

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(75) 669 final

Brussels, 19 December 1975

Proposal for a

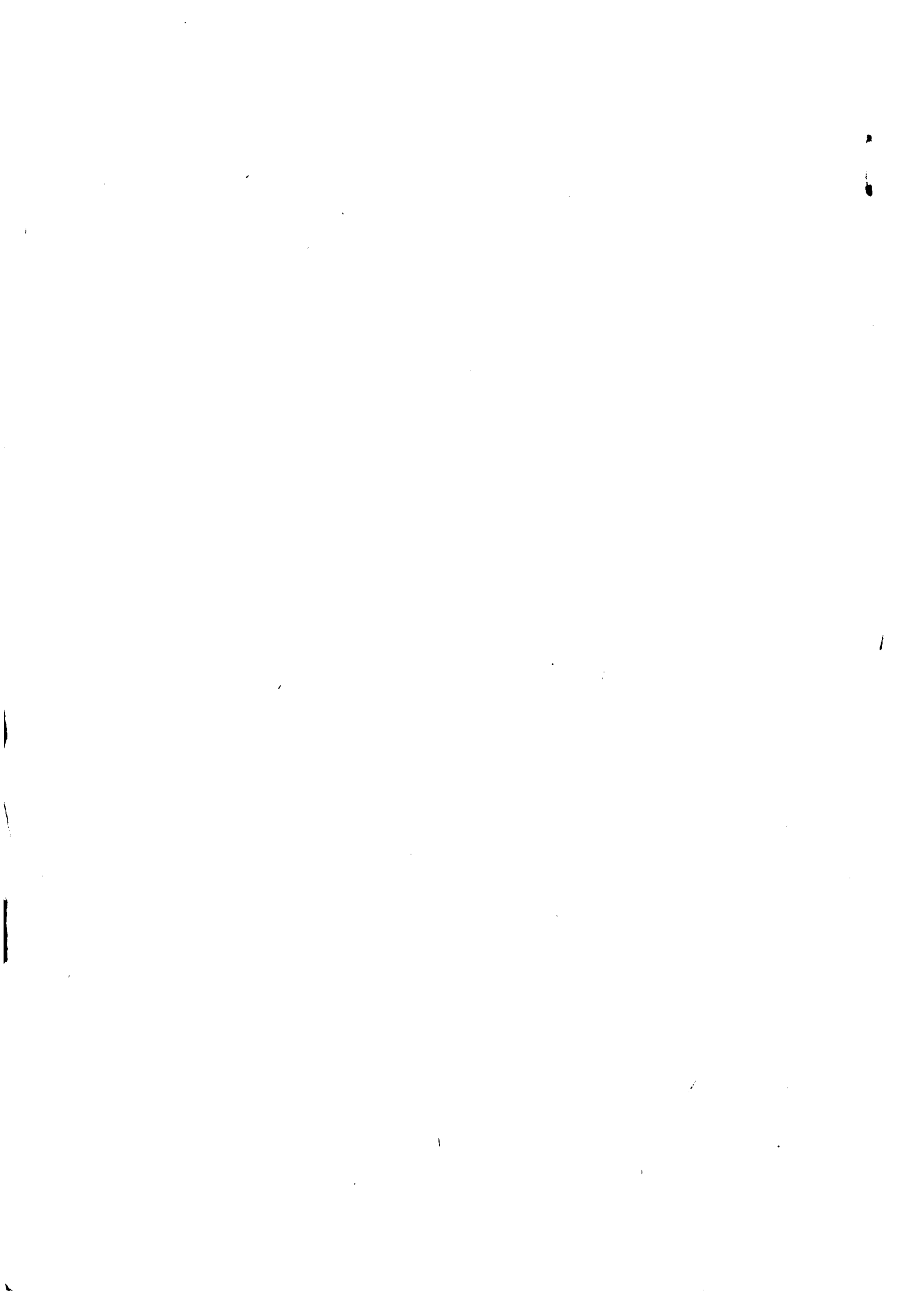
REGULATION (EEC) OF THE COUNCIL

opening, allocating and providing for the  
administration of the Community tariff quota for  
certain wines, falling within subheading ex 22.05 of the  
Common Customs tariff, originating in Cyprus (1976)

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(submitted to the Council by the Commission)

COM(75) 669 final



EXPLANATORY MEMORANDUM

1. By virtue of the exchange of letters of ..... between the European Economic Community and the government of Cyprus, the Community undertakes to grant to imports into the Community tariff advantages to the products mentioned below within the limits and to the duty rates indicated as follows, if they are of Cyprus origin :

CCT heading No	Description of goods	Volume	Rate of Reduction
ex 22.05 C II a) 1 )	..... wines	250,000 hectolitres	} 60%
ex 22.05 C IV a) 1 )			
ex 22.05 C III b) 1 )			} 52%
ex 22.05 C IV b) 1 )			

These wines will of course remain subject to provisions relating to the common organisation of the market in wines and subject to observance of a minimum price fixed by the Community for comparable wines from third countries.

2. In order to meet the Community's obligations to Cyprus, rules have to be adopted providing for the opening of the Community tariff quota for these wines.

That is the object of the annexed proposal.

3. The provisions of the Regulation provide, as is normal, that each of the volumes shall be divided into two instalments, the first of which is to be allocated in quotas among all the Member States and the second held as a reserve.

The allocation on 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 divided up by types of wine, the initial quotas have been calculated on the basis of the most recent statistics for all wines imported from

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Cyprus during the years 1971 to 1973. Given that Cyprus exports hardly any kinds of wine other than these, this data can in fact be considered as giving a rough picture of Community imports of the wines in question.

4. Community imports of wines from Cyprus

- tariff heading 22.05 of the CCT -

- in hl -

	1971	1972	1973	1974
Bx	9	-	-	} not available
DK	-	176	227	
G	56	96	-	
F	24	34	47	
IRL	1,431	2,035	2,533	
IT	48	-	-	
UK	207,804	221,450	289,661	
EEC	209,372	223,831	292,468	

5. Note

The attention of the Community authorities is particularly drawn to the fact that this proposal for a Regulation (EEC) of the Council can only be finally approved by the Council and then published in the Official Journal of the European Communities for entry into force on 1976, on condition that the following be approved at the same time and put into force on the same day :

- the carrying out of the exchange of letters between the Community and Cyprus relating to these wines
- the modification of Annex IV of Regulation (EEC) N) 816/70 (common organisation of the wine market) with a view to modifying the common customs tariff)
- the extension of Regulation (EEC) No 1120/75 to the Cyprus wines in question.

Proposal for a  
REGULATION (EEC) No ..176 OF THE COUNCIL  
of .....

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

THE COUNCIL OF THE EUROPEAN  
COMMUNITIES,

Having regard to the Treaty establishing the European  
Economic Community, and in particular Articles 43  
and 113 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parlia-  
ment<sup>(1)</sup>;

Whereas the exchange of letters between the European Economic Community  
and the Republic of Cyprus of ..... 1976 (1) provides for that <sup>from ... 1976</sup> the  
Community undertakes to afford the ..... wines the benefit of a  
customs regime comparable with that afforded to wines classified in  
subheadings 22.05 C III a) 1, 22.05 C III b) 1, 22.05 C IV a) 1 and  
22.05 C IV b) 1 of the Common Customs Tariff; whereas this benefit is  
granted for an overall annual volume of 250,000 hectolitres for which  
the Common Customs Tariff duties are reduced by 60% for wines put  
up in containers holding 2 litres or less and by 52% for wine put up  
in containers holding more than 2 litres; whereas these preferential  
regime is granted subject to observance of a minimum price fixed by  
the Community for comparable wines from third countries and of the  
Community wine-product rules; whereas this Community tariff quota  
for these wines has to be opened;

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(1) (OJ No L ....., of ..... 1975, p. ...

Whereas it is in particular necessary to ensure to 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 principles mentioned above, the Community nature of the quota can be respected by allocating the Community tariff quota 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 both to the statistics of each State's imports from Cyprus over a representative period and to the economic outlook for the quota period concerned;

Whereas available Community statistics give no information on the situation of the wines in question on the markets; whereas, however, the import statistics for all Cyprus wines of the tariff heading 22.05 to the Community during the years 1971 to 1973 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 past three years represent the following percentages of the imports into the Community from Cyprus of the products concerned :

	1972	1973	1974
Benelux	0.01	0.00	0.00
Denmark	0.00	0.08	0.08
Germany	0.02	0.04	0.00
France	0.02	0.02	0.02
Ireland	0.68	0.93	0.87
Italy	0.02	0.00	0.00
United Kingdom	99.25	98.93	99.03

Whereas, in view of these data, initial quota shares may be fixed approximately at the following percentages :

Benelux	0.05
Denmark	0.15
Germany	0.05
France	0.05
Ireland	1.50
Italy	0.05
United Kingdom	98.15

Whereas, in order to take into account import trends for the products concerned in the different Member States, the quota amount should be divided into two instalments, the first instalment 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 quota should be determined at a level which, under present circumstances, may be 75 % of the quota amount;

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 having used up almost the whole of its initial quota share should draw an initial quota share from the reserve; whereas this must be done by each Member State 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 amount is used and inform Member States thereof;

Whereas, if at a specified date in the quota period a considerable balance of the initial share remains in one or other Member State, it is essential that that Member State pays a large amount of it back into the reserve, in order to avoid a part of the Community quota 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, all transactions concerning the administration of shares granted to the abovementioned economic union may be carried out by any of its members,

HAS ADOPTED THIS REGULATION:

*Article 1*

1. For the period ..... to 31 December 1976, a Community tariff quota of 250,000 hectolitres shall opened for ... wines, originating in Cyprus falling within subheadings ex 22.05 C III a) 1, ex 22.05 C III b) 1, ex 22.05 C IV a) 1 and ex 22.05 C IV b) 1 of the Common Customs Tariff.

2. The Common Customs Tariff duties on wines imported within this tariff quota shall be suspended at the rates listed below :

CCT heading No	Rate of duty
ex 22.05 C III a) I	5,4 u.a./hl
ex 22.05 C III b) I	5,8 u.a./hl
ex 22.05 C IV a) I	5,2 u.a./hl
ex 22.05 C IV b) I	5,7 u.a./hl

3. In the framework of this Community tariff quota the new Member States apply duty rates which have to be calculated in conformity with the provisions provided for in the "Protocol laying down certain provisions relating to the Agreement establishing an Association between the European Economic Community and the Republic of Cyprus".
4. The benefit of the tariff quota shall be conditional on observance of the minimum price fixed by the Commission in accordance with the exchange of ..... between the EEC and the Republic of Cyprus.

#### Article 2

1. The tariff quota referred to in Article 1 shall be divided into two instalments.
2. A first instalment, amounting to 200,000 hectolitres of this quota, shall be shared among the Member States; the shares which, subject to Article 5, shall be valid until 31 December 1976, shall consist of the following amounts :

	(in hectolitres)
Benelux	100
Denmark	300
Germany	100
France	100
Ireland	3,000
Italy	100
United Kingdom	196,300

3. The second instalment, amounting to 50,000 hectolitres, shall constitute the reserve.



*Article 3*

1. If 90 % or more of the initial share of a Member State, as laid down in Article 2 (2), or 90 % or more 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 where appropriate, to the extent that the amount in the reserve allows.

2. If, after its initial share has been exhausted, 90 % of the second share drawn by a Member State has been used, that Member State shall proceed in the manner specified 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 amount in the reserve allows.

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 manner specified in paragraph 1, 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 those shares might not be used up. They shall inform the Commission of the reasons which led them to apply this paragraph.

*Article 4*

The additional shares drawn pursuant to Article 3 shall be valid until 31 December 1976.

*Article 5*

The Member States shall return to the reserve, not later than 1 October 1976, the unused portion of their initial share which, on 15 September 1976, is in excess of 20% of the initial amount. They shall return a larger quantity if there are reasons to consider that such quantity might not be used.

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*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 tariff 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 extent to which a Member State has used up its shares shall be determined on the basis of the imports originating in Cyprus and when the goods are entered for home use.

The Member States shall, not later than 1 October 1976, notify the Commission of the total imports of the products concerned effected up to 15 September 1976 inclusive and charged against the Community quota and, where appropriate, the proportion of their initial shares 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 October 1976, 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 final drawing.

*Article 8*

On request of the Commission Member States give information about 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 the provisions of this Regulation are observed.

*Article 10*

This Regulation shall enter into force on 1 January 1976.

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

Done at Brussels,

*For the Council*  
*The President*

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