EUROPEAN
COMMISSION

Brussels, 11.11.2024
COM(2024) 519 final

2024/0288 (NLE)

Proposal for a

COUNCIL REGULATION

amending Regulation (EU) 2021/2283 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

• Reasons for and objectives of the proposal

Autonomous tariff quotas of the Union are needed for products whose production in the Union is insufficient to meet the needs of the user industry in the Union for a given quota period. Union tariff quotas should be opened at zero or reduced duty rates for appropriate volumes, without disturbing the markets for such products.

On 20 December 2021, the Council of the European Union adopted Regulation (EU) 2021/2283[1] 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.

The Regulation is updated every six months to accommodate the needs of Union industry.

The Commission, assisted by the Economic Tariff Questions Group ("ETQG"), has reviewed all requests from the Member States for autonomous tariff quotas duties.

Following this review, the Commission considers that the opening of autonomous tariff quotas is justified for five products, currently not listed in the Annex to Council Regulation (EU) 2021/2283. In relation to 26 other products, it has become necessary to either change the wording of the description, assign a new CN/TARIC code, increase, or decrease of the initial quota volume, adapt the quota period, and/or insert an end-use requirement. Three products for which a tariff quota is no longer in the Union's economic interest should be withdrawn.

For reasons of clarity, it is advisable to publish a consolidated version of the Annex to Council Regulation (EU) 2021/2283, which will fully replace the previous Annex.

• Consistency with existing policy provisions in the policy area

This proposal does not affect countries that have a preferential trading agreement with the Union nor candidate countries or potential candidates for preferential agreements with the Union (e.g. Generalised System of Preferences; the African, Caribbean and Pacific group trade regime; Free Trade Agreements).

• Consistency with other Union policies

The proposal is in line with Union policies on agriculture, trade, enterprise, development, environment, and external relations.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

• Legal basis

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

[1] OJ L 458, 22.12.2021, p.33

- **Subsidiarity (for non-exclusive competence)**

The proposal falls under the Union's exclusive competence. The subsidiarity principle therefore does not apply.

- **Proportionality**

The proposal complies with the principle of proportionality. The measures envisaged are in line with the principles for simplifying procedures for operators engaged in foreign trade, as stated in the Commission communication concerning autonomous tariff suspensions and quotas[2]. This Regulation does not go beyond what is necessary to achieve the objectives pursued in accordance with Article 5(4) of the Treaty on European Union (TEU).

- **Choice of the instrument**

By virtue of Article 31 of the TFEU, "Common Customs Tariff duties shall be fixed by the Council on a proposal from the Commission". Therefore, a Council regulation is the appropriate instrument.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

The autonomous tariff quotas scheme was part of an evaluation study carried out in 2013 on autonomous tariff suspensions[3].

Autonomous tariff quotas and suspensions are similar, except that autonomous tariff quotas limit the import volumes that benefit from the reduced duty rates, while autonomous tariff suspensions permit the total or partial waiver of the normal duties applicable to certain goods imported to the EU for an unlimited quantity. The evaluation concluded that the core rationale for the scheme remains valid. The cost savings for Union businesses importing goods under the scheme can be significant. In turn, depending on the product, company and sector, these savings can have wider benefits, such as boosting competitiveness, making production methods more efficient, and creating or keeping jobs in the Union. Details of the savings of this regulation can be found in point 4 and in the attached legislative financial statement.

- **Stakeholder consultations**

The Economic Tariff Questions Group, which consists of delegations from all the EU Member States and Türkiye, assisted the Commission in the preparation of this proposal.

The ETQG carefully assessed each request (new, or for an amendment). It particularly examined each case to ensure that it was not causing any harm to Union producers and was strengthening and consolidating the competitiveness of Union's production. The members of the ETQG carried out the assessment through discussions, and Member States consulted the concerned industries, associations, chambers of commerce and other stakeholders involved.

All listed tariff quotas were the subject of agreements or compromises reached in the discussions held at the ETQG and with the other Commission services. No potentially serious risks with irreversible consequences were identified.

---

2 OJ C 363, 13.12.2011, p. 6.

3 https://taxation-customs.ec.europa.eu/system/files/2016-09/evaluation_suspensions_duties.pdf

- **Impact assessment**

The proposed amendment is of a purely technical nature and concerns only the coverage of tariff quotas listed in the Annex to Regulation (EU) No 2021/2283. An impact assessment was not carried out because the proposed changes in the list of products that would benefit from the autonomous Common Customs Tariff quotas are not expected to have significant impacts.

- **Fundamental rights**

The proposal has no consequences on fundamental rights.

4. BUDGETARY IMPLICATIONS

This proposal has no financial impact on expenditure but has a financial impact on revenue. The uncollected customs duties corresponding to the autonomous tariff quotas amount approximately EUR 15 million per year. The negative effect on the budget's traditional own resources is EUR 11,3 million per year (i.e. 75 % of the total). The legislative financial statement sets out the budgetary implications of the proposal in greater detail.

The loss of revenue in traditional own resources shall be compensated by Member States Gross National Income (GNI) based own resource contributions.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

The proposed measures are managed within the framework of the Integrated Tariff of the European Union "TARIC" (they are integrated in TARIC and managed by the QUOTA database) and applied by the Member States' customs administrations.

2024/0288 (NLE)

Proposal for a

COUNCIL REGULATION

amending Regulation (EU) 2021/2283 opening and providing for the management of autonomous tariff quotas of the Union for certain agricultural and industrial products

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 a sufficient supply of certain agricultural and industrial products which are produced in insufficient quantities in the Union and thereby avoid any disturbances on the market for those products, autonomous tariff quotas of the Union ('quotas') were opened by Council Regulation (EU) 2021/2283[1]. Within those quotas, products can be imported into the Union at reduced or zero duty rates.

(2) As it is in the Union's interest to ensure an adequate supply of certain industrial products, and having regard to the fact that identical, equivalent or substitute products are not produced in sufficient quantities within the Union, it is necessary to open new quotas with order numbers 09.2540, 09.2541, 09.2542, 09.2543 at zero duty rates and 09.2795 at reduced duty rate for appropriate quantities of those products.

(3) As the scope of the quotas with order numbers 09.2652 and 09.2927 has become inadequate to meet the needs of economic operators within the Union, the description of the products covered by those quotas should be amended. Additionally, the indication of the applicable TARIC code for the product with quota order number 09.2652 should be modified. Furthermore, it is in the Union's interest to maintain the quota with order number 09.2652 solely for the purpose of using the products concerned in the manufacture of specific goods produced within the Union. The application of the quotas with order numbers 09.2652 should therefore be made conditional on the specific use of the products in accordance with Article 254 of Regulation (EU) No 952/2013 of the European Parliament and of the Council[2].

(4) For the quotas with order numbers 09.2596, 09.2597, and 09.2685, the classification of those products in Annex I to Council Regulation (EEC) No 2658/87 (the 'Combined

[1] Council Regulation (EU) 2021/2283 of 20 December 2021 opening and providing for the management of autonomous tariff quotas of the Union for certain agricultural and industrial products, and repealing Regulation (EU) No 1388/2013 (OJ L 458, 22.12.2021, p. 33, ELI: http://data.europa.eu/eli/reg/2021/2283/oj).

[2] Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (OJ L 269, 10.10.2013, p. 1, ELI: http://data.europa.eu/eli/reg/2013/952/oj).

Nomenclature')[3], has changed. Therefore, the applicable Combined Nomenclature codes for those quotas should be adapted.

(5) As is it in the Union's interest to ensure an adequate supply of a certain industrial product, the volume of the quota with order number 09.2662 should be increased.

(6) As the Union production capacity for certain industrial product has been increased, the volume of the quota with order number 09.2679 should be decreased.

(7) For the quotas with order numbers 09.2544, 09.2545, 09.2546, 09.2547, 09.2548, 09.2549, 09.2550, 09.2551, 09.2552, 09.2553, 09.2554, 09.2555, 09.2556, 09.2557, 09.2559 and 09.2560, the quota periods should be extended and the quota volumes should be adapted on a yearly basis as the tariff quotas were opened for a period of 6 months only and it is still in the Union's interest to maintain those quotas.

(8) For the quota with order number 09.2808, the quota should be opened for a period of 6 months, to take into account the potential evolution of the production in the Union of those products in the Union.

(9) For the quotas with order numbers 09.2563 and 09.2925, the quotas should be opened for a period of 6 months to ensure that their continued existence does not conflict with any other Union policy. Additionally, it is in the Union's interest to reduce the volume of those quotas by half and to maintain those quotas solely for the purpose of using the products concerned in the manufacture of specific goods produced within the Union. The application of those quotas should therefore be made conditional on the specific use of the products in accordance with Article 254 of Regulation (EU) No 952/2013.

(10) As it is no longer in the Union's interest to maintain the quotas with order numbers 09.2664, 09.2682 and 09.2926, those quotas should be closed with effect from 1 January 2025.

(11) Taking into account the amendments to be made and for the sake of clarity, the Annex to Regulation (EU) 2021/2283 should be replaced.

(12) Regulation (EU) 2021/2283 should therefore be amended accordingly.

(13) In order to avoid any interruption in the application of the quota scheme and to comply with the guidelines set out in the communication from the Commission of 13 December 2011 concerning autonomous tariff suspensions and quotas, the changes provided for in this Regulation regarding the quotas for the products concerned should apply from 1 January 2025. This Regulation should therefore enter into force as a matter of urgency,

HAS ADOPTED THIS REGULATION:

Article 1

The Annex to Regulation (EU) 2021/2283 is replaced by the text set out in the Annex to this Regulation.

[3] Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L 256, 7.9.1987, p. 1, ELI: http://data.europa.eu/eli/reg/1987/2658/oj).

Article 2

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

It shall apply from 1 January 2025.

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 2021/2283 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 2025: EUR 21 082 004 566

3. FINANCIAL IMPACT

☐ Proposal has no financial implications

X Proposal has no financial impact on expenditure but has a financial impact on revenue -the effect is as follows:

(EUR million to one decimal place)

Budget line	Revenue	12 month period, starting dd/mm/yyyy	[Year: 2025]
Article 120	*Impact on own resources*	01/01/2025	- 11,3

The annex contains five new products. The uncollected duties corresponding to these tariff quotas, calculated on the basis of the requesting Member State's projections for 2025, amount to EUR 31 171 227 per year.

Three products have been withdrawn from the Annex of Regulation (EU) No 2021/2283 ensuing the reintroduction of customs duties. This represents an increase of EUR 16 161 118 per year in the collection of duties, as estimated on the basis of 2023 statistics.

On the basis of the above, the positive impact on revenue for the EU budget resulting from this Regulation is estimated at EUR 31 171 227 – 16 161 118 = 15 010 109 (gross amount, including collection costs) x 0,75 = EUR 11 257 582 per year (net amount).

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 Article 254 of Regulation (EU) No 952/2013 of the European Parliament and of the Council[1]. In addition, Member States may carry out any customs controls they deem appropriate under the risk management they undertake, as provided for by Article 46 of Regulation (EU) No 952/2013.

[1] Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (OJ L 269, 10.10.2013, p. 1, ELI: http://data.europa.eu/eli/reg/2013/952/oj).