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PROPOSAL

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Subject:	Proposal for a Council Regulation amending Regulation (EU) No 1388/2013 opening and providing for the management of autonomous tariff quotas of the Union for certain agricultural and industrial products

Delegations will find attached document COM(2015) 202 final.

Encl.: COM(2015) 202 final



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Proposal for a

COUNCIL REGULATION

amending Regulation (EU) No 1388/2013 opening and providing for the management of autonomous tariff quotas of the Union for certain agricultural and industrial products

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

On 17 December 2013 the Council adopted Regulation (EU) No 1388/2013 opening and providing for the management of autonomous tariff quotas of the Union for certain agricultural and industrial products so that Union demand for the products in question could be met under the most favourable conditions.

Autonomous tariff quotas of the Union are needed for products where production in the Union is insufficient to meet the needs of the user industry in the Union for the current quota period. The Commission, assisted by the Economic Tariff Questions Group (ETQG), has therefore reviewed all requests for autonomous quotas forwarded by the Member States. ETQG consists of delegations from all Member States plus Turkey. It met three times before the changes laid down in this proposal have been agreed.

Each request was assessed carefully by the group. In particular, preventing any harm for EU producers and the strengthening and consolidation of the competitiveness of EU production are part of the examination of each case. This assessment has been carried out by discussions within the group and consultation by Member States of the concerned industries, associations, chambers of commerce and other stakeholders involved.

This proposal concerns a number of agricultural and industrial products. The quota requests were examined in the light of the criteria set out in the Communication from the Commission concerning autonomous tariff suspensions and quotas (OJ C 363, 13.12.2011, p. 6). Following this examination, the Commission considers that the opening of an autonomous tariff quota is justified for the products listed in the table under point (1) of the Annex of this proposal.

Furthermore, it became necessary to adapt the quotas listed in the table under point (2) of the Annex to this proposal:

- for order Nos 09.2664 and 09.2763 the description need to be changed,
- for order Nos 09.2629, 09.2645, 09.2665, 09.2834, 09.2835, and 09.2972 the volumes need to be increased.

The autonomous tariff quotas with order numbers 09.2677 and 09.2678 are deleted from the Annex of Council Regulation (EU) No 1388/2013, as it is not in the interest of the Union to continue granting such quotas.

Finally, it is proposed to add a paragraph in Article 1, by which the scope of the quotas to the products listed in the Annex to Regulation (EU) No 1388/2013 is strictly limited, in order to prevent any possible harm for the EU producers by avoiding any imports of goods which were not examined by the Commission with the assistance of the ETQG.

The proposal is in line with the trade, enterprise, development and external relations policies.

Particularly, this proposal is not at the expense of countries enjoying a preferential trading agreement with the EU (e.g. GSP, ACP regime, candidate countries and potential candidates).

2. RESULTS OF CONSULTATIONS OF THE INTERESTED PARTIES AND IMPACT ASSESSMENTS

The Economic Tariff Questions Group, in which the competent authorities of all Member State are represented, was consulted. All listed quotas correspond to agreements or compromises reached in the discussions of the group.

There was no mention of potentially serious risks with irreversible consequences.

3. LEGAL ELEMENTS OF THE PROPOSAL

The legal basis of this regulation proposal is Article 31 of the Treaty on the Functioning of the European Union (TFEU).

By virtue of Article 31 of the TFEU autonomous tariff suspensions and quotas are fixed by the Council acting on qualified majority on the basis of a Commission proposal, therefore a regulation is the appropriate instrument.

The proposal falls under the exclusive competence of the Union. The subsidiary principle therefore does not apply.

The proposal complies with the principle of proportionality as this set of measures is in line with the principles set out to simplify the procedures for the operators engaged in foreign trade and in accordance with the Commission communication concerning autonomous tariff suspensions and quotas (C 363, 13.12.2011 p.6).

4. BUDGETARY IMPLICATION

Uncollected customs duties of a total amount of approximately 3,4 Mio €/year. The effect on the traditional own resources of the budget is - 2,6 MEUR/year (75% x 3,4 Mio €/year).

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 31 thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) In order to ensure sufficient and uninterrupted supply of certain goods insufficiently produced in the Union and to avoid any disturbances on the market for certain agricultural and industrial products, autonomous tariff quotas have been opened by Council Regulation (EU) No 1388/2013¹. Products within those tariff quotas can be imported into the Union at reduced or zero duty rates. For the reasons indicated, it is necessary to open, with effect from 1 July 2015, tariff quotas at zero duty rates for an appropriate volume as regards seven new products.
- (2) In certain cases, the existing autonomous tariff quotas of the Union should be adapted. In the case of two products, it is necessary to amend the product description for clarification purposes and in order to take into account the recent product developments. In the case of six other products the quota volumes should be increased as such increase is in the interest of economic operators of the Union.
- (3) In case of one product, the autonomous tariff quotas of the Union should be closed with effect from 1 July 2015 as it is not in the Union's interest to continue granting them as from that date.
- (4) It should be clarified that any mixtures, preparations or products made up of different components containing products subject to autonomous tariff quotas are not covered by the Annex to Regulation (EU) No 1388/2013.
- (5) Regulation (EU) No 1388/2013 should therefore be amended accordingly.
- (6) Since the amendments pursuant to this Regulation should take effect from 1 July 2015, this Regulation should apply from that date,

¹ Council Regulation (EU) No 1388/2013 of 17 December 2013 opening and providing for the management of autonomous tariff quotas of the Union for certain agricultural and industrial products, and repealing Regulation (EU) No 7/2010 (OJ L 354, 28.12.2013, p. 319).

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EU) No 1388/2013 is amended as follows:

1. Article 1 is replaced by the following:

“Article 1

1. For the products listed in the Annex, autonomous tariff quotas of the Union shall be opened within which the autonomous Common Customs Tariff duties shall be suspended for the periods, at the duty rates, and up to the volumes indicated therein.

2. Any mixtures, preparations or products made up of different components containing products listed in the Annex shall not be subject to paragraph 1 of this Article.”

2. The Annex is amended as set out in the Annex to this Regulation.

Article 2

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 July 2015.

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

Done at Brussels,

*For the Council
The President*

LEGISLATIVE FINANCIAL STATEMENT

1. NAME OF THE PROPOSAL:

Council Regulation amending Regulation (EU) No 1388/2013 opening and providing for the management of autonomous tariff quotas of the Union for certain agricultural and industrial products

2. BUDGET LINES

Chapter and Article: Chapter 12, Article 120

Amount budgeted for the year 2015: €16 701 200 000 €(B 2015)

3. FINANCIAL IMPACT

Proposal has no financial implications

Proposal has no financial impact on expenditure but has a financial impact on revenue. The effect is as follows:

(€million to one decimal place)

Budget line	Revenue ²	6 month period, starting dd/mm/aaaa	[Year: 2/2015]
Article 120	<i>Impact on own resources</i>	01/07/2015	- 1,3

(€million to one decimal place)

Situation following action	
	[2016 and following years]
Article 120	- 2,6/ year

On the basis of the above, the impact on the loss of revenue resulting from this Regulation may be estimated at 2,6 MEUR/year from 01.07.2015 onwards (3,4 MEUR gross amount x 0,75) and 1,3 MEUR for the period 01.07.2015 – 31.12.2015.

The loss of revenue in Traditional Own Resources shall be compensated by Member States contributions based on the GNI.

² Regarding traditional own resources (agricultural duties, sugar levies, customs duties) the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25 % of collection costs

4. ANTI-FRAUD MEASURES

Checks on the end-use of some of the products covered by this Council Regulation will be carried out in accordance with Articles 291 to 300 of Commission Regulation (EEC) No 2454/93.