

COMMISSION OF THE EUROPEAN COMMUNITIES

A

COM(78) 92 final.

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Proposal for a

COUNCIL REGULATION (EEC)

on the opening, allocating and providing for the administration of a Community tariff quota for sherry, falling within heading No ex 22.05 of the Common Customs Tariff, originating in Spain

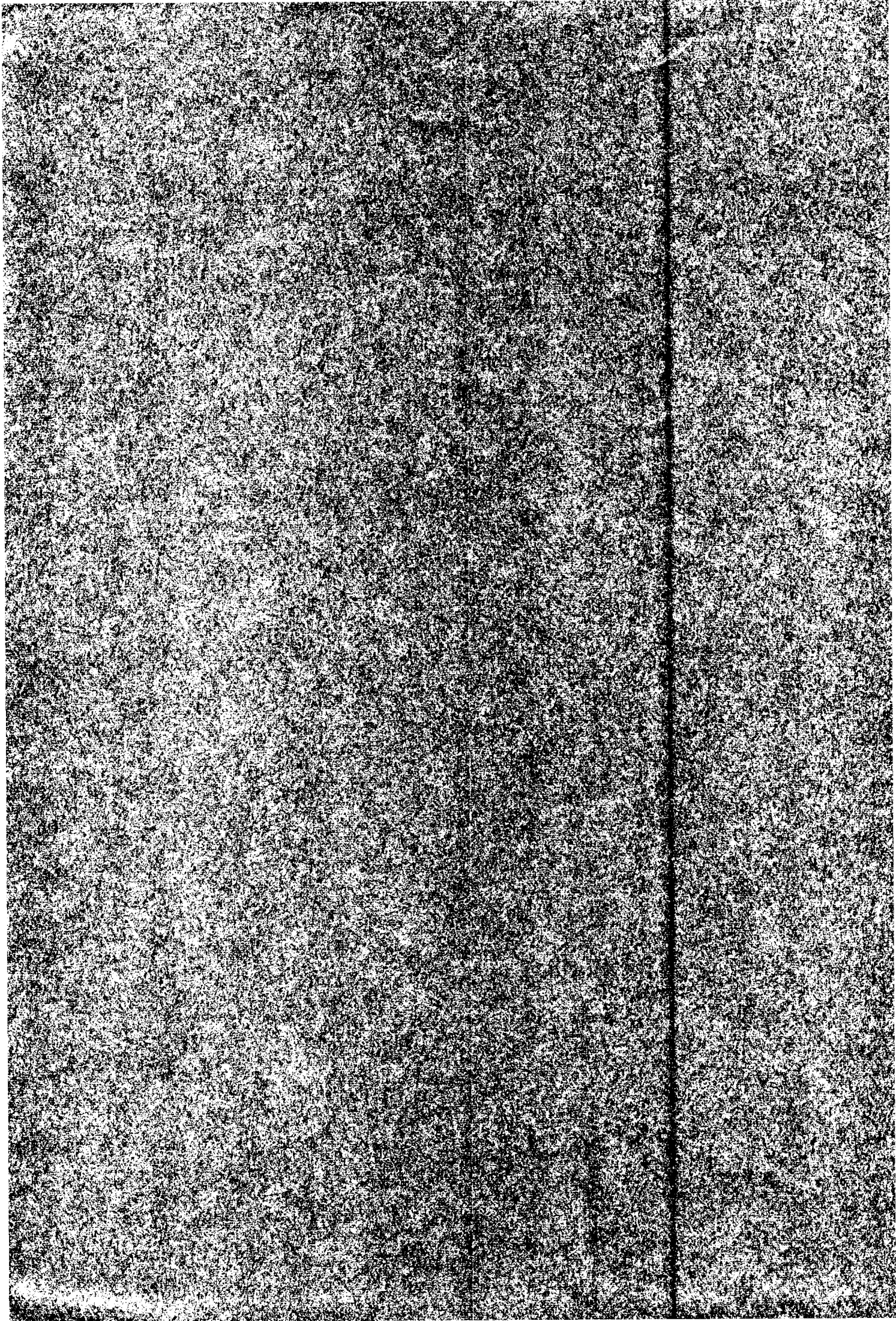
Proposal for a

COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of a Community tariff quota for liqueur wines falling within subheading ex 22.05 C of the Common Customs Tariff, originating in Cyprus and marketed under the label of "Cyprus Sherry", and introducing subsidies for similar wine products produced in the Community

(submitted to the Council by the Commission)

COM(78) 92 final.



EXPLANATORY MEMORANDUM

Because the reference price for sherry has not been fixed it is absolutely necessary to open Community tariff quotas for sherry wines, originating in Spain, and the wine called "Cyprus Sherry" originating in Cyprus for a new period of two months starting on 1 March 1978 which is when the previous and identical Regulation lapse.

Proposal for a
COUNCIL REGULATION (EEC) No .../78

of

on the opening, allocating and providing for the administration of a Community tariff quota for sherry, falling within heading No ex 22.05 of the Common Customs Tariff, originating in Spain

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 on the signing of the Agreement between the European Economic Community and Spain⁽¹⁾ on 29 June 1970, the Community undertook to grant preferential tariff arrangements for imports into the Community of certain wines originating in Spain, in particular sherry; whereas in order to satisfy this undertaking, the Community has opened each year two tariff quotas, namely:

- 40 000 hectolitres at a duty rate of 40 % of the Common Customs Tariff duties, for sherry in containers holding two litres or less, falling within subheadings ex 22.05 C III a) 1 and ex 22.05 C IV a) 1, originating in Spain and
- 210 000 hectolitres at a duty rate of 50 % of the Common Customs Tariff duties, for sherry in containers holding more than two litres, falling within subheadings ex 22.05 C III b) 1 and ex 22.05 C IV b) 1, originating in Spain;

Whereas these preferential tariff arrangements were laid down only for imports of these products into the Member States of the Community as originally constituted; whereas, under the Act of Accession, importation of these products into the three new Member States are subject to Common Customs Tariff duties with effect from 1 July 1977; whereas the import arrangements for these products should be uniform throughout the Community; whereas therefore the aforementioned annual quotas should be increased to 108 000 hectolitres and 685 000 hectolitres respectively; whereas the application to sherry

of the provisions governing the common organization of the market in wine, and in particular those concerning the observance of the free-at-frontier

reference price, entails the division of the quota period;

whereas,
tariff quotas of 18 000 and 114 170 hectolitres respectively should thus be opened for the aforementioned wines for the period 1 March to 30 April 1978;

Whereas these wines remain subject to the provisions governing the common organization of the market in wine; whereas inclusion in the Community tariff quota should be subject to production of movement certificate A.E. 1 and a certificate of designation or origin as provided for in Regulation (EEC) No 1120/75 (2);

Whereas it is in particular necessary to ensure to 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 principles mentioned above, the Community nature of the quotas can be respected by allocating the Community tariff quotas among the Member States; whereas, in order to reflect most accurately the actual development of the market in the products concerned, such allocation should be in proportion to the needs of the Member States, assessed by reference to both the statistics of each State's imports of the said products from Spain over a representative period and the economic outlook for the quota period concerned;

Whereas available Community statistics give no information on the situation of sherry on the markets; whereas, however, Spanish statistics for exports of these products to the Community during the last few 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 during the last three years represent the following percentages of the imports into the Community from Spain of the products concerned:

(1) OJ No L 182, 16. 8. 1970, p. 2.

(2) OJ No L 111, 30. 4. 1975, p. 19.

	1974	1975	1976
Sherry :			
— in containers holding two litres or less :			
Benelux	45.5	49.5	62.5
Denmark	3.7	5.2	5.7
Germany	12.1	12.0	13.4
France	0.4	0.3	0.3
Ireland	2.8	1.3	1.0
Italy	4.9	1.4	1.2
United Kingdom	30.6	30.3	15.8
— in containers holding more than two litres :			
Benelux	25.7	39.9	35.3
Denmark	3.2	2.9	5.1
Germany	2.4	2.9	3.4
France	0.1	0.1	0.1
Ireland	1.0	0.7	0.9
Italy	0.0	0.0	0.0
United Kingdom	67.6	53.5	55.2

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 :

Member States	Sherry in containers holding	
	two litres or less	more than two litres
Benelux	53.61	33.45
Denmark	5.05	3.83
Germany	13.20	2.99
France	0.31	0.03
Ireland	2.06	0.78
Italy	2.11	0.01
United Kingdom	23.66	58.90

Whereas, in order to take into account import trends for the products concerned in the different Member States, each of the quota amounts should be divided into two tranches, the first tranche being allocated among the Member States and the second forming a reserve intended ultimately to cover the requirements of the Member States which have used up their initial quota shares ; whereas, in order to ensure a certain degree of security to importers in each Member State, the first instalment of the Community quotas should be determined at a level which, under present circumstances, may be about 90 % 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, it is important that any Member State having used up almost the whole of one of 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 quota shares is almost entirely used up, and repeated as many times as the reserve allows ; whereas the initial and additional quota shares must be available for use until the end of the quota period ; whereas this method of administration calls for close cooperation between Member States and the Commission, which must, in particular, be able to observe the extent to which the quota amounts are used and inform Member States thereof ;

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 measure concerning 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. Until 30 April 1978, the Common Customs Tariff duties in respect of the sheries mentioned below originating in Spain shall be partially suspended at the levels or within the limits of the Community tariff quotas indicated for each of them :

CCT heading No	Description	Rate (in u.a./hl)	Quota volume (in hl)
ex 22.05 C III a) 1	sherry	5.4	} 18 000
ex 22.05 C IV a) 1	sherry	5.8	
ex 22.05 C III b) 1	sherry	5.5	} 114 170
ex 22.05 C IV b) 1	sherry	6.0	

2. The Protocol on the definition of the concept of 'originating products' and on methods of administrative cooperation, annexed to the Agreement between the European Economic Community and Spain, shall be applicable.

3. The inclusion of sherry in the Community tariff quotas referred to in paragraph 1 shall be conditional upon production of a movement certificate A.E.1 and a certificate of designation of origin as provided for in Regulation (EEC) No 1120/75 and endorsed by the Spanish customs authorities.

Article 2

1. The quotas laid down in Article 1 shall be divided into two tranches.

2. A first tranche of each quota shall be allocated among the Member States; the respective shares which shall be valid until 30 April 1978, shall be as follows:

Member States	Sherry falling within 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	8 690	34 370
Denmark	820	3 930
Germany	2 140	3 070
France	50	30
Ireland	330	800
Italy	340	10
United Kingdom	3 830	60 490
Total	16 200	102 700

3. The second tranche of each quota, that is 1 800 and 11 470 hectolitres respectively, shall constitute the corresponding reserve.

graph 1 to draw a third share equal to 5 % of the initial share, rounded up to the next unit where appropriate.

Article 3

1. If 90 % or more of one of the initial shares of a Member State, as laid down in Article 2 (2), has been exhausted, that Member State shall proceed without delay, by notifying the Commission, to draw a second share equal to 10 % of its initial share, rounded up to the next unit where appropriate, to the extent that the amount in the reserve allows.

2. If, after one or other of its initial shares have been exhausted, 90 % or more of the second share drawn by a Member State has been used, that Member State shall proceed in the manner specified in para-

3. If, after one or other of its second shares have been exhausted, 90 % or more of the third share drawn by a Member State has been used, that Member State shall, in accordance with the same conditions, draw a fourth share equal to the third.

This process shall be applied until the reserve is exhausted.

4. By way of derogation from paragraphs 1, 2 and 3, a Member State may proceed to draw shares smaller than those fixed in those paragraphs, if there is reason to believe that those shares 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 April 1978.

Article 5

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 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 final drawing.

Article 6

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 tariff quota.

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

Done at Brussels,

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 extent to which Member States have used up their shares shall be determined on the basis of the imports of the products in question entered for home use.

Article 7

On receipt of a request from the Commission, Member States shall inform it of imports actually charged against their shares.

Article 8

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

Article 9

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

It shall apply with effect from 1 March 1978

For the Council

The President

Proposal for a
COUNCIL REGULATION (EEC) No .../78
of

opening, allocating and providing for the administration of a Community tariff quota for liqueur wines falling within subheading ex 22.05 C of the Common Customs Tariff, originating in Cyprus and marketed under the label of 'Cyprus Sherry', and introducing subsidies for similar wine products produced in the Community

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the proposal from the Commission,

Whereas the exchange of letters referred to in Article 12 of the Protocol laying down certain provisions relating to the Agreement establishing an Association between the European Economic Community and the Republic of Cyprus consequent on the accession of new Member States to the European Economic Community⁽¹⁾ makes provision for special interim arrangements for the wine product exported under the label of 'Cyprus Sherry', and intended for direct human consumption, which involve the non-application of countervailing charges on imports of this wine into Ireland and the United Kingdom, within the limits of an annual quota of 200 000 hectolitres; whereas, to that end, Regulation (EEC) No 1253/73⁽²⁾, as amended by Regulation (EEC) No 3576/73⁽³⁾, as last extended and amended by Regulation (EEC) No 1606/76⁽⁴⁾, introduced arrangements for imports of the wine product exported under the label of 'Cyprus Sherry', originating in and coming from Cyprus, and provided for subsidies for similar wine products produced in the Community as originally constituted and exported to Ireland and the United Kingdom; whereas the arrangements in question expired on 30 June 1977;

Whereas, to allow for the disposal of existing stocks, Community arrangements were introduced until 28 February 1978, in the form of a Community tariff quota exempt from customs duties and the countervailing charge, by Regulation (EEC) No 3016/77⁽⁵⁾; whereas these arrangements should not disturb the market in Community wines similar to liqueur wines originating in Cyprus and covered by this Regulation; whereas, to avoid distortion of the conditions of competition between the said products

and similar Community wines, provision was made, in respect of the latter, for the granting of aids, based on the difference, on the market of the Member States of destination, between the prices of Community liqueur wines and the prices of the liqueur wines in question originating in Cyprus;

Whereas, pending the implementation on 1 May 1978 of new Community arrangements the tariff arrangements introduced by Regulation (EEC) No 3016/77 should be extended for the period from 1 March 1978 to 30 April 1978 and a Community tariff quota should be opened for the products in question of a volume of 33 334 hectolitres free of customs duties and the countervailing charge;

Whereas entry under the above Community tariff quota must be conditional on the presentation of the A. CY. 1 movement certificate and on the wines being described as 'Cyprus Sherry' in the V.I. 1 document provided for in Regulation (EEC) No 2115/76⁽⁶⁾;

Whereas, the Community nature of the quota would be respected by a system based on the allocation of the Community tariff quota among the Member States; whereas, in order to reflect as accurately as possible the actual development of the market in the products concerned, such allocation should be in proportion to the requirements of the Member States, assessed by reference both to the statistics relating to imports of the said products from Cyprus over a representative period and to the economic outlook for the quota period concerned;

Whereas in this case, however, neither Community nor national statistics showing the breakdown for each of the types of wines in question are available; whereas estimating the import needs of the Member States for the quota period is difficult because of the absence of valid precedents; whereas because of the small amount of the tariff quota the allocation thereof between the Member States would result in such small shares being allocated that they would no longer be

⁽¹⁾ OJ No L 133, 21. 5. 1973, p. 88.

⁽²⁾ OJ No L 133, 21. 5. 1973, p. 115.

⁽³⁾ OJ No L 359, 28. 12. 1973, p. 33.

⁽⁴⁾ OJ No L 175, 1. 7. 1976, p. 6.

⁽⁵⁾ OJ No L 355, 31. 12. 1977, p. 38.

⁽⁶⁾ OJ No L 299, 23. 11. 1977, p. 1.

più considerate come suscettibili di uno sfruttamento commerciale; che pertanto pare possibile procedere soltanto in maniera da attribuire alla riserva comunitaria la totalità del volume contingente e da prevedere la possibilità che gli Stati membri che ne abbiano un fabbisogno prelevino quantitativi appropriati da tale riserva; che le aliquote così prelevate dalla riserva devono essere valide fino alla fine del periodo contingente; che tale metodo di gestione richiede una stretta collaborazione tra gli Stati membri e la Commissione, la quale deve, in particolare, poter seguire il grado di esaurimento del volume del contingente ed informarne gli Stati membri;

considerando che, se ad una data determinata del periodo contingente esiste in uno Stato membro un residuo importante, è indispensabile che detto Stato membro ne ritrasferisca una notevole percentuale nella riserva al fine di evitare che una parte del contingente tariffario comunitario rimanga inutilizzata in uno Stato membro mentre potrebbe essere utilizzata in altri;

considerando che, poiché il Regno del Belgio, il Regno dei Paesi Bassi e il Granducato del Lussemburgo sono riuniti e rappresentati dall'unione economica Benelux, tutte le operazioni relative alla gestione delle quote attribuite a detta unione economica possono essere effettuate da uno dei suoi membri,

HA ADOTTATO IL PRESENTE REGOLAMENTO:

Articolo 1

1. Fino al 30 aprile 1978, i dazi della tariffa doganale comune per i prodotti sotto indicati, originari di Cipro, sono totalmente sospesi nei limiti di un contingente tariffario comunitario di un volume globale di 33 334 ettolitri.

Numero della tariffa doganale comune	Designazione delle merci
ex 22.05 C II a) ex 22.05 C II b) ex 22.05 C III a) 2 ex 22.05 C III b) 3 ex 22.05 C IV a) 2 ex 22.05 C IV b) 3	Vini liquorosi commercializzati con la menzione « Cyprus Sherry »

2. Al riguardo si applicano le disposizioni del protocollo relativo alla definizione della nozione di prodotti

originari e ai metodi di cooperazione amministrativa, allegato all'accordo tra la Comunità economica europea e Cipro.

3. L'ammissione di tali vini al beneficio del contingente tariffario di cui al paragrafo 1 è subordinata alla condizione che i vini in questione siano designati come vini liquorosi commercializzati con la menzione « Cyprus Sherry » nel documento V.I.1 disposto dal regolamento (CEE) n. 2115/76.

4. Entro i limiti di tale contingente tariffario, i prodotti di cui al paragrafo 1 sono esenti dalla riscossione delle tasse di compensazione previste dal regolamento (CEE) n. 816/70 ⁽¹⁾, modificato da ultimo dal regolamento (CEE) n. 2211/77 ⁽²⁾.

Articolo 2

1. Il contingente tariffario di cui all'articolo 1 è attribuito alla riserva comunitaria.

2. Se in uno Stato membro si manifesta un fabbisogno di prodotti in questione, tale Stato membro preleva un'aliquota appropriata dalla riserva così costituita, nei limiti in cui l'entità di questa lo permetta.

Articolo 3

Le quote prelevate a norma dell'articolo 2 sono valide fino al 30 aprile 1978.

Articolo 4

Gli Stati membri versano nella riserva, entro il 20 aprile 1978, la frazione non utilizzata della loro quota che, alla data del 10 aprile 1978, ecceda il 20 % del volume iniziale. Essi possono trasferire una quantità superiore se hanno motivo di ritenere che non verrà utilizzata.

Gli Stati membri comunicano alla Commissione, entro il 20 aprile 1978, il totale delle importazioni dei prodotti in oggetto effettuate sino al 10 aprile 1978 incluso e imputate sul contingente comunitario, nonché, se del caso, la frazione della quota che essi trasferiscono alla riserva.

Articolo 5

La Commissione contabilizza i quantitativi delle quote aperte dagli Stati membri conformemente all'articolo 2 e li informa, appena le pervengono le notifiche, del grado di utilizzazione della riserva.

⁽¹⁾ GU n. L 99 del 5. 5. 1970, pag. 1.

⁽²⁾ GU n. L 256 del 7. 10. 1977, pag. 1.

The Commission shall notify Member States not later than 23 April 1978 of the amount in the reserve after the return of shares pursuant to Article 4.

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 making the final drawing.

Article 6

1. Member States shall take all measures necessary to ensure that shares drawn pursuant to Article 2 are opened in such a way that imports may be charged without interruption against their aggregate shares in the Community quota.

2. Each Member State shall ensure that importers of the products concerned established in their territory have free access to the shares allocated to it.

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 in question entered for home use.

Article 7

1. Subsidies shall be granted for liqueur wines of Community origin similar to the liqueur wines described in the V.I.I document provided for in Regulation (EEC) No 2115/76 as 'liqueur wines to be marketed under the label of "Cyprus Sherry"' which are dispatched by 30 April 1978 from the producer Member States to the other Member States of the Community which have actually imported and

marketed under this Regulation products referred to in Article 1.

2. The subsidies referred to in paragraph 1 shall be calculated on the basis of the difference, on the markets of the importing Member States, between the prices of Community liqueur wines and those of the liqueur wine marketed under the label of 'Cyprus Sherry'.

Article 8

Detailed rules in respect, particularly, of the amount of the subsidy and of the Community liqueur wine eligible for aid, shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24 on the progressive establishment of a common organization of the market in wine⁽¹⁾.

Article 9

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

Article 10

The Member States and the Commission shall collaborate closely in order to ensure that this Regulation is observed.

Article 11

This Regulation shall enter into force on the day following its publication in the Official Journal of the European Communities.
It shall apply with effect from 1 March 1978.

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

Done at Brussels,

For the Council

The President

⁽¹⁾ OJ No 30, 20. 4. 1962, p. 989/62.

FICHE FINANCIERE

1. Ligne budgétaire concernée : Chap. 12 art. 120

2. Base juridique : Art. 113

3. Intitulé de la mesure tarifaire :

Proposition d'un règlement (CEE) du Conseil portant ouverture, répartition et mode de gestion de contingents tarifaires communautaires de vins de Xérès, de la position ex 22.05 du tarif douanier commun, originaires d'Espagne.

Proposition d'un règlement (CEE) du Conseil portant ouverture, répartition et mode de gestion d'un contingent tarifaire communautaire de vins de liqueur de la sous-position ex 22.05 C du tarif douanier commun, originaires de Chypre, commercialisés sous la mention "Cyprus Sherry", et instituant des aides pour des produits vinicoles similaires produits dans la Communauté.

4. Objectif :

Exécution d'une obligation contractuelle.

5. Mode de calcul :

- N° du T.D.C.	: ex 22.05	
- Volume du/des contingent(s)	: <u>Espagne</u> 18.000 hl et 114.170 hl	<u>Chypre</u> 33.334 hl
- Droits à appliquer	: 5,4 à 6% UC/hl	exemption.
- Droits du T.D.C.	: 13,5 et 14,5 UC/hl	11 à 19 UC/hl

6. Perte de recettes :

Espagne : 6.020.000 EUR

Chypre : 500.000 EUR