

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(77) 182 final

Brussels, 18 May 1977

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 over-  
seas countries and territories associated with the  
European Economic Communities (1977/78)

---

(submitted to the Council by the Commission)

COM(77) 182 final



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.
  - 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%. This rate may be modified each year, either upwards or downwards, in the light of certain criteria.
  - 1.2. The annual 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. Since some of these OCT (particularly Surinam) have acceded to the <sup>Convention</sup> Lomé<sup>7</sup> imports of the products in question during the last three years were as follows :

- in hl of pure alcohol -

	<u>1974</u>	<u>1975</u>	<u>1976</u>
Benelux	4	100	3,903
Denmark	152	137	2
Germany	14,932	63,088	48,187
France	-	-	-
Ireland	13	7	37
Italy	6	5	5
United Kingdom	-	-	1
	<u>15,107</u>	<u>63,337</u>	<u>52,135</u>

- 2.1 It follows from these figures that the quantities relative to the year 1975 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 1977 to 30 June 1978 should be fixed as 71,571 hectolitres of pure alcohol.
- 2.3 The Regulation provide<sup>s</sup>, 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.
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.

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 (1977/78)

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<sup>(1)</sup>,

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 1974 to 1976 show that the highest volume of imports into the Community of the products in question originating in the said countries and territories occurred in 1975, namely 63,337 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 the size of the quota for the period 1 July 1977 to 30 June 1978 should therefore be fixed at 71,571 hectolitres of pure alcohol;

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	5.80
Denmark	0.23
Germany	93.80
France	0.01
Ireland	0.01
Italy	0.01
United Kingdom	0.14

Whereas, to take account of future import trends in the various Member States of the product under consideration, the total quota volume should be divided into two instalments, the first being shared among the Member States and the second held as a reserve to cover at a later date the requirements of those Member States having used up their initial share; whereas to give Member State importers some certainty, the first of the Community quota might be fixed at 90% of the quota volume;

Whereas the initial shares of Member States may be used up more or less quickly; whereas, therefore, to avoid disruption of supplies any Member State which has almost used up its initial share, must draw a supplementary share from the reserve; whereas this must be done by each Member State as each one of its supplementary shares is almost used up, and as many times as the reserve allows; whereas the initial and supplementary shares must be valid until the end of the quota period; whereas this form of administration requires close collaboration between the Member States and the Commission, and the Commission must be in a position to follow 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 of the initial share is left over in a Member State, it is essential that each State should return a significant proportion to the reserve to prevent a part of the Community quota from remaining unused in one Member State while it could be used in others;

<sup>(1)</sup> OJ No L 37, 12. 2. 1976, p. 24.

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 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 1977 until 30 June 1978 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 76/198/EEC shall be imported free of customs duty into the Community within the limits of a Community tariff quota of 71,571 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. A first instalment, amounting to 64,414 hl of the Community tariff quota referred to in Article 1, shall be allocated among the Member States; the respective shares, which subject to Article 5 shall be valid until 30 June 1978, shall be as follows:

(hectolitres of pure alcohol)

Benelux	3,724
Denmark	144
Germany	60,435
France	7
Ireland	7
Italy	7
United Kingdom	90.

2. The second instalment of 7,157 hl shall constitute the reserve.

*Article 3*

1. If 90% or more of the initial share of a Member State laid down in Article 2 (1), or 90% of that share less the amount returned into the reserve where the provisions of Article 5 have been applied, has been exhausted, that Member State shall proceed without delay, by notifying the Commission, to draw a second share, equal to 15% of its initial share, rounded up to the next unit.
2. If, after its initial share has been exhausted, 90% or more of the second share drawn up by a Member State has been used, that Member State shall proceed, in accordance with the conditions laid down in paragraph 1, to draw a third share, equal to 7.5% of its initial share, rounded up to the next unit where appropriate, to the extent that the reserve is sufficient.
3. If, after its second share has been exhausted, 90% or more of the third share drawn by a Member State has been used, that Member State shall proceed in the same way to draw a fourth share equal to the third.

This process shall be applied until the reserve is exhausted.

4. Notwithstanding paragraphs 1, 2 and 3, the Member States may proceed to draw shares smaller than those fixed in those paragraphs if there is reason to believe that they might not be used up. They shall inform the Commission of the reasons which led them to apply this paragraph.

*Article 4*

Each of the additional shares drawn pursuant to Article 3 shall be valid until 30 June 1978.

*Article 5*

The Member States shall return to the reserve, not later than 1 April 1978, the unused portion of their initial share which, on 15 March 1978, is in excess of 20% of the initial amount. They may return a greater portion if there are grounds for believing that such portion may not be used in full.

The Member States shall, not later than 1 April 1978 notify to the Commission of the total imports of the said goods effected up to and including 15 March 1978, and charged against the Community quota and, where appropriate, the proportion of their initial share that is being returned to the reserve.

#### *Article 6*

The Commission shall keep account of the shares opened by Member States in accordance with Articles 2 and 3 and shall inform each of them of the extent to which the reserve has been used as soon as it receives the notifications.

The Commission shall, not later than 5 April 1978, notify Member States of the amount in the reserve after the return of shares pursuant to Article 5.

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

#### *Article 7*

1. The Member States shall take all appropriate measures to ensure that, when additional shares are drawn pursuant to Article 3, it is possible for charges to be made without interruption against their accumulated shares of the Community quota.

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

3. The Member States shall charge imports of the said goods against their shares as and when the goods are entered for home use.

4. The extent to which a Member State has used up its share shall be determined on the basis of the imports charged in accordance with paragraph 3.

#### *Article 8*

1. 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 observed.

*Article 10*

The Member States shall forward to the Commission, within the 45 days following the publication of this Regulation in the Official Journal of the European Communities, the provisions they have made in order to apply it.

*Article 11*

This Regulation shall enter into force on 1 July 1977.

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

Done at Luxembourg,

*For the Council*

*The President*

FINANCIAL STATEMENT

1. Budget line concerned : Ch. 12 Art. 120

2. Legal basis : Art. 133

3. Title of the tariff measure :

Proposal for a regulation (EEC) of the Council opening, allocating and providing for the administration of a Community tariff quota for products falling within subheading 22.09 C I of the Common Customs Tariff, originating in the overseas countries and territories associated with the European Economic Community (year 1977/1978)

4. Objectives : fulfilment of an obligation under Council Decision 76/198 EEC

5. Method of calculation :

- No of CCT : 22.09 C I
- Quota volume : 71,571 hl of pure alcohol
- Quota duty rate : free
- Duty rate CCT : 105 UA/hl

6. Loss of receipts : 3,600,000 to 7,500,000 EUR according to the use of the quota