REGULATION (EEC) No 363/74 OF THE COUNCIL

of 4 February 1974

opening, allocating and providing for the administration of a Community tariff quota for cotton yarn falling within heading No 55.05 of the Common Customs Tariff, originating in Malta

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 Malta, signed at Valetta on 5 December 1970, provides in Article 3 (1) together with Article 2 of Annex I for the opening by the Community of an annual Community tariff quota of 750 metric tons of cotton yarn not put up for retail sale falling within heading No 55.05 of the Common Customs Tariff, originating in Malta; whereas, pursuant to Article 1 of the said Annex the quota duty is equal to 30% of the Common Customs Tariff duty in respect of the product concerned; whereas, with a view to granting Malta a treatment not less favourable than that enjoyed by countries eligible for the Generalized System of Preferences, the abovementioned volume should be increased by 50% and the duties totally suspended; whereas, as regards the allocation of this tariff quota, the quota volume laid down in the Agreement should be confined to the original Member States and the additional volume of 375 metric tons resulting from the increase should be allocated to all Member States;

Whereas it is in particular necessary to ensure to all Community importers equal and uninterrupted access to the abovementioned quota and uninterrupted application of the rate laid down for that quota to all imports of the product concerned into all Member States until the quota has been used up; whereas, having regard to the principles mentioned above, the Community nature of the quota can be respected by allocating the Community tariff quota among the Member States; whereas, in order to reflect more accurately the actual development of the market in the product concerned, such allocation should be in proportion to the needs of the Member States, assessed by reference to both the statistics of each State's imports of the said goods from Malta over a representative period and the economic outlook for the quota period concerned;

Whereas, during the past three years for which statistics are available, the corresponding imports by each of the Member States represent the following percentages of the imports into the Community, from Malta of the products concerned:

	1970		1971		1972	
Germany	30·2	22·4	41·5	34·5	57·3	51·4
Benelux	41·5	31·0	42·0	34·8	28·7	25·7
France	—	3·0	2·1	1·7	5·4	4·8
Italy	28·3	21·1	14·4	12·0	8·6	7·8
Denmark		—		—		0·1
Ireland		3·0		5·3		3·2
United Kingdom		19·5		11·7		7·0

Whereas both these percentages and the estimates from certain Member States should be taken into account for the purposes of allocating the two abovementioned quota amounts; whereas initial quota shares may consequently by fixed approximately as follows:

Benelux	26·0
Denmark	0·1
France	5·0
Germany	45·0
Ireland	1·3
Italy	17·6
United Kingdom	5·0

Whereas, in order to take into account import trends for the products concerned in the different Member States, the quota amount should be divided into two tranches, the first tranche being allocated among the Member States, and the second forming a reserve intended ultimately to cover the requirements of the Member States which have used up their initial quota shares; whereas, in order to ensure a certain degree of security to importers in each Member State, the first tranche of the Community quota should be determined at a level which, under present circumstances, may be 70% of the quota amount;

Whereas the initial quota shares of the Member States may be used up, at different times; whereas, in order to take this fact into account and avoid any break in continuity, is it important that any Member State having used up almost the whole of its initial quota share should draw an additional quota share from the reserve; whereas, this must be done by each Member State as and when each of its additional quota shares is almost entirely used up, and repeated as many times as the reserve allows; whereas the initial and additional quota shares must be available for use until the end of the quota period; whereas this method of administration calls for close cooperation between Member States and the Commission, which must, in particular, be able to observe the extent to which the quota amount is used and inform Member States thereof;

Whereas if, at a specified date in the quota period, a considerable balance remains in one or other Member State it is essential that that Member State pays a large amount of it back into the reserve, in order to avoid a part of the Community quota's remaining unused in one Member State when it could be used in others;

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 shares granted to the abovementioned Economic Union may be carried out by any of its members,

HAS ADOPTED THIS REGULATION:

Article 1

1. Until 31 December 1974, a tariff quota of 1 125 metric tons shall be opened in the Community for cotton yarn not put up for retail sale, falling within heading No 55.05 of the Common Customs Tariff, originating in Malta.

2. Within the limits of this tariff quota the Community Customs Tariff duties shall be totally suspended.

This suspension shall be fully applied in the new Member States.

Article 2

1. A first tranche, amounting to 795 metric tons of the Community tariff quota referred to in Article 1, shall be shared among the Member States; the proportions which, subject to Article 5, shall be valid until 31 December 1974 shall consist of the following amounts;

Germany	360 metric tons
Benelux	204 metric tons
France	40 metric tons
Italy	140 metric tons
Denmark	1 metric ton
Ireland	10 metric tons
United Kingdom	40 metric tons

2. The second tranche of 330 metric tons shall constitute the reserve.

Article 3

1. If 90% or more of the initial share of a Member State, as laid down in Article 2 (1) or 90% of that share less the amount returned into the reserve, where the provisions of Article 5 have been applied, has been exhausted, that Member State shall proceed without delay, by notifying the Commission, to draw a second share equal to 15% of its initial share, rounded up to the next unit where appropriate, to the extent that the amount in the reserve allows.

2. If, after its initial share has been exhausted, 90% or more of the second share drawn by a Member State has been used, that Member State shall, in accordance with the conditions laid down in para-

graph 1, proceed without delay to draw a third share equal to 7·5 % of its initial share, rounded up to the next unit where appropriate, to the extent that the amount in the reserve allows.

3. If, after its second share has been exhausted, 90 % or more of the third share drawn by a Member State has been used, that Member State shall proceed, in the same way, to draw a fourth share equal to the third.

This process shall be applied until the reserve is exhausted.

4. Notwithstanding the provisions of paragraphs 1, 2 and 3, the Member States may proceed to draw shares smaller than those fixed in those paragraphs, if there is reason to believe that they might not be used up. They shall inform the Commission of the reasons which led them to apply this paragraph.

Article 4

Each of the additional shares drawn pursuant to Article 3 shall be valid until 31 December 1974.

Article 5

If, by 15 September 1974, a Member State has not used up its initial share, it shall, not later than 10 October 1974, return to the reserve the unused portion of this share in excess of 20 % of the initial amount. It may return a larger quantity if there is reason to believe that such quantity might not be used.

The Member States shall, not later than 10 October 1974, notify the Commission of the total imports of the product concerned effected up to 15 September 1974 inclusive, and charged against the Community quota and, where appropriate, the proportion of their initial share that is being returned to the reserve.

Article 6

The Commission shall keep account of the shares opened by Member States in accordance with Articles 2 and 3 and shall inform each of them of the extent to which the reserve has been used as soon as it received the notifications.

The Commission shall, not later than 15 October 1974, notify Member States of the amount in the reserve after the return of shares pursuant to Article 5.

The Commission shall ensure that any drawing which uses up the reserve is limited to the balance available and, for this purpose, shall specify the amount thereof to the Member State which makes the final drawing.

Article 7

1. The Member States shall take all appropriate measures to ensure that, when additional shares are drawn pursuant to Article 3, it is possible for charges to be made without interruption against their accumulated shares of the Community quota.

2. The Member States shall ensure that importers of the product concerned established in their territory have free access to the shares allocated to them.

3. The Member States shall charge imports of the said goods against their share as and when the goods are entered for home use.

4. The extent to which a Member State has used up its share shall be determined on the basis of the imports charged in accordance with paragraph 3.

Article 8

Member States shall inform the Commission at regular intervals of imports actually charged against their shares.

Article 9

The Member States and the Commission shall co-operate closely in order to ensure that this Regulation is observed.

Article 10

The tariff quota laid down in this Regulation shall be opened for 1974.

This Regulation shall enter into force on the third 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, 4 February 1974.

For the Council
The President
W. SCHEEL