REGULATION (EEC) No 369/74 OF THE COUNCIL

of 4 February 1974

opening, allocating and providing for the 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] and the Protocol laying down certain provisions relating to the Agreement between the European Economic Community and the Arab Republic of Egypt consequent on the Accession of new Member States to the European Economic Community [2] 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 the Protocol provides that the tariff quota should be allocated among the Member States as follows: 200 000 metric tons for 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 45 % of the duties of the Common Customs Tariff; whereas as regards the duties applicable to the quota by the new Member States, the special provisions of the Protocol and of the Act of Accession should be complied with; 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 the Community as originally constituted:

— equal and uninterrupted access to the quota should be ensured for all importers and quota duties applied continuously to all imports of the said products until the quota has been used up;

— in the light of the above principles the Community nature of the quota may best be preserved by an arrangement allocating it among the Member States; whereas in order to provide the most accurate reflection of actual market trends for the said products, such allocation should be proportionate to the needs of the Member States, calculated both from the statistics for each Member State's imports from the Arab Republic of Egypt over a representative reference period and from economic prospects for the quota period in question;

— in view of the fact however that over the past three years the said products have been imported into only one Member State, and in small quantities, and that no estimates can be made for 1974, and in order to ensure a fair distribution among the Member States concerned, the initial percentage share, having regard to the potential demand for the said products in the various Member States, should be approximately 25 % each;

— 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 instalments, the first instalment being allocated among the same Member States, the second instalment constituting a reserve intended to cover the later requirements of 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 instalment 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 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 shall 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

[1] OJ No L 251, 7. 9. 1973, p. 2.
[2] OJ No L 251, 7. 9. 1973, p. 87.

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 one of the Member States concerned, it is essential that that State should return a significant proportion to the reserve, to prevent a part of the quota allocated to the Community as originally constituted from remaining unused in one Member State when it could be used in others;

— 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, 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 the new Member States:

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

— equal and uninterrupted access to the quota should be ensured for all importers and quota duties should be applied continuously to all imports of the products in question until the quota has been 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 between the European Economic Community and the Arab Republic of Egypt, a Community tariff quota of 360 000 metric tons shall be opened until 31 December 1974, for the products listed below refined in the Arab Republic of Egypt:

CCT heading No	Description
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, those 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 Chapter 27 (a) d) For other purposes
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

(a) Entry unde- this subheading is subject to conditions to be determined by the competent authorities.

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

SECTION I

Provisions applicable to the Community as originally constituted

Article 2

Common Customs Tariff duties shall be partially suspended at the rates indicated below for 200 000 metric tons of the quota referred to in Article 1:

CCT heading No	Rate of duty (%)
27.10 A III	2·7
27.10 B III	2·7
27.10 C I c)	1·5
27.10 C II c)	1·5
27.10 C III c)	1·8
27.10 C III d)	2·7
27.11 B I c)	0·6
27.12 A III	0·9
27.12 B	3·1
27.13 B I c)	0·9
27.13 B II	2·7
27.14 C II	0·9

Article 3

1. A first instalment of 140 000 metric tons of the amount mentioned in Article 2 shall be allocated among the Member States; the shares which, subject to Article 6, are valid until 31 December 1974, are as follows:

Germany	35 000 metric tons
Benelux	30 000 metric tons
France	35 000 metric tons
Italy	40 000 metric tons

2. The second instalment, amounting to 60 000 metric tons, shall make up the reserve.

Article 4

1. If 90% or more of a Member State's initial quota share specified in Article 3 (1), or of that share less 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 to the next unit where necessary.

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, in the manner provided for in paragraph 1, draw a third quota share, 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 been used up, that Member State shall, in the same manner, draw a fourth quota share equal to the third.

This procedure shall be followed until the reserve has been used up.

4. Notwithstanding paragraphs 1 to 3, a Member State may draw smaller shares than those fixed in these paragraphs if there is reason to believe that those fixed might 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 1974.

Article 6

A Member State which on 15 September 1974, has not used up its initial quota share shall return to the reserve not later than 10 October 1974 the unused portion exceeding 20% of the initial amount. It may return a greater portion if there is reason to believe that it may not be used up.

Member States shall, not later than 10 October 1974, notify the Commission of the total quantities of the products on question imported up to and including 15 September 1974 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 October 1974, inform the Member States of the amount still in the 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 additional shares taken up under Article 4 are so drawn as to allow for uninterrupted charges against their accumulated shares of the Community quota.

SECTION II

Provisions applicable to the new Member States

Article 9

Within the tariff quota referred to in Article 1, the new Member States shall apply duties calculated in accordance with the relevant provisions of the Act of Accession, the Agreement and the Protocol.

Article 10

Under the quota, 160 000 metric tons shall be allocated among the new Member States as follows:

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

SECTION III

General provisions

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 said products presented for customs clearance under cover of a declaration that they have been made available 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 respected.

Article 14

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