COUNCIL REGULATION (EEC) No 2749/77

of 5 December 1977

opening, allocating and providing for the administration of a Community tariff quota for yarn, entirely of silk, other than yarn of noil or other waste silk, not put up for retail sale, falling within heading No ex 50.04 of the Common Customs Tariff (1978)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 28 thereof,

Having regard to the draft Regulation submitted by the Commission,

Whereas silk yarn is produced in the Community; whereas, although that production could cover all the Community requirements by reason of its overall volume, this does not apply with regard to yarn entirely spun from silk; whereas there is, as a result, an insufficient supply in the Community;

Whereas, consequently, Community supply for those qualities of yarn depends to a considerable extent on imports; whereas full application of the Common Customs Tariff duty would result in those products being subjected to a considerable customs charge while products manufactured from silk yarn face powerful competition from similar products manufactured from other material; whereas an insufficient supply, added to competition at finished product level, might have adverse results for the Community's processing industries;

Whereas the Common Customs Tariff duty applicable to imports of the silk yarn in question is 7 %; whereas, when fixing the quota duty, it is appropriate to take into account, on the one hand, the situation of the Community silk yarn producing industry and, on the other, that of the silk yarn processing industries with regard to their supplies on favourable terms; whereas a quota duty of 2·5 % could best meet the abovementioned requirements;

Whereas the trends in imports during recent years suggest that the import requirements for the yarns in question might be in the region of 60 tonnes for 1978; whereas the opening of a Community tariff quota of that volume is unlikely to harm Community production;

Whereas equal and continuous access to the quota should be ensured for all importers and the rate laid down for the tariff quota should be applied consistently to all imports of the product in question until the quota is used up; whereas a system of utilization of the Community tariff quota, based on an allocation between the Member States concerned, would, in the light of the principles outlined above, appear consistent with the Community nature of the quota; whereas, to represent as closely as possible the actual market trends in the product in question, the allocation should be proportionate to the requirements of the Member States calculated with reference to statistical data on imports during a representative reference period and to the economic prospects for the quota period in question;

Whereas the imports of the products falling within heading No 50.04 of each of the Member States concerned during the last three years for which complete statistics are available represent the following percentages of total Community imports of these products:

	1974	1975	1976
Benelux	5	0	0
Denmark	0	0	0·7
Germany	28	43·15	7·0
France	17	25·16	10·4
Ireland	7	0·05	0·4
Italy	39	21·58	76·0
United Kingdom	4	10·06	5·5

Whereas, in view of these factors and of the forecasts which it is possible to make, the initial percentage shares in the quota volume can be expressed approximately as follows:

Benelux	2·5
Denmark	2·5
Germany	25·0
France	30·0
Ireland	2·5
Italy	27·5
United Kingdom	10·0

Whereas, to take account of future trends in imports of the product in question, in the various Member States, the quota should be divided into two tranches, the first being distributed among the Member States and the second to form a reserve intended to cover any subsequent requirements of Member States who have used up their initial shares ; whereas in order to ensure a certain degree of security for importers of each Member State the first tranche should be fixed at 67 % of the total quota ;

Whereas the initial shares may be used up at different rates ; whereas, to provide for this eventuality and to avoid disruption of supplies, any Member State which has almost used up its initial share should draw an additional share from the reserve ; whereas this should be done by each Member State when each of its additional shares has been almost used up, and so on as many times as the reserve allows ; whereas the initial and additional shares should be valid until the end of the quota period ; whereas this form of administration requires close collaboration between Member States and the Commission, which latter must, in particular, be able to keep a record of the extent to which the quota has been used up and to inform the Member States accordingly ;

Whereas if, at a given date in the quota period, a considerable quantity of the initial share is left over in a Member State, it is essential that that Member State should return a significant proportion to the reserve, so as to avoid a part of the quota 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 within and jointly represented by the Benelux Economic Union, any measure concerning the administration of the shares allocated to that economic union may be carried out by any one of its members,

HAS ADOPTED THIS REGULATION :

From 1 January to 31 December 1978, the autonomous duty of the Common Customs Tariff for yarn entirely of silk, other than yarn of noil or other waste silk, not put up for retail sale, falling within heading No ex 50.04, shall be suspended at 2·5 % within a Community tariff quota of 60 tonnes.

Article 2

1. A first tranche of 40 tonnes of this Community tariff quota shall be allocated among the Member States. Member States' shares which, subject to Article 5, shall be valid until 31 December 1978, shall be as follows :

	(tonnes)
Benelux	1
Denmark	1
Germany	10
France	12
Ireland	1
Italy	11
United Kingdom	4

2. The second tranche of 20 tonnes shall constitute the reserve.

Article 3

1. If 90 % or more of a Member State's initial share as fixed in Article 2 (1), or of that share minus any portion returned to the reserve where Article 5 has been applied, has been used up, that Member State shall forthwith, by notifying the Commission, draw a second share, to the extent that the reserve so permits, equal to 10 % of its intial share, rounded up as necessary to the next whole number.

2. If, after its initial share has been used up, 90 % or more of the second share drawn by a Member State has been used up, that Member State shall forthwith, in the manner and to the extent provided in paragraph 1, draw a third share equal to 5 % of its initial share.

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

This procedure shall apply until the reserve is used up.

4. By way of derogation from paragraphs 1, 2 and 3, Member States may draw lesser shares than those specified therein if there are grounds for believing that those specified may not be used in full. They shall inform the Commission of their reasons for applying this paragraph.

Article 4

Additional shares drawn pursuant to Article 3 shall be valid until 31 December 1978.

Article 5

Member States shall return to the reserve, not later than 1 October 1978, the unused portions of their initial shares which, on 15 September 1978, are in excess of 20 % of the initial amounts. They may return a greater portion if there are grounds for believing that such portion may not be used up.

Member States shall notify the Commission, not later than 1 October 1978, of the total quantities of silk yarn imported up to and including 15 September 1978 and charged against the Community quota and of any portion of their initial shares returned to the reserve.

Article 6

The Commission shall keep an account of the shares opened by the Member States pursuant to Articles 2 and 3 and, as soon as it has been notified, shall inform each State of the extent to which the reserve has been used up.

It shall inform the Member States, not later than 5 October 1978, of the amount still in reserve after amounts have been returned thereto pursuant to Article 5.

It shall ensure that the drawing which exhausts the reserve does not exceed the balance available, and to this end shall notify the amount of that balance to the Member State making the last drawing.

Article 7

1. Member States shall take all appropriate measures to ensure that additional shares drawn pursuant to Article 3 are opened in such a way that imports may be charged without interruption against their aggregate shares of the Community quota.

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

3. Member States shall charge against their shares imports of the product in question as and when the product is entered with the customs authorities 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

At the Commission's request, Member States shall inform it of the imports actually charged against their shares.

Article 9

Member States and the Commission shall cooperate closely to ensure that this Regulation is complied with.

Article 10

This Regulation shall enter into force on 1 January 1978.

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

Done at Brussels, 5 December 1977.

For the Council

The President

A. HUMBLET