

COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 23th March 1979

PROPOSAL FOR A COUNCIL REGULATION (EEC)
ON THE OPENING, ALLOCATION AND 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 (1979/80)

(submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

1. Decision No 76/198/EEC of the Council dated 9.2.1976 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 for which the quota period shall be from 1 July to 30 June. According to article 8 of this decision the applicability of this measure is limited until 29 February 1980. In connection with the provisions of article 3 (1) of this decision [‡]
- 1.1 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 years for which statistics are available. This basic amount is to be subject to a rate of growth of 13%. In view of the fact that the prorata temporis clause is applicable the volume of the tariff amounts to eight twelfth of this quantity.
- 1.2 The tariff quota is to be shared among the Member States taking in account actual trends on the markets, the needs of the Member States and the economic prospects for the period concerned.
2. The imports of the products in question during the last three years were as follows :

- in hl of pure alcohol -

	<u>1976</u>	<u>1977</u>	<u>1978</u>
Benelux	3,903	367	-
Denmark	2	-	-
Germany	48,187	34,871	70,285
France	-	-	-
Ireland	37	2	-
Italy	5	-	-
United Kingdom	1	-	64
	<u>52,135</u>	<u>35,240</u>	<u>70,349</u>

[‡] it follows that the prorata temporis clause is applicable.

2.1 It follows from these figures that the quantities relative to the year 1978 should be taken as determining the annual basic amount. Having regard to the present over-all position concerning the products in question the rate of growth applicable to the basic amount may be taken as 13%.

2.2 In these circumstances, the volume of the Community tariff quota for the period from 1 July 1979 to 29 Feb. 1980 should be fixed as 52,996 hectolitres of pure alcohol.

2.3 The Regulation provide 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. (see annex)

3. 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.

COUNCIL REGULATION (EEC) No

on the opening, allocation and 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 (1979/80)

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 76/198/EEC of 9 February 1976 on import arrangements 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⁽¹⁾,

Having regard to the proposal from the Commission,

Whereas Decision 76/198/EEC stipulates 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 for the period 1 July to 30 June is to be fixed on the basis of a basic annual quantity, calculated in hectolitres of pure alcohol, to which a rate of growth of 13 % is to be applied, equal to the amount of imports during the best of the last three years for which statistics are available; whereas this rate may be modified in the light of certain criteria;

Whereas Community statistics for the years 1976 to 1978 show that the highest volume of imports into the Community of the products in question originating in the said countries and territories occurred in 1978, namely 70 349 hectolitres of pure alcohol; whereas, in the light of consumption and production within the Community and of the development of trade both within the Community and between the Community, the said countries and territories and the ACP States, the rate of growth for the quota period in question should be 13 %;

Whereas Article 8 of Decision 76/198/EEC limits the applicability of the tariff measure in question until 29 February 1980; whereas it follows, on the basis also of Article 3 (1) of that Decision, that the pro rata temporis clause is applicable for calculating the volume of the tariff quota;

Whereas the size of the quota for the period July 1979 to 29 February 1980 should therefore be fixed at 52 996 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 application 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, taking into account actual trends on the markets for the products in question, the needs of the Member States and the economic prospects for the period under consideration, the initial percentage shares in the quota volume could be as follows:

Benelux :	5.25
Denmark :	0.01
Germany :	94.54
France :	0.01
Ireland :	0.05
Italy :	0.01
United Kingdom :	0.13

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 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 quota should, under the present circumstances, be fixed at 40% 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 should draw an additional share from the 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 volume has been used up and to inform the Member States thereof;

Whereas if, at a given date in the quota period, a substantial quantity 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 tariff quota from remaining unused in one Member State when it could be used in others;

Whereas the development of imports into the Community of these products should be recorded and imports should accordingly be monitored;

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 measure concerning the administration of the share 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 1979 until 29 February 1980, rum, arrack and tafia falling within subheading 22.09 C I of the Common Customs Tariff, originating in the countries and territories referred to in Article 1 of Decision 76/198/EEC, shall be imported free of customs duty into the Community within the limits of a Community tariff quota of 52996 hectolitres of pure alcohol.
2. The rules of origin applicable to the products referred to in paragraph 1 shall be those mentioned in Article 5 of Decision 76/198/EEC.

Article 2

1. The tariff quota referred to in Article 1 shall be divided into two instalments.
2. A first instalment amounting to 47696 hectolitres shall be allocated among the Member States; the shares, which, subject to Article 5, shall be valid until 29 February 1980, shall be as follows:

Benelux	2504 h1
Denmark	5 h1
Germany	45091 h1
France	5 h1
Ireland	24 h1
Italy	5 h1
United Kingdom	62 h1

3. The second instalment of 5300 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 90% of that share minus the portion returned to the reserve where Article 5 has been 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 its initial share has been used up, 90% or more of the second share drawn by a Member State has been used up, then 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 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 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 29 February 1980.

Article 5

The Member States shall return to the reserve, not later than 1 December, such unused portion of their initial shares as, on 15 November, 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.

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The Member States shall, not later than 1 December 1979, notify the Commission of the total quantities of the products in question imported up to 15 November 1979 and charged against the tariff quota, and of any quantity 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 is notified, inform each Member State of the extent to which the reserve has been used up as soon as it receives the notifications.

It shall inform the Member States, not later than 31 December 1979 of the amount in the reserve after quantities have been returned thereto pursuant to Article 5.

The Commission shall ensure that any drawing which exhausts the reserve does not exceed the balance available, and to this end, shall notify the amount of the balance to the Member State making 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 share of the Community quota.
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 Member States shall charge imports of the products in question against their share as and when the goods are entered with customs authorities for home use.
4. The extent to which a Member State has used up its share shall be determined on the basis of the import charged in accordance with paragraph 3.

Article 8

In accordance with Article 6 of Decision 76/198/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 effected during the preceding month; only products submitted to the customs authorities under cover of a declaration that they are to be made available for home use 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 1979.

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

Done at Brussels,

For the Council

The President