

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(81) 239 final

Brussels, 13 May 1981

Proposal for a

COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of Community tariff quotas for port wines, falling within heading No ex 22.05 of the Common Customs Tariff, and originating in Portugal (1981/82)

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Proposal for a

COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of Community tariff quotas for Madeira wines, falling within heading No ex 22.05 of the Common Customs Tariff, and originating in Portugal (1981/82)

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Proposal for a

COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of Community tariff quotas for Setubal muscatel wines, falling within heading No ex 22.05 of the Common Customs Tariff, and originating in Portugal (1981/82)

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(submitted to the Council by the Commission)

COM(81) 239 final



## EXPLANATORY MEMORANDUM

1. Article 9 of the Supplementary Protocol to the Agreement of 1972 between the European Economic Community and the Portuguese Republic and the Protocole consequent to the accession of Greece, provide for the opening of Community tariff quotas for the wines listed below :

Common Tariff	Customs heading	Description of goods	Annual volume	Rate of reduction
ex 22.05 C III a) 1 ex 22.05 C IV a) 1		Port wines - in containers holding two litres or less	100 400 hl	60 %
ex 22.05 C III b) 1 ex 22.05 C IV b) 1		Port wines - in containers holding more than two litres	160 000 hl	50 %
ex 22.05 C III a) 1 ex 22.05 C IV a) 1		Madeira wines - in containers holding two litres or less	4 050 hl	60 %
ex 22.05 C III b) 1 ex 22.05 C IV b) 1		Madeira wines - in containers holding more than two litres	14 500 hl	50 %
ex 22.05 C III a) 1 ex 22.05 C IV a) 1		Setubal muscatel wines - in containers holding two litres or less	2 000 hl	60 %
ex 22.05 C III b) 1 ex 22.05 C IV b) 1		Setubal muscatel wines - in containers holding more than two litres	1 000 hl	50 %

Nevertheless, the Declaration by the European Economic Community on Article 9 of the Supplementary Protocol reserves the right to the Community from 1st July 1981 to increase, in the light of the pattern of trade flows, the tariff quota for Portwines in containers holding 2 liters or less by a quantity equal to the amount not utilized in the tariff quota for Portwines in containers holding more than 2 liters opened for the preceding period ; the global volume has to be held unchanged at 360.400 hl.

The tariff quota of 280.000 hl for Portwines in containers holding more than 2 liters opened for the period from 1st July 1979 to 30 June 1980 was used to the extent of 241.859 hl. It may be estimated that the tariff quota of 260.000 hl for the same wines opened for the period from 1st July 1980 to 30 June 1981 will be utilized to not more than about 240.000 hl. Under these conditions, it seems advisable to fix the quota for Portwines in containers holding two liters or less at 120.400 hl for the period from 1 July 1981 to 30 June 1982 and to reduce the quota for Portwines in containers holding more than two liters to 240.000 hl.

These wines are subject to provision relating to the common organization of the market in wine.

2. In order to meet the Community's obligations to Portugal from 1.7.1981 regulations have to be adopted providing for the opening, allocation and administration of these Community tariff quotas.
3. The Regulation provide, in the normal way, that each of the volumes shall be divided into two instalments, the first of which is to be allocated among the Member States and the second held as a reserve.

The allocation of the first instalment is usually based on statistics for the three preceding years and on forecasts for the period in question. In the absence of specific Community statistics for these wines the initial quotas have been calculated on the basis of the most recent statistics for Portuguese exports from 1978 to 1980. The Portuguese statistics can in fact be considered to give a rough picture of Community imports in the wines in question.

4. Owing to the special characteristics of the trade in these wines, which also differ between Member States, the regulation, exceptionally, does not establish a uniform method of administration.

Annex : 3 proposals for Regulations of the Council

IMPORTS OF WINES ORIGINATING IN PORTUGAL

(based on Portuguese statistics)

- Port Wines

	in containers < 2 litres			in containers > 2 litres		
	1978	1979	1980	1978	1979	1980
Benelux	32.763	43.705	54.844	52.596	62.592	69.144
Denmark	9.187	9.676	10.835	14.704	18.342	16.988
Germany	18.360	24.396	17.601	18.530	20.244	16.687
Greece	14	14	250	-	-	-
France	81.499	140.535	151.618	124.212	114.019	103.124
Ireland	678	590	841	101	6	-
Italy	27.109	35.532	31.054	-	-	-
United Kingdom	22.873	28.608	25.467	67.871	79.252	65.390
CEE	192.469	283.042	292.510	278.014	294.455	271.333

- Vins de Madère

Benelux	186	244	275	4.372	4.811	2.779
Denmark	97	79	34	3.135	3.237	2.58
Germany	141	40	63	6.324	6.113	5.775
Greece	-	-	-	-	-	-
France	47	55	44	16.458	18.204	11.004
Ireland	-	11	5	8	17	9
Italy	134	115	55	-	-	-
United Kingdom	69	105	127	3.296	3.497	2.743
CEE	674	649	603	33.593	35.879	24.896

- Vins Moscatel de Setúbal

Benelux	5	13	46	-	-	-
Denmark	-	3	4	-	-	-
Germany	15	10	-	-	-	-
Greece	-	-	-	-	-	-
France	5	4	9	-	-	-
Ireland	-	-	-	-	-	-
Italy	-	-	-	-	-	-
United Kingdom	15	20	49	-	-	-
CEE	40	50	108	-	-	-

Proposal of a  
**COUNCIL REGULATION (EEC) No**  
of

**opening, allocating and providing for the administration of Community tariff quotas for port wines, falling within heading No ex 22.05 of the Common Customs Tariff and originating in Portugal (1981/82)**

THE COUNCIL OF THE EUROPEAN  
COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the proposal from the Commission,

Whereas Article 9 of the Supplementary Protocol<sup>(1)</sup> to the Agreement between the European Economic Community and the Portuguese Republic<sup>(2)</sup> as supplemented by the Protocol annexed to the Agreement between the European Community and the Republic of Portugal consequent to the accession of Greece to the Community<sup>(3)</sup>, hereinafter referred to as the Protocol, provides

that customs duties on imports into the Community of certain wines originating in Portugal shall be reduced:

- a) by 60 % in the case of the duties applicable to port wines falling within subheadings ex 22.05 C III a) 1 and ex 22.05 C IV a) 1 of the Common Customs Tariff, up to a total annual tariff quota of 100 400 hectolitres,
- b) by 50 % in the case of the duties applicable to port wines falling within subheadings ex 22.05 C III b) 1 and ex 22.05 C IV b) 1 of the Common Customs Tariff, up to a total annual tariff quota of 260 000 hectolitres;

Whereas the Declaration by the European Economic Community on Article 9 of the Supplementary Protocol<sup>(4)</sup> reserves the right to the Community to increase, as from 1 July 1981, the volume of the tariff quota referred to under a) insofar as the tariff quota referred to under b) has not been exhausted completely during the preceding period, the total volume remaining at 360 400 hl; whereas during the

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(1) OJ N° L 348, 31.12.1979, p. 44  
(2) OJ N° L 301, 31.12.1972, p. 165  
(3) OJ N° L  
(4) OJ N° L 348, 31.12.1979, p. 61

year 1980/81 a quantity of about 20 000 hl of Port wines referred to under b) has not been exhausted; whereas on the basis of the development of the importations of the wines in question during the two last quota periods, it is necessary to fix the tariff quotas for these wines at respectively 120.400 hl and 240.000 hl for the period from 1 July 1981 to 30 June 1982 ;

Whereas Portugal has given an assurance that the price for wines originating in its territory will not be lower than the reference price less the customs duties actually charged; whereas, as a result thereof, the wines covered by those tariff quotas should be treated in the same manner as wines granted preferential tariff concessions, provided the free-at-frontier reference price is observed; whereas such wines benefit from the tariff concessions only if the provisions of Article 18 of Council Regulation (EEC) No 337/79 (1)

as last amended by Regulation (EEC) n° 3456/80 (2), are respected ;  
whereas those provisions apply to imports under those quotas ;

Whereas it is in particular necessary to ensure for all Community importers equal and uninterrupted access to the abovementioned quotas and uninterrupted application of the rates laid down for these quotas to all imports of the products concerned into all Member States until the quotas have been used up ; whereas, having regard to the above principles, the Community nature of the quotas can be respected by allocating the Community tariff quota among the Member States ; whereas, in order to reflect as accurately as possible the true trend of the market in the products concerned, such allocation should be in proportion to the requirements of the Member States, assessed by reference to the statistics of each State's imports from Portugal over a representative reference period and also to the economic outlook for the quota period concerned ;

Whereas available Community statistics give no information on the situation of port wines on the markets ; whereas, however, Portuguese statistics for exports of these products to the Community during the past three years can be considered to reflect approximately the situation of Community imports ; whereas, on this basis, the corresponding imports by each of the Member States for the past three years represent the following percentages of the imports into the Community from Portugal of the products concerned :

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(1) OJ N° L 54, 5.3.1979, p. 1.

(2) OJ N° L 360, 22.12.1980, p. 18



Port wines :	<u>1978</u>	<u>1979</u>	<u>1980</u>
- in containers holding two litres or less :			
Benelux	17.0	15.4	18.7
Denmark	4.8	3.5	3.7
Germany	9.5	8.6	6.1
Greece	-	-	-
France	42.3	49.7	51.8
Ireland	0.4	0.2	0.3
Italy	14.1	12.5	10.6
United Kingdom	11.9	10.1	8.7

	<u>1978</u>	<u>1979</u>	<u>1980</u>
- in containers holding more than two litres :			
Benelux	18.9	21.3	25.5
Denmark	5.3	6.2	6.3
Germany	6.7	6.9	6.2
Greece	-	-	-
France	44.6	38.7	38.0
Ireland	0.1	-	-
Italy	-	-	-
United Kingdom	24.4	26.7	24.0

Whereas, in view of these data and the estimates submitted by certain Member States, initial quota shares may be fixed approximately at the following percentages :

Member States	Port wines in containers holding :	
	two litres or less	more than two litres
Benelux	17.1	21.8
Denmark	3.9	5.9
Germany	7.9	6.6
Greece	0.1	0.1
France	48.5	40.3
Ireland	0.3	0.1
Italy	12.2	0.1
United Kingdom	10.0	25.2

Whereas, in order to take into account import trends for the products concerned in the various Member States, each of the quota amounts should be divided into two instalments, the first instalment being allocated among the Member States and the second forming a reserve to cover at a later date the requirements of the Member States which have used up their initial quota shares ; whereas, in order to give importers in each Member State a certain degree of security, the first instalment of the Community quotas should, under the present circumstances, be fixed at around 80 % of each of the quota amounts ;

Whereas the initial quota shares of the Member States may be used up at different times; whereas, in order to take this fact into account and avoid any break in continuity, any Member State which has almost used up its initial quota shares should draw an additional quota share from the corresponding reserve; whereas this must be done by each Member State as and when each of its additional shares is almost used up and repeated as many times as the reserve allows; whereas the initial and additional quota shares must be valid until the end of the quota period; whereas this method of administration requires close cooperation between Member States and the Commission and the latter must, in particular, be in a position to monitor the extent to which the quota volumes have been used up and to inform the Member States thereof;

Whereas if, at a given date in the quota period, a substantial quantity of one of the initial shares remains unused in one or other Member State it is essential that that Member State should return a significant proportion to the reserve, to prevent a part of any Community quota from 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 in and represented by the Benelux Economic Union, any operation relating to the administration of the quota shares allocated to that economic union may be carried out by any one of its members,

HAS ADOPTED THIS REGULATION:

*Article 1*

1. From 1 July 1984 to 30 June 1985 Community tariff quotas shall be opened for products originating in Portugal within the limits set out below:

(b)

CCF heading No	Description	Quota amount
ex 22.05 C III a) 1 ex 22.05 C IV a) 1	} Port wines	120.400
ex 22.05 C III b) 1 ex 22.05 C IV b) 1	} Port wines	240.000

2. The Common Customs Tariff duties on wines imported within these tariff quotas shall be suspended at the rates set out below:

(ECU/hl)

CCT heading No	Rate of duty
ex 22.05 C III a) 1	6.5
ex 22.05 C IV a) 1	7.0
ex 22.05 C III b) 1	6.6
ex 22.05 C IV b) 1	7.2

Within the limits of these tariff quotas, Greece shall apply duties calculated in accordance with the relevant provisions in the 1979 Act of Accession and the Protocol.

3. The wines shall benefit from these tariff quotas only if Article 18 (3) and (4) of Regulation (EEC) No 337/79 are respected.

#### Article 2

1. Each of the tariff quotas referred to in Article 1 shall be divided into two parts.
2. (a) The first instalment of each quota shall be allocated among the Member States; the respective shares, which subject to Article 5 shall be valid until 30 June 1982, shall be as follows:

(hl)

Member States	Port wines under subheadings	
	ex 22.05 C III a) 1 and ex 22.05 C IV a) 1	ex 22.05 C III b) 1 and ex 22.05 C IV b) 1
Benelux	16.450	41.800
Denmark	3.750	11.330
Germany	7.600	12.670
Greece	100	200
France	46.640	77.270
Ireland	300	200
Italy	11.740	200
United Kingdom	9.620	48.330
Total	96.200	192.000

- b. The second instalment of each quota, namely 24.200 and 48.000 hectolitres respectively, shall constitute the corresponding reserve.

*Article 3*

1. If 90 % or more of one of the Member State's initial shares as specified in Article 2 (2), or of that share minus the portion returned to the reserve where Article 5 is applied, has been used up, then, to the extent permitted by the amount of the reserve, that Member State shall forthwith, by notifying the Commission, draw a second share equal to 15 % of its initial share, rounded up where necessary to the next unit.

2. If, after one of its initial shares has been used up, 90 % or more of the second share drawn by a

Member State has been used up, then, to the extent permitted by the amount of the reserve, that Member State shall, in accordance with the conditions laid down in paragraph 1, draw a third share equal to 7.5 % of its initial share, rounded up where necessary to the next unit.

3. If, after one of its second shares has been used up, 90 % or more of the third share drawn by a Member State has been used up, that Member State shall, in accordance with the conditions laid down in paragraph 1, draw a fourth share equal to the third.

This process shall continue until the reserve is used up.

4. By way of derogation from paragraphs 1, 2 and 3, a Member State may draw shares smaller than those fixed in those paragraphs if there is reason to believe that these might not be used up. It shall inform the Commission of its reasons for applying this paragraph.

*Article 4*

Each of the additional shares drawn pursuant to Article 3 shall be valid until 30 June 1982.

*Article 5*

The Member States shall return to the reserve, not later than 1 April 1982, the unused portion of their initial share which, on 15 March 1982, is in excess of 20 % of the initial volume. They may return a larger quantity if there are grounds for believing that it might not be used.

The Member States shall, not later than 1 April 1982, notify the Commission of the total quantities of the products concerned imported up to 15 March 1982 and charged against the Community quotas and of any quantities of the initial shares returned to each reserve.

*Article 6*

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

The Commission shall, not later than 5 April 1982, notify Member States of the amount in each reserve after quantities have been returned thereto pursuant to Article 5.

The Commission shall ensure that any drawing which uses up any reserve is limited to the balance available and to this end shall specify the amount thereof to the Member State which makes the last drawing.

*Article 7*

1. The Member States shall take all measures necessary 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 accumulated shares of the Community quotas.

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

3. The extent to which a Member State has used up its shares shall be determined on the basis of the imports of the products concerned originating in Portugal as and when the goods are entered with customs authorities for free circulation.

*Article 8*

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

*Article 9*

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

*Article 10*

This Regulation shall enter into force on 1 July 1984

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

Done at

*For the Council*  
*The President*

COUNCIL REGULATION (EEC) No 181  
of

opening, allocating and providing for the administration of Community tariff quotas for Madeira wines, falling within heading No ex 22.05 of the Common Customs Tariff and originating in Portugal (1981/82)

THE COUNCIL OF THE EUROPEAN  
COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the proposal from the Commission,

Whereas Article 9 of the Supplementary Protocol<sup>(1)</sup> to the Agreement between the European Economic Community and the Portuguese Republic<sup>(2)</sup> and as supplemented by the Protocol annexed to the Agreement between the European Economic Community and the Republic of Portugal consequent to the accession of Greece to the Community<sup>(3)</sup>, hereinafter referred to as the Protocol, provides that customs duties on imports into the Community of certain wines originating in Portugal shall be reduced :

- by 60 % in the case of the duties applicable to Madeira wines falling within subheadings ex 22.05 C III a) 1 and ex 22.05 C IV a) 1 of the Common Customs Tariff, up to a total annual tariff quota of 4 050 hectolitres,
- by 50 % in the case of the duties applicable to Madeira wines falling within subheadings ex 22.05 C III b) 1 and ex 22.05 C IV b) 1 of the Common Customs Tariff, up to a total annual tariff quota of 14,500 hectolitres;

Whereas Portugal has given an assurance that the price for wines originating in its territory will not be lower than the reference price less the customs duties actually charged; whereas, as a result thereof, the wines covered by those tariff quotas should be treated in the same manner as wines granted preferential tariff concessions, provided the free-at-frontier reference price is observed; whereas such wines benefit from the tariff concessions only if the provisions of Article 18 of Council Regulation (EEC) No 337/79<sup>(4)</sup>, as last amended by Regulation (EEC) No 3456/80, are respected; whereas those provisions apply to imports under these quotas;

- (1) OJ N° L 348, 31.12.1979, p. 44
- (2) OJ N° L 301, 31.12.1972, p. 165
- (3) OJ N° L
- (4) OJ N° L 54, 5.3.1979, p. 1
- (5) OJ N° L 360, 22.12.1980, p. 18

Whereas it is in particular necessary to ensure for all Community importers equal and uninterrupted access to the abovementioned quotas and uninterrupted application of the rates laid down for these quotas to all imports of the products concerned into all Member States until the quotas have been used up; whereas, having regard to the above principles, the Community nature of the quotas can be respected by allocating the Community tariff quota among the Member States;

whereas, in order to reflect as accurately as possible the true trend of the market in the products concerned, such allocation should be in proportion to the requirements of the Member States, calculated by reference to the statistics of each State's imports from Portugal over a representative reference period and also to the economic outlook for the quota period concerned;

Whereas available Community statistics give no information on the situation of Madeira wines on the markets; whereas, however, Portuguese statistics for exports of these products to the Community during the past three years can be considered to reflect approximately the situation of Community imports; whereas, on this basis, the corresponding imports by each of the Member States for the past three years represent the following percentages of the imports into the Community from Portugal of the products concerned:

	<u>1978</u>	<u>1979</u>	<u>1980</u>
Madeira wines:			
— in containers holding two litres or less:			
Benelux	27.6	37.5	45.9
Denmark	14.4	12.2	5.7
Germany	20.9	6.2	10.0
Greece	0.0	0.0	0.0
France	7.0	8.5	7.3
Ireland	0.0	1.7	0.1
Italy	19.9	17.7	9.2
United-Kingdom	10.2	16.2	21.3
- in containers holding more than two litres:			
Benelux	13.0	13.4	11.2
Denmark	9.3	9.0	10.4
Germany	18.8	17.0	23.2
Greece	-	-	-
France	49.1	50.8	44.2
Ireland	-	-	-
Italy	-	-	-
United-Kingdom	9.8	9.7	11.0

Whereas, in view of these data and the estimates submitted by certain Member States, initial quota shares may be fixed approximately at the following percentages :

Member States	Madeira wines in containers holding :	
	two litres or less	more than two litres
Benelux	36.6	12.7
Denmark	10.9	9.5
Germany	12.6	19.3
Greece	0.1	0.1
France	7.6	48.1
Ireland	0.9	0.1
Italy	15.7	0.1
United Kingdom	15.6	10.1

Whereas, in order to take into account import trends for the products concerned in the various Member States, the quota volumes should be divided into two instalments, the first being shared among the Member States and the second constituting a reserve to cover at a later date the requirements of the Member States which have used up their initial quota shares ; whereas, in order to give importers in each Member State a certain degree of security, the first instalment of the Community quotas should, under the present circumstances, be fixed at 90 % of each of the quota volumes ;

Whereas the Member States' initial shares may be used up at different times ; whereas, in order to take this fact into account and avoid any break in continuity, any Member State which has almost used up its initial share should draw an additional share from the corresponding reserve ; whereas this must be done by each Member State as and when each of its additional shares is almost used up, and repeated as many times as the reserve allows ; whereas the initial and additional shares must be valid until the end of the quota period ; whereas this method of administration requires close cooperation between Member States and the Commission, and the latter must be in a position to monitor the extent to which the quota volumes have been used up and to inform Member States thereof ;



Whereas if, at a given date in the quota period, a substantial quantity of an initial share remains unused in any Member State it is essential that that Member State should return a significant proportion to the reserve, to prevent a part of any Community quota from 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 in and represented by the Benelux Economic Union, any operation relating to the administration of shares allocated to that economic union may be carried out by any one of its members,

HAS ADOPTED THIS REGULATION:

*Article 1*

1. From 1 July 1981 to 30 June 1982, Community tariff quotas shall be opened for products originating in Portugal within the limits set out below:

(bt)

CCT heading No	Description	Quota amount
ex 22.05 C III a) 1 ex 22.05 C IV a) 1	} Madeira wines	40 500
ex 22.05 C III b) 1 ex 22.05 C IV b) 1	} Madeira wines	14,500

2. The Common Customs Tariff duties on wines imported within these tariff quotas shall be suspended at the rates set out below:

(ECU/bl)

CCT heading No	Rate of duty
ex 22.05 C III a) 1	6.5
ex 22.05 C IV a) 1	7.0
ex 22.05 C III b) 1	6.6
ex 22.05 C IV b) 1	7.2

Within the limits of these tariff quotas, Greece shall apply duties calculated in accordance with the relevant provisions in the 1979 Act of Accession and the Protocol.

3. The wines shall benefit from these tariff quotas only if Article 18 (3) and (4) of Regulation (EEC) No 337/79 is respected.

#### Article 2

1. The tariff quotas referred to in Article 1 shall be divided into two instalments.

2. A first instalment of each quota shall be shared among the Member States; the respective shares, which subject to Article 5 shall be valid until 30 June 1982, shall be as follows:

(bt)

Member States	Madeira wines under subheadings:	
	ex 22.05 C III a) 1 and ex 22.05 C IV a) 1	ex 22.05 C III b) 1 and ex 22.05 C IV b) 1
Benelux	1 310	1 660
Denmark	390	1 250
Germany	450	2 520
Greece	10	20
France	270	6 290
Ireland	40	20
Italy	570	20
United Kingdom	560	1 320
Total	3 600	13 100

3. The second instalment of each quota, ~~450~~ and ~~1 400~~ hectolitres respectively, shall constitute the reserve.

#### Article 3

1. If 90 % or more of one of a Member State's initial shares as specified in Article 2 (2), or of that share minus the portion returned to the reserve where Article 5 is applied, has been used up, then, to the extent permitted by the amount of the reserve, that Member State shall forthwith, by notifying the Commission, draw a second share equal to 15 % of its initial share, rounded up where necessary to the next unit.

2. If, after one of its initial shares has been used up, 90 % or more of the second share drawn by a Member State has been used up, then, to the extent permitted by the amount of the reserve, that Member State shall, in accordance with the conditions laid down in paragraph 1, draw a third share equal to 7.5 % of its initial share, rounded up where necessary to the next unit.

3. If, after one of its second shares has been used up, 90 % or more of the third share drawn by a Member State has been used up, that Member State shall, in accordance with the conditions laid down in paragraph 1, draw a fourth share equal to the third.

This process shall continue until the reserve is used up.

4. By way of derogation from paragraphs 1, 2 and 3, a Member State may draw shares smaller than those fixed in those paragraphs if there is reason to believe that they might not be used up. It shall inform the Commission of its reasons for applying this paragraph.

#### *Article 4*

Each of the additional shares drawn pursuant to Article 3 shall be valid until 30 June 1982.

#### *Article 5*

The Member States shall return to the reserve, not later than 1 April 1982, such unused portion of their initial share as, on 15 March 1982, is in excess of 20 % of the initial volume. They may return a larger quantity if there are grounds for believing that it might not be used.

The Member States shall, not later than 1 April 1982, notify the Commission of the total quantities of the products concerned imported up to 15 March 1982 and charged against the Community quotas and of any quantities 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 shall, as soon as it is notified, inform each State of the extent to which the reserves have been used up.

It shall, not later than 5 April 1982, inform the Member States of the amount in each reserve after the return of quantities pursuant to Article 5.

The Commission shall ensure that any drawing which uses up any reserve is limited to the balance available and, to this end, shall specify the amount thereof to the Member State which makes the final drawing.

*Article 7*

1. The Member States shall take all measures necessary to ensure that additional shares drawn pursuant to Article 3 are opened in such a way that imports may be changed without interruption, against their accumulated shares of the Community tariff quotas.
2. The Member States shall ensure that importers of the products concerned established in their territory have free access to the shares allocated to them.
3. The extent to which a Member State has used up its shares shall be determined on the basis of the imports of the products concerned originating in Portugal and entered with customs authorities for free circulation.

*Article 8*

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

*Article 9*

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

*Article 10*

This Regulation shall enter into force on 1 July 1981.

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

Done at Luxembourg,

*For the Council*  
*The President*

Proposal of a  
COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of Community tariff quotas for Setubal muscatel wines, falling within heading No ex 22.05 of the Common Customs Tariff and originating in Portugal (1981/82)

THE COUNCIL OF THE EUROPEAN  
COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the proposal from the Commission,

Whereas Article 9 of the Supplementary Protocol<sup>(1)</sup> to the Agreement between the European Economic Community and the Portuguese Republic<sup>(2)</sup> as supplemented

by the Protocol annexed to the Agreement between the European Economic Community and the Republic of Portugal consequent to the accession of Greece to the Community<sup>(3)</sup>, hereinafter referred to as the Protocol, provides that customs duties on imports into the Community of certain wines originating in Portugal shall be reduced :-

- by 60 % in the case of the duties applicable to Setubal muscatel wines falling within subheadings ex 22.05 C III a) 1 and ex 22.05 C IV a) 1 of the Common Customs Tariff, up to a total annual tariff quota of 2 000 hectolitres,
- by 50 % in the case of the duties applicable to Setubal muscatel wines falling within subheadings ex 22.05 C III b) 1 and ex 22.05 C IV b) 1 of the Common Customs Tariff, up to a total annual tariff quota of 1 000 hectolitres ;

Whereas Portugal has given an assurance that the price for wines originating in its territory will not be lower than the reference price less the customs duties actually charged ; whereas, as a result thereof, the wines covered by those tariff quotas should be treated in the same manner as wines granted preferential tariff concessions, provided the free-at-frontier reference price is observed ; whereas such wines benefit from the tariff concessions only if the provisions of Article 18 of Council Regulation (EEC) No 337/79<sup>(4)</sup>, as last amended by (EEC) n° 3456/80<sup>(5)</sup>, are respected ; whereas those provisions apply to imports under those quotas ;

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(1) OJ N° L 348, 31.12.1979, p. 44  
(2) OJ N° L 301, 31.12.1972, p. 165  
(3) OJ N° L  
(4) OJ N° L 54, 5.3.1979, p. 1  
(5) OJ N° L 360, 22.12.1980, p. 18

Whereas it is in particular necessary to ensure for all Community importers equal and uninterrupted access to the abovementioned quotas and uninterrupted application of the rates laid down for these quotas to all imports of the products concerned into all Member States until the quotas have been used up; whereas, having regard to the above principles, the Community nature of the quotas can be respected by allocating the

Community tariff quota among the Member States; whereas in order to reflect as accurately as possible the true trend of the market in the products concerned, such allocation should be in proportion to the requirements of the Member States, calculated by reference to the statistics of each State's imports from Portugal over a representative reference period and also to the economic outlook for the quota period concerned;

Whereas available Community statistics give no information on the situation of Setubal muscatel wines on the markets; whereas, however, Portuguese statistics for exports of these products to the Community during the past three years can be considered to reflect approximately the situation of Community imports; whereas, on this basis, the corresponding imports by each of the Member States for the past three years represent the following percentages of the imports into the Community from Portugal of the products concerned:

	<u>1978</u>	<u>1979</u>	<u>1980</u>
Setubal muscatel wines :			
- in containers holding two litres or less :			
Benelux	13	26	43
Denmark	-	6	4
Germany	37	20	-
Greece	-	-	-
France	13	8	8
Ireland	-	-	-
Italy	-	-	-
United Kingdom	37	40	45
	<u>1978</u>	<u>1979</u>	<u>1980</u>
- in containers holding more than two litres :			
Benelux	-	-	-
Denmark	-	-	-
Germany	-	-	-
Greece	-	-	-
France	-	-	-
Ireland	-	-	-
Italy	-	-	-
United Kingdom	-	-	-

Whereas, in view of these factors and the estimates submitted by certain Member States, initial quota shares may be fixed approximately at the following percentages :

Member States	Setubal muscatel wines in containers holding:	
	two litres or less	more than two litres
Benelux	32	19
Denmark	3	5
Germany	12	19
Greece	1	5
France	9	19
Ireland	1	5
Italy	1	9
United Kingdom	41	19

Whereas, in order to take into account import trends for the products concerned in the various Member States, each of the quota volumes should be divided into two instalments, the first being shared among the Member States and the second constituting a reserve to cover at a later date requirements of Member States which have used up their initial quota shares; whereas, in order to give importers in each Member State a certain degree of security, the first instalment of the Community quota should, under the present circumstances, be fixed at 50 % of each of the quota volumes;

Whereas the Member States' initial shares may be used up at different times; whereas, in order to take this fact into account and avoid any break in continuity, any Member State which has almost used up its initial quota shares should draw an additional share from the corresponding reserve; whereas this must be done by each Member State as and when each of its additional shares is almost used up, and repeated as many times as the reserve allows; whereas the initial and additional shares must be valid until the end of the quota period; whereas this method of administration requires close cooperation between Member States and the Commission, and the latter must be in a position to monitor the extent to which the quota volumes have been used up and to inform the Member States thereof;

Whereas if, at a given date in the quota period, a substantial quantity of an initial share remains unused in any Member State it is essential that that Member State should return a significant proportion to the reserve to prevent a part of any Community quota from 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 in and represented by the Benelux Economic Union, any operation relating to the administration of the quota shares allocated to that economic union may be carried out by any one of its members,

HAS ADOPTED THIS REGULATION:

*Article 1*

1. From 1 July 1984 to 30 June 1985, Community tariff quotas shall be opened for products originating in Portugal and within the limits set out below:

(bt)

CCT heading No	Description	Quota amount
ex 22.05 C III a) 1 ex 22.05 C IV a) 1	Setubal muscatel wines	} 2 000
ex 22.05 C III b) 1 ex 22.05 C IV b) 1	Setubal muscatel wines	} 1 000

2. The Common Customs Tariff duties on wines imported within these tariff quotas shall be suspended at the rates set out below:

(ECU/bt)

GCT heading No	Rate of duty
ex 22.05 C III a) 1	6.5
ex 22.05 C IV a) 1	7.0
ex 22.05 C III b) 1	6.6
ex 22.05 C IV b) 1	7.2

Within the limits of these tariff quotas, Greece shall apply duties calculated in accordance with the relevant provisions in the 1979 Act of Accession and the Protocol.



3. The wines shall benefit from these tariff quotas only if Article 18 (3) and (4) of Regulation (EEC) No 337/79 is respected.

*Article 2*

1. The tariff quotas referred to in Article 1 shall be divided into two instalments.

2. A first instalment of each quota shall be allocated among the Member States; the respective shares, which subject to Article 5 shall be valid until 30 June 1982, shall be as follows:

(b)

Member States	Setubal muscatel wines under subheadings:	
	ex 22.05 C III a) 1 and ex 22.05 C IV a) 1	ex 22.05 C III b) 1 and ex 22.05 C IV b) 1
Benelux	320	95
Denmark	30	25
Germany	120	95
Greece	10	25
France	90	95
Ireland	10	25
Italy	10	45
United Kingdom	410	95
Total	1 000	500

3. The second instalment of each quota, 1 000 and 500 hectolitres respectively, shall constitute the reserve.

*Article 3*

1. If 90 % or more of the Member State's initial share as specified in Article 2 (2), or of that share minus the portion returned to the reserve where Article 5 is applied, has been used up, then, to the extent permitted by the amount of the reserve, that Member State shall forthwith, by notifying the Commission, draw a second share equal to 15 % of its initial share, rounded up where necessary to the next unit.

2. If, after one of its initial shares has been used up, 90 % or more of the second share drawn by a Member State has been used up, then, to the extent permitted by the amount of the reserve, that Member State shall, in accordance with the conditions laid down in paragraph 1, draw a third share equal to 7.5 % of its initial share, rounded up where necessary to the next unit.

3. If, after one of its second shares has been used up, 90 % or more of the third share drawn by a Member State has been used up, that Member State shall, in accordance with the conditions laid down in paragraph 1, draw a fourth share equal to the third.

This process shall continue until the reserve is used up.

4. By way of derogation from paragraphs 1, 2 and 3, a Member State may draw shares smaller than those fixed in those paragraphs if there is reason to believe that these might not be used up. It shall inform the Commission of its reasons for applying this paragraph.

#### *Article 4*

Additional shares drawn pursuant to Article 3 shall be valid until 30 June 1982.

#### *Article 5*

The Member States shall return to the reserve, not later than 1 April 1982, such unused portion of their initial share as, on 15 March 1982, is in excess of 20 % of the initial volume. They may return a larger quantity if there are grounds for believing that it may not be used.

The Member States shall, not later than 1 April 1982, notify the Commission of the total quantities of the

products in question imported up to 15 March 1982 and charged against the Community quotas and of any quantities of the initial shares returned to each reserve.

#### *Article 6*

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

It shall inform the Member States, not later than 5 April 1982, of the amount of each reserve after quantities have been returned pursuant to Article 5.

The Commission shall ensure that any drawing which uses up the reserve is limited to the balance available and to this end shall indicate the amount thereof to the Member State which makes such last drawing.

*Article 7*

1. The Member States shall take all measures necessary 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 accumulated shares of the Community quotas.
2. The Member States shall ensure that importers of the products in question established in their territory have free access to the shares allocated to them.
3. The extent to which a Member State has used up its shares shall be determined on the basis of imports of the products in question originating in Portugal and entered with the customs authorities for free circulation.

*Article 8*

At the request of the Commission the Member States shall inform it of imports of the products concerned actually charged against their shares.

*Article 9*

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

*Article 10*

This Regulation shall enter into force on 1 July 1984.

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

Done at

*For the Council*  
*The President*

