that all the main industrialized countries which are members of the OECD would participate in granting preferences and would make similar efforts in this direction; whereas, moreover, it is evident from the conclusions worked out in UNCTAD that this offer, while being of a temporary nature, does not constitute a binding commitment and, in particular, may be withdrawn wholly or in part at a later date; whereas this possibility may be adopted, *inter alia,* with a view to remedying any unfavourable situations which might arise in the associated countries following the implementation of the generalized preference scheme;

Whereas tariff preferences have been applied as from the second half of 1971 and whereas these preferences should continue to be applied throughout 1974;

Whereas it is expedient, therefore, that the Community should open for 1974, for raw or unmanufactured tobacco of the 'flue-cured Virginia' type, originating in the countries and territories listed in the Annex, a Community tariff quota limited to 30 million units of account, at a customs duty rate of 11·5 % with a minimum charge of 14 units of account and a maximum charge of 16·5 units of account per 100 kilogrammes net weight; whereas, moreover, the provisions of Protocol No 10 of the Agreement establishing an association between the EEC and Greece should be respected;

Whereas, in accordance with Protocol No 23 to the Act of Accession [2], the generalized tariff preference scheme will be fully applicable in the new Member States from 1 January 1974;

Whereas, for the product concerned, this scheme would, however, involve the application in the new Member States in 1974 of customs duties higher than or very close to those which will be applied by the new Member States to non-member countries in general on the basis of the provisions of the above-mentioned Act; whereas this situation would comply neither with the spirit nor with the very nature of the generalized preference scheme; whereas, in order to maintain an equivalent preferential margin for these products also, reduced customs duties should be applied to them, in accordance with detailed rules

[1] OJ No L 73, 27. 3. 1972, p. 195.

[2] OJ No L 73, 27. 3. 1972, p. 178.

based on the principle of maintaining, in the new Member States, a preference proportional to that which exists between the duties of the Common Customs Tariff and the duties given in Article 1 of this Regulation ; whereas, with a view to granting the beneficiary developing countries the best possible treatment, in accordance with the objectives of the preference scheme, the duties given in the abovementioned Article 1 should also be applied wherever the duties calculated according to the abovementioned detailed rules prove to be higher than them ;

Whereas the benefit of this tariff quota should be reserved for products originating in the countries and territories under consideration ; whereas, to this end, the provisions concerning the definition of the concept of 'originating products' should be applied in respect of the implementation of the tariff preferences granted by the Community to the products from the developing countries, for the period from 1 January to 31 December 1974 ;

Whereas it is necessary to ensure equal and continuous access for all Community importers to the abovementioned quota and the uninterrupted application of the rate laid down for this quota to all imports of the products concerned into all Member States until this quota is used up ; whereas, having regard to the principles set out above, the Community nature of the quota can be respected by allocating the Community tariff quota among Member States ; whereas, moreover, to this end and in the context of the utilization system, the actual charges against the quota may relate only to products which have been entered for home use and which are accompanied by a certificate of origin ;

Whereas, on the basis of the available statistical data which cover only a relatively brief period and whereas they should be weighted on the basis of the estimates which may be made in respect of the quota year, the percentages for the shares in the quota amount may be set out as follows :

Germany	7 %
Benelux	5·6 %
France	2·8 %
Italy	0·2 %
Denmark	2·6 %
Ireland	1·8 %
United Kingdom	80 %.

Whereas, without affecting the Community nature of the tariff quota under consideration, it appears possible to provide temporarily for a utilization scheme based on a single allocation among the Member States ; whereas, moreover, the allocation set out by this Regulation in no way prejudices the possibility of adopting the general method of allocation of Community tariff quotas comprising the setting up of a reserve share ; whereas at this transitional stage it appears feasible that such allocation could be made according to the percentages set out above ;

Whereas the percentage for the shares of the Member States in the Community tariff quota, in view of its duration and its amount, does not appear in this instance to compromise the equal access for Community importers to Community tariff quotas ; whereas for this same reason it would appear expedient to allow each Member State to choose the system for administering its share ;

Whereas, moreover, in order to take account of the provisions of the Association Agreement with Greece, it is necessary that the Community should be in a position to resume levying of the normal duties as soon as a total quantity of 22 000 metric tons of the abovespecified product has been charged against the said quota ;

Whereas since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are united in and represented by the Benelux Economic Union, all transactions concerning the administration of the share allocated to the Benelux Economic Union may be carried out by any one of its Members,

HAS ADOPTED THIS REGULATION :

Article 1

1. From 1 January to 31 December 1974 a Community tariff quota of 30 million units of account shall be opened in the Community for the imports of raw or unmanufactured tobacco of the 'flue-cured Virginia' type falling under subheading 24.01 B of the Common Customs Tariff. Within this tariff quota the customs duty shall be suspended at 11·5 % with a minimum charge of 14 units of account and a maximum charge of 16·5 units of account per 100 kilogrammes net weight.

Entry to this tariff quota shall be subject to the production of a certificate of authenticity appearing in the certificate of origin and made out in such a manner as shall be determined by the Commission.

If, however, during the period running from 1 January to 31 October 1974, the total quantity expressed in metric tons charged against the Community tariff quota mentioned in the first subparagraph should reach 22 000 metric tons the aforesaid suspension of duty shall cease.

On importation into Denmark, Ireland and the United Kingdom, there shall be applied the customs duties determined by multiplying, by a coefficient equal to the margin of preferences existing between the duty given in the first subparagraph and the Common Customs Tariff duties applicable, the duties obtained by reducing by 40 % the difference between the lowest duty applied on 1 January 1972 to the developing countries set out in the Annex and the Common Customs Tariff.

However, the duties given in the first subparagraph shall be applied where the duties resulting from the abovementioned calculation are higher than them.

2. These tariff quotas shall apply solely to products originating in the countries and territories listed in the Annex. However, those imports which enjoy exemption from customs duties under other preferential tariff arrangements granted by the Community may not be charged against these tariff quotas.

For the purposes of implementing this Regulation the concept of originating products shall be that laid down by the provisions of Commission Regulation (EEC) No 3614/73 [1] of 20 December 1973 applicable to the products benefiting from tariff preferences granted by the Community to the developing countries for the period from 1 January to 31 December 1974.

Article 2

The Community tariff quota mentioned in Article 1 shall be allocated in shares which, for each Member State, shall be of the amount indicated below.

Germany	2 100 000 units of account
Benelux	1 680 000 units of account
France	840 000 units of account
Italy	60 000 units of account
Denmark	780 000 units of account
Ireland	540 000 units of account
United Kingdom	24 000 000 units of account.

Article 3

1. The Member States shall ensure free access to the share which has been allocated to them for importers of the products concerned who are established on their territory.

2. The extent to which the shares of Member States have been actually filled shall be determined on the basis of imports of the said goods which have been entered for home use, on the basis of the customs value of the said goods, and which are accompanied by a certificate of origin in accordance with the rules referred to in Article 1 (2). For the purposes of applying Article 1 (1), subparagraph 3, the extent to which the shares have been filled shall also be determined in tonnage.

3. Goods may qualify for a tariff quota only if the certificate of origin referred to in paragraph 2 is submitted before the date on which the levying of duties is reintroduced.

Article 4

Member States shall inform the Commission at monthly intervals of imports of the said goods actually charged against their shares. This information shall show both the value expressed in units of account and the quantity expressed in metric tons.

Once a quantity of 22 000 metric tons is reached at Community level for the specified goods, originating in the countries and territories listed in the Annex, and has been charged against the Community tariff quota in the manner laid down in Article 1 (1), subparagraph 3 and in Article 2 (2), the Commission shall without delay notify the Member States of the date on which, as a result of this fact, the levying of the normal tariff duties is to be reintroduced. Such notification shall be published in the *Official Journal of the European Communities.*

Article 5

Member States and the Commission shall cooperate closely to ensure that the above Articles are observed.

Article 6

This Regulation shall enter into force on the day of 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, 21 January 1974.

For the Council

The President

J. ERTL

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[1] OJ No L 358, 28. 12. 1973.

ANNEX

List of developing countries and territories enjoying generalized tariff preferences

INDEPENDENT COUNTRIES

Afghanistan
Algeria
Argentina

Bahamas
Bahrain
Bangladesh
Barbados
Bhutan
Bolivia
Botswana
Brazil
Burma
Burundi

Cameroon
Central African Republic
Chad
Chile
Colombia
Congo, People's Republic of
Costa Rica
Cuba
Cyprus

Dahomey
Dominican Republic

Ecuador
Egypt, Arab Republic of
El Salvador
Equatorial Guinea
Ethiopia

Fiji

Gabon
Gambia
Ghana
Guatemala
Guinea
Guyana

Haiti
Honduras

India
Indonesia
Iran
Iraq
Ivory Coast

Jamaica
Jordan

Kenya
Khmer Republic
Korea (South)
Kuwait

Laos
Lebanon
Lesotho
Liberia
Libya

Malagasy Republic
Malawi
Malaysia
Maldive Islands
Mali
Mauritania
Mauritius
Mexico
Morocco

Nauru
Nepal
Nicaragua
Niger
Nigeria

Oman

Pakistan
Panama
Paraguay
Peru
Philippines

Qatar

Rwanda

Saudi Arabia
Senegal
Sierra Leone
Singapore
Somalia
Sri Lanka
Sudan
Swaziland
Syria

Tanzania
Thailand
Togo
Tonga
Trinidad and Tobago
Tunisia

Uganda
United Arab Emirates :
  Abu Dhabi
  Dubai
  Ras al Khaimah
  Fujairah
  Ajman
  Sharjah
  Umm al Qaiwain
Upper Volta
Uruguay

Venezuela
Vietnam (Republic of)

Western Samoa

Yemen, People's Democratic Republic of
Yemen Arab Republic
Yugoslavia

Zaire
Zambia

Countries and territories

dependent or administered, or for whose external relations Member States of the Community or third countries are wholly or partly responsible

Afars and Issas (Territory of the)
Angola (including Cabinda)
Australian Antarctic Territory
Belize
Bermuda
British Antarctic Territory
British Indian Ocean Territory (Aldabra, Farquhar, Chagos Archipelago, Des Roches)
British Pacific Ocean (1)
Brunei
Cape Verde Islands
Cayman Islands and Dependencies
Christmas Island
Cocos (Keeling) Islands
Comoro Archipelago
Corn Islands and Swan Islands
Falkland Islands and Dependencies
French Polynesia
French Southern and Antarctic Territories
Gibraltar
Heard Island and MacDonald Islands
Hong Kong
Leeward Islands (2)
Macao
Mozambique
Netherlands Antilles
New Caledonia and Dependencies
Norfolk Islands
Pacific Islands administered by the United States of America or under United States trusteeship (3)
Papua-New Guinea
Portuguese Guinea
Portuguese Timor
St Helena (including Ascension, Gough Island, and Tristan da Cunha)
Saint Pierre and Miquelon
Sâo Tomé and Principe
Seychelles (including Amirantes)
Sikkim
Spanish territories in Africa
Surinam
Territories for which New Zealand is responsible (Cook Islands, Niuwe Island, Tokelau Islands and Ross Dependency)
Turks and Caocos Islands
Virgin Islands of the United States (St Croix, St Thomas, St John, etc).
Wallis and Futuna Islands
Windward Islands (4)

Note: The above lists may be amended subsequently to take account of changes in the international status of countries or territories.

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(1) Gilbert and Ellice Islands, British Solomon Islands, New Hebrides Condominium, and Pitcairn Islands.
(2) Antigua, Montserrat, St Kitts-Nevis-Anguilla, British Virgin Islands.
(3) The Pacific Islands administered by the United States of America include: Guam, American Samoa (including Swain's Island), Midway Islands, Johnston and Sand Islands, Wake Island and the Trust Territory of the Pacific Islands (the Caroline, Marianas and Marshall Islands).
(4) Dominica, Grenada, St Lucia, St Vincent.