



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 20.11.1997  
COM(97) 603 final

97/0322 (ACC)

Proposal for a

COUNCIL REGULATION (EC)

concerning the conclusion of the Agreement in the form of an exchange of letters amending the Agreement in the form of an exchange of letters between the European Community and the Republic of Bulgaria on the reciprocal establishment of tariff quotas for certain wines, and amending Regulation (EC) No 933/95 opening and providing for the administration of Community tariff quotas for certain wines

(presented by the Commission)



## EXPLANATORY MEMORANDUM

1. In 1993, the European Community concluded Agreements with Bulgaria, Hungary and Romania on the reciprocal establishment of tariff quotas for certain wines. These Agreements were to run initially until 31 December 1997 in the case of Bulgaria and Romania and until 31 December 1998 in the case of Hungary.
2. Under Articles 76, 102 and 128 of the Act of Accession, Austria, Finland and Sweden are to apply the provisions of the preferential Agreements concluded by the Community with certain third countries, including Bulgaria, Hungary and Romania, from 1 January 1995.
3. The negotiations with Bulgaria aimed at preserving reciprocal preferential treatment in 1998 and at continuing to promote the development of trade in wine have resulted in the draft exchange of letters to which this proposal relates and which provides for the initial Agreement to be extended by one year. The negotiations with Romania have not yet reached a conclusion and their outcome will be the subject of a later proposal.
4. The purpose of this proposal is to ask the Council to adopt the results of the negotiations with Bulgaria as set out in the attached draft exchange of letters and take the steps required to implement them, including the amendment of Council Regulation (EC) No 933/95.

[REDACTED]

Proposal for a  
COUNCIL REGULATION (EC)

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THE COUNCIL OF THE EUROPEAN UNION.

Having regard to the Treaty establishing the European Community, and in particular Article 113 in conjunction with the first sentence of Article 228(2) thereof,

Having regard to the proposal from the Commission,

Whereas an Agreement in the form of an exchange of letters on the reciprocal establishment of tariff quotas for certain wines between the European Community of the one part and the Republic of Bulgaria of the other part<sup>1</sup> was signed on 29 November 1993;

Whereas that Agreement expires on 31 December 1997;

Whereas in order to preserve reciprocal preferential treatment and to continue to promote the development of trade in wine the Agreement should be extended until 31 December 1998;

Whereas Regulation (EC) No 933/95 opening and providing for the administration of Community tariff quotas for certain wines originating in Bulgaria, Hungary and Romania<sup>2</sup> opened tariff quotas for certain wines in accordance with the Agreement in the form of an exchange of letters between the European Community and the Republic of Bulgaria; whereas, following the new Agreement in the form of an exchange of letters, Regulation (EC) No 933/95 has to be amended accordingly;

Whereas, in order to facilitate the implementation of certain provisions of the Agreement, the Commission should be authorised to adopt the necessary legislation for implementation of the Agreement in accordance with the procedure laid down in

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<sup>1</sup> OJ No L 337, 31.12.1993, p. 1.

<sup>2</sup> OJ No L 96, 28.4.1995, p. 1.

Article 83 of Council Regulation (EEC) No 822/87 of 16 March 1987 on the common organisation of the market in wine<sup>3</sup>;

HAS ADOPTED THIS REGULATION:

*Article 1*

The Agreement in the form of an exchange of letters between the European Community of the one part and the Republic of Bulgaria of the other part on the reciprocal establishment of tariff quotas for certain wines is hereby approved on behalf of the Community.

The text of the Agreement is attached to this Regulation.

*Article 2*

The President of the Council is hereby authorised to designate the person empowered to sign the Agreement in order to bind the Community.

*Article 3*

The Commission is hereby authorised to adopt the necessary acts for implementation of the Agreement, in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87.

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<sup>3</sup> OJ No L 84, 27.3.1987, p. 1, as last amended by Regulation (EEC) No 1566/93 (OJ No L 154, 25.6.1993, p. 39).

*Article 4*

1. In Article 1(1) of Regulation (EC) No 933/95, the words "to 31 December 1997" are replaced by the words "to 31 December 1998".
2. In Article 1(1) of Regulation (EC) No 933/95 the table under (a) "Wines originating in Bulgaria" is replaced by the following table:

Order No	CN code (1)	Description (2)	Volume of quota (hl)	Rate of duty applicable (% of basic)
09.7001	ex 2204 10	Quality sparkling wine, in containers holding not more than 2 litres	1 600 (1.1 - 31.12.1998)	40
09.7003	ex 2204 21	Quality wine, including quality wine with a designation of origin	401 230 (1.1 - 31.12.1998)	40
09.7005	ex 2204 29	Quality wine, including quality wine with a designation of origin, and wine obtained from grapes of the 'Gamza' vine variety designated and presented under that name or under the synonym 'Kadarka'	128 000 (1.1 - 31.12.1998)	40

*Article 5*

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

It shall apply from 1 January 1998.

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

Done at Brussels, .....

**For the Council**

## AGREEMENT

in the form of an exchange of letters amending the Agreement in the form of an exchange of letters between the European Community and the Republic of Bulgaria on the reciprocal establishment of tariff quotas for certain wines

### *A. Letter from the Community*

Brussels, ..... 1997

Sir,

I have the honour to refer to the Agreement of 29 November 1993 between the European Community and the Republic of Bulgaria on the reciprocal establishment of tariff quotas for certain wines and to the negotiations which have taken place between the European Community and the Republic of Bulgaria with a view to adapting the said Agreement following the accession of the Republic of Austria, the Republic of Finland and the Kingdom of Sweden to the European Union, and to the consultations on extending the Agreement beyond 31 December 1997.

I hereby confirm that the European Community and the Republic of Bulgaria have agreed on the following:

I. Table 1 in the Annex to the said Agreement is replaced by the following table:

#### Quantities of wine originating in the Community and qualifying for tariff reductions

Bulgarian customs tariff code	Description	1993	1994	1995	1996	1997	1998
		Quantity in hectolitres					
ex 2204 21 ex 2204 29	Wine of fresh grapes	42 000	46 200	50 400	54 600	58 800	63 000
ex 2204 10	Quality sparkling wine whether or not produced in specified regions, in containers holding not more than two litres	1 000	1 100	1 200	1 300	1 400	1 500

II. Table 2 in the Annex to the said Agreement is replaced by the following table:

Quantities of wine originating in Bulgaria and qualifying for tariff reductions

CN code	Description	1993	1994	1995	1996	1997	1998
		Quantity in hectolitres					
ex 2204 21	Quality wine, including quality wine with a designation of origin	214 000	247 000	280 400	313 600	346 800	401 230
ex 2204 29	Quality wine, including quality wine with a designation of origin, and wine obtained from grapes of the 'Gamza' vine variety designated and presented under that name or under the synonym 'Kadarka'	118 000	118 000	118 000	118 000	118 000	128 000
ex 2204 10	Quality sparkling wine, in containers holding no more than 2 litres	1 000	1 100	1 200	1 300	1 400	1 600

III. Point 3(a) of the said Agreement is replaced by the following:

"in the case of duties applied by Bulgaria to imports of wine originating in the Community:

- in 1993: 90% of the basic duty,
- in 1994: 80% of the basic duty,
- in 1995 and subsequent years: 70% of the basic duty but not exceeding 28% *ad valorem*;"

This exchange of letters shall be approved by the contracting Parties in accordance with their respective procedures.

This Agreement shall enter into force on 1 January 1998 and remain in force for an initial period ending on 31 December 1998. During the first half of 1998, consultations shall take place to determine whether and under what conditions it should be extended.



I should be obliged if you would confirm that your Government is in agreement with the contents of this letter.

Please accept, Sir, the assurance of my highest consideration.

*On behalf of the Council of the European Union*

*B. Letter from Bulgaria*

Brussels,

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:

"I have the honour to refer to the Agreement of 29 November 1993 between the European Community and the Republic of Bulgaria on the reciprocal establishment of tariff quotas for certain wines and to the negotiations which have taken place between the European Community and the Republic of Bulgaria with a view to adapting the said Agreement following the accession of the Republic of Austria, the Republic of Finland and the Kingdom of Sweden to the European Union, and to the consultations on extending the Agreement beyond 31 December 1997.

I hereby confirm that the European Community and the Republic of Bulgaria have agreed on the following:

I. Table 1 in the Annex to the said Agreement is replaced by the following table:

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[REDACTED]

I should be obliged if you would confirm that your Government is in agreement with the contents of this letter."

I have the honour to confirm that my Government is in agreement with the contents of your letter.

Please accept, Sir, the assurance of my highest consideration.

*For the Government of the Republic of Bulgaria*

# FINANCIAL STATEMENT

Date: [REDACTED]

1. BUDGET HEADING: Chapter 10 Agricultural duties  
 APPROPRIATIONS:  
 ECU 693.2 million (\*)

2. TITLE:  
 Council Regulation on the conclusion of the Agreement in the form of an exchange of letters between the EC and Bulgaria

3. LEGAL BASIS:  
 Article 113 of the Treaty

4. AIMS:  
 To extend by one year the Agreement with Bulgaria.

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			
5.1. REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL	- 12,7	-	- 12,7
	1998	1999	2000
5.0.1 ESTIMATED EXPENDITURE		-	-
5.1.1 ESTIMATED REVENUE	- ECU 12,7 m		

5.2 METHOD OF CALCULATION:  
 See Annex

- |  |        |
|--|--------|
| 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:  
 (\*) In accordance with the 1998 PDB

The measure proposes extending and increasing the quotas granted. This will result in a loss in EC own resources, as the quantities involved will enter at a reduced rate rather than the full rate as at present.

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# DOCUMENTS

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