

# COMMISSION OF THE EUROPEAN COMMUNITIES

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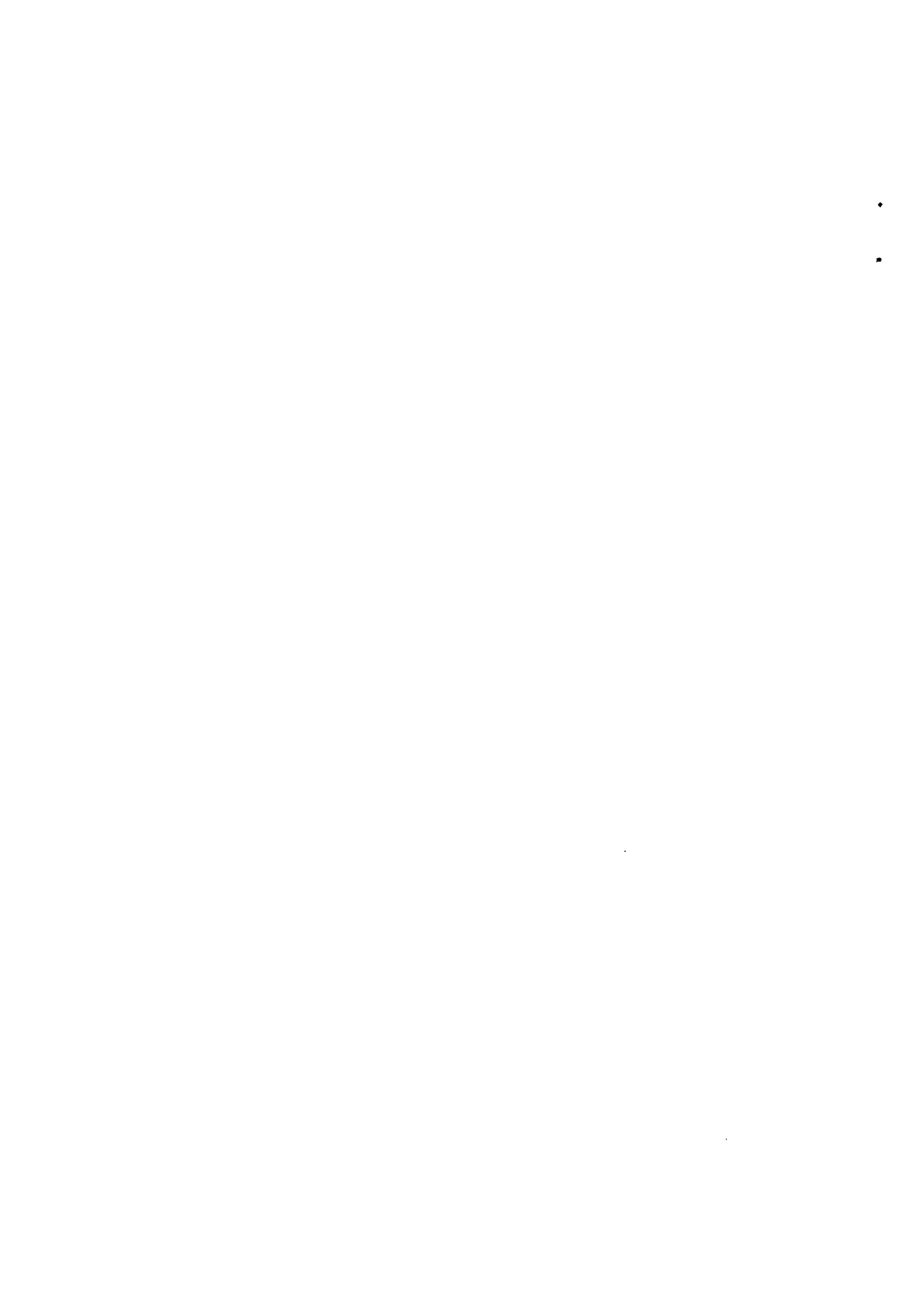
Proposal for a  
COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of a  
Community tariff quota for rum, arrack and tafia falling within  
subheading 22.09 C I of the Common Customs Tariff and origina-  
ting in the overseas countries and territories associated with  
the European Economic Community (1984/1985)

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(submitted to the Council by the Commission)

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## EXPLANATORY MEMORANDUM

1. Annex IX of Decision 80/1186 of the Council of 16 December 1980 provides that rum, arrack and tafia falling within subheading 22.09 C I of the Common Customs Tariff and originating in the overseas countries associated with the EEC shall be imported free of customs duty into the Community within the limits of a tariff quota, the annual period of application of which shall be from 1 July to 30 June of the following year.

The volume of the tariff quota is to be determined by reference to an annual basic amount, calculated in hectolitres of pure alcohol, equal to the amount of the imports effected during the best of the latest three years for which statistics are available. This basic amount can be subject to a rate of growth of 18 %.

The abovementioned Decision and its Annex IX will expire on 28 February 1985; this requires that the duration of validity of the tariff quota has to come to an end on the same day. For the period 1 July 1984 to 28 February 1985 a tariff quota should therefore be opened, the volume of which should be fixed pro rata temporis.

2. The imports of the products in question during the last three years were as follows :

	(in hl of pure alcohol)		
	1981	1982	1983
Benelux	-	-	-
Denmark	-	-	31
Germany	52 261	43 488	13 193
Greece	-	-	-
France	-	-	-
Ireland	-	-	-
Italy	-	-	-
United Kingdom	22	18	68
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EC	52 283	43 506	13 293

In these circumstances, the volume of the Community tariff quota for the period from 1 July 1984 to 28 February 1985 could be fixed at 41 130 hectolitres of pure alcohol.

The production units of the products in question in the OCT ceased, however, their activity during 1983, and the equipment of the distilleries has been transferred into the French Overseas Departments. Therefore, the imports into the Community reached only 13 293 hl in 1983. In these circumstances it seems indicated to open only a tariff quota the volume of which would allow on the one hand the imports of the remainder in the stocks, and on the other hand would take into account the possibility of an installation of a new production unit. The volume of the Community tariff quota for the period 1 July 1984 to 28 February 1985 should therefore be fixed at 15 000 hectolitres of pure alcohol.

3. The Regulation provides in the usual way, for the splitting up of the tariff volume into two parts, of which the first will be allocated among the Member States as quota shares and the second will be kept as a reserve.

The allocation of the first instalment has to be determined by taking into account actual trends on the market in question, the needs of the Member States and economic prospect for the period under consideration.

However, in this case, this principle cannot be applied completely. For, during the past three years there were no imports in certain Member States, and in other Member States they were insignificant. To allocate the quotas in question nevertheless, equitably among Member States, it appears desirable to provide for a significant share of the quota amount for each of the Member States.

4. It is proposed that the draft regulation of the Council on the opening, allocation and administration of the Community tariff quota outlined above be approved (see annex).

Proposal for a  
COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of a Community tariff quota for rum, arrack and tafia, falling within subheading 22.09 C I of the Common Customs Tariff and originating in the overseas countries and territories associated with the European Economic Community (1984/85)

THE COUNCIL OF THE EUROPEAN  
COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 136 thereof,

Having regard to Council Decision 80/1186/EEC of 16 December 1980 on the association of the overseas countries and territories with the European Economic Community<sup>(1)</sup>, and in particular Annex IX thereto,

Having regard to the proposal from the Commission,

Whereas Annex IX to Decision 80/1186/EEC provides that rum, arrack and tafia shall be imported into the Community free of customs duties within the limits of a Community tariff quota; whereas the annual size of the quota is to be fixed on the basis of a basic annual quantity, calculated in hectolitres of pure alcohol, to which a growth rate of 18 % is to be applied, equal to the amount of imports during the best of the past three years for which statistics are available; whereas this rate may be modified in the light of certain criteria; whereas the quota period lasts from 1 July until 30 June of the following year;

whereas, however, Decision 30/1186/EEC and its Annex IX will expire on 28 February 1985, which requires that the duration of validity of the tariff quota has to come to an end on the same day.

Whereas Community statistics for the years 1981 to 1983 show that the highest volume of imports into the Community of the products in question originating in the said countries and territories, namely 52 283 hectolitres of pure alcohol, occurred in 1981; whereas since the end of 1983 there exists no longer any production of the products in question in the overseas countries and territories; ;

(1) OJ No L 361, 31.12.1980, p. 1.

whereas on these grounds the Community imports in 1983 reached only 13 293 hectolitres; whereas in these circumstances it seems indicated to open only a tariff quota the volume of which would allow on the one hand the imports of the remainder in the stocks, and on the other hand would take into account the possibility of an installation of a new production unit; whereas the volume of the Community tariff quota for the period 1 July 1984 to 28 February 1985 should therefore be fixed at 15 000 hectolitres of pure alcohol.

Whereas it is in particular necessary to ensure for all Community importers equal and uninterrupted access to the abovementioned quota and uninterrupted appli-

cation of the rates laid down for that quota to all imports of the products concerned into all Member States until the quota has been used up; whereas, having regard to the above principles, the Community nature of the quota can be respected by allocating the Community tariff quota among the Member States; whereas, in order to reflect as accurately as possible the actual trend of the market in the products in question, such allocation should be in proportion to the requirements of the Member States, calculated by reference to the statistics of each State's imports of the said products from the OCT over a representative reference period and also to the economic outlook for the quota period in question;

Whereas, during the past three years for which statistics are available, the corresponding imports by each of the Member States represent the following percentages of the imports into the Community from the countries in question of the products concerned:

Member States	1981	1982	1983
Benelux	-	-	0,01
Denmark	-	-	0,23
Germany	99,96	99,96	99,25
Greece	-	-	-
France	-	-	-
Ireland	-	-	-
Italy	-	-	-
United Kingdom	0,04	0,04	0,51

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

Benelux :	0,2
Denmark :	0,4
Germany :	98,2
Greece :	0,2
France :	0,2
Ireland :	0,2
Italy :	0,2
United Kindom :	0,4

Whereas, in order to take into account import trends for the products concerned in the various Member States, the quota volume 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 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 80 % of the quota volume ;

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 must draw an additional share from the reserve ; whereas this must be done by each State as and when each of its additional shares is almost entirely 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 the Member States and the Commission, and the Commission must be in a position to monitor the extent to which the quota volume has been used up and inform the Member States thereof ;

Whereas if, at a given date in the quota period, a considerable quantity is left over in any Member State, it is essential that that Member State should return a significant proportion to the reserve to prevent a part of the 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 within and jointly 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 28 February 1985, rum, arrack and tafia falling within subheading 22.09 C I of the Common Customs Tariff and originating in the countries and territories referred to in Article 1 of Decision 80/1186/EEC shall be imported free of customs duty into the Community within the limits of a Community tariff quota of 15 000 hectolitres of pure alcohol.
2. The rules of origin applicable to the products referred to in paragraph 1 shall be those set out in Annex II to Decision 80/1186/EEC.
3. Within the limit of its share as indicated in Article 2, the Hellenic Republic shall apply customs duties calculated in accordance with the relevant provisions of the 1979 Act of Accession and of Regulation (EEC) No 439/81 (1).

*Article 2*

1. The Community tariff quota referred to in Article 1 shall be divided into two instalments.
2. A first instalment, amounting to 12 000 hectolitres, shall be shared among the Member States; the respective shares, which subject to Article 5 shall be valid until 28 February 1985, shall be as follows :  
(in hectolitres pure alcohol)

Benelux :	25
Denmark :	50
Germany :	11 775
Greece :	25
France :	25
Ireland :	25
Italy :	25
United Kingdom :	50
3. The second instalment of 3 000 hectolitres shall constitute the reserve.

*Article 3*

1. If 90 % or more of a 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, that Member State shall without delay, by notifying the Commission, draw a second share equal to 10 % of its initial share, rounded up where necessary to the next unit, to the extent permitted by the amount of the reserve.
2. If, after its initial share has been used up, 90 % or more of the second 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 third share equal to 5 % of its initial share, rounded up where necessary to the next unit.



3. If, after its second share 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 same conditions, 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*

Additional shares drawn pursuant to Article 3 shall be valid until 28 February 1985.

#### *Article 5*

The Member States shall return to the reserve, not later than 1 December 1984, the unused portion of their initial share which, on 15 November 1984, is in excess of 20 % of the initial volume. They may return a larger quantity if there are grounds for believing that this quantity may not be used.

The Member States shall, not later than 1 December 1984, notify the Commission of the total quantities of the said goods imported up to 15 November 1984 inclusive and charged against the Community quota, and of any quantities of the initial shares 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 has been notified, inform

each State of the extent to which the reserve has been used up.

It shall inform the Member States, not later than 5 December 1984, of the amount in the reserve after quantities have been returned pursuant to Article 5.

The Commission shall ensure that the drawing which uses up the 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 quota.
2. The Member States shall ensure that importers of the said products have free access to the shares allocated to them.
3. The extent to which a Member State has used up its share shall be determined on the basis of the imports of the goods in question entered with the customs authorities for free circulation.

*Article 8*

1. In accordance with Article 6 of Annex IX to Decision 80/1186/EEC, the Community shall monitor imports of the products in question originating in the said countries and territories.
2. Member States shall forward to the Commission not later than the 15th day of each month statements of imports of the products in question actually charged against the tariff quota during the preceding month. Only products entered at customs in declarations for free circulation and accompanied by a movement certificate conforming to the rules referred to in Article 1 (2) shall be taken into consideration for this purpose.
3. The Commission shall regularly inform the Member States of the extent to which the tariff quota has been used up.
4. Where necessary, consultations may be held at the request of a Member State or on the initiative of the Commission.

*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*