



COMMISSION OF THE EUROPEAN COMMUNITIES

**Brussels, 22.10.1997
COM(97) 529 final**

97/0286 (CNS)

Proposal for a

COUNCIL REGULATION (EC)

**amending Regulation (EEC) No 2075/92 on the common organisation of the
market in raw tobacco**

(presented by the Commission)

EXPLANATORY MEMORANDUM

The attached proposal for a Council Regulation extends the present market organisation arrangements for tobacco by a year in order to allow the lead-in time needed for the reform envisaged by the Commission in its report to the Council and European Parliament.

Reform would therefore be implemented from the 1999 harvest.

The emergency procedure is sought so that the 1998 crop quotas can be allocated before 31 January 1998.

Proposal for a
COUNCIL REGULATION (EC) No.....

**amending Regulation (EEC) No 2075/92 on the common organisation of the
market in raw tobacco**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 42 and 43 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Having regard to the opinion of the Economic and Social Committee,

Whereas Article 26 of Council Regulation (EEC) No 2075/92 of 30 June 1992 on the common organisation of the market in raw tobacco¹ requires the Commission to submit proposals on the premium and quota arrangements to be used in the organisation of this market;

Whereas because of the time needed for the required procedures it is impossible to implement from the 1998 harvest the reform envisaged by the Commission in its report to the Council and Parliament²;

Whereas the market organisation arrangements in force since the 1993 crop should apply up to the 1998 crop so that a reform in depth can apply from the 1999 crop,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 2075/92 is hereby amended as follows:

¹ OJ No L 215, 30.7.1992, p.70.

² COM(96) 554 final

1. Article 3(1) is replaced by:

“1. A premium scheme shall apply to tobacco of the 1993 to 1998 crops. Within each variety group the premium rate shall be the same for all varieties.”

2. Article 9(1) is replaced by:

“1. To ensure observance of the guarantee thresholds, production quotas shall be imposed for the 1993 to 1998 crops.”

Article 2

This Regulation shall enter into force on the day of 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,

For the Council

FINANCIAL STATEMENT

1.	BUDGET HEADING: Chapter 17 (PDB 98)	APPROPRIATIONS: ECU 975 million			
2.	TITLE: Proposal for a Council Regulation amending Regulation (EEC) No 2075/92 on the common organisation of the market in raw tobacco.				
3.	LEGAL BASIS: Articles 42 and 43 of the Treaty				
4.	AIMS: Application of the current system of premiums to the 1998 harvest.				
5.	FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS (ECU million)	CURRENT FINANCIAL YEAR (97) (ECU million)	FOLLOWING FINANCIAL YEAR (98) (ECU million)	
5.0	EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTION) - NATIONAL AUTHORITIES - OTHER	1 021	-	100	
5.1.	REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL				
		1999 ECU m	2000 ECU m	2001 ECU m	2002 ECU m
5.0.1	ESTIMATED EXPENDITURE	893	28	p.m.	p.m.
5.1.1	ESTIMATED REVENUE				
5.2	METHOD OF CALCULATION: Amount for 1998 harvest: ECU (914.4 + 91.4) million x 1.015 (current dual rate) = ECU 1 021 million (B) Paid over three years, i.e. 1998 budget = ECU 100 million (estimate based on past statistics) 1999 budget = ECU 893 million (estimate based on past statistics) 2000 budget = ECU 28 million (estimate - specific aid in the main).				
6.0	CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?				YES/NO
6.1	CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?				YES/NO
6.2	WILL A SUPPLEMENTARY BUDGET BE NECESSARY?				YES/NO
6.3	WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY?				YES/NO
OBSERVATIONS: The amount to be borne by the EAGGF, with quotas and premiums remaining as they are now and assuming full achievement of the quotas is ECU 914.4 million (of which 1%, i.e. ECU 9.1 million, will be retained by the research and information fund). To this amount is added 10% in special aid, i.e. ECU 91.4 million.					

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