

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(87) 326 final/2

REVISED VERSION

Brussels, 21 August 1987

PROPOSAL FOR A COUNCIL DIRECTIVE  
ON THE APPROXIMATION OF TAXES ON MANUFACTURED TOBACCO  
OTHER THAN CIGARETTES

(presented by the Commission)

COM(87) 326 final/2

Proposal for a Council Directive on the approximation  
of taxes on manufactured tobacco other than cigarettes

EXPLANATORY MEMORANDUM

I. INTRODUCTION

The overall approach towards completing the internal market as far as indirect taxation is concerned is described in the Global Communication to the Council<sup>(1)</sup>. That communication sets out the reasons underlying the proposals which the Commission is making and deploys the arguments in their support. It is particularly important therefore that the present document should be read in conjunction with the Global Communication.

This proposal for a Directive concerns excise duties on manufactured tobacco other than cigarettes; it lays down the common structure and rates that are to apply from 31 December 1992 at the latest.

---

(1) COM(87)320 final

## II. BACKGROUND

1. Council Directive 72/464/EEC of 19 December 1972<sup>(1)</sup>, as supplemented in particular by Directive 77/805/EEC of 19 December 1977<sup>(2)</sup>, sets out in Title I general provisions applying to all types of manufactured tobacco and in Titles II and IIa special provisions applying only to cigarettes during the first and second stages, respectively of the harmonization of the structure of excise duties.
  
2. The general provisions applying to all types of manufactured tobacco (i.e. cigarettes, cigars and cigarillos, smoking tobacco, snuff and chewing tobacco) include the following:
  - Member States are to refrain from imposing charges other than excise duty and VAT on these products;
  
  - The Council, acting on a proposal from the Commission, is to adopt the provisions necessary to determine the way in which manufactured tobacco should be defined and classified<sup>(3)</sup>;
  
  - manufacturers and importers are to be free to determine the maximum retail selling prices for each of their products;
  
  - the rules for collecting the excise duty are to be harmonized during the final stage at the latest; all importers and national manufacturers of manufactured tobacco are to be subject to the same arrangements for collecting the duty (e.g. tax stamps or some other arrangement) and to the same rules for payment (e.g. deferred payments).

---

<sup>(1)</sup> OJ No. L 303 of 31 December 1972,

<sup>(2)</sup> OJ No L 338 of 28 December 1977,

<sup>(3)</sup> These provisions were laid down in Council Directive 79/32/EEC of 18 December 1978.

3. The Council has so far not adopted any specific provisions relating to harmonization of the structure of excise duties on manufactured tobacco other than cigarettes. However, in response to the Council Resolution of 21 April 1970<sup>(1)</sup>, the Commission also put forward proposals on cigars, cigarillos and smoking tobacco<sup>(2)</sup> designed to subject them to a purely ad valorem excise duty not exceeding, during the first stage, a rate equivalent to 40% of the retail selling price in the case of cigars and cigarillos and 50% in the case of smoking tobacco. It was not stipulated whether the duty on cigars could be different from that on cigarillos, whether the duty on cigars made of natural tobacco could differ from that on other cigars or whether all smoking tobaccos should be chargeable to duty at the same rate. Provision was also made to exempt snuff and chewing tobacco from duty.

4. However the discrepancies between the tax systems and rates of the Member States effectively prevented any agreement being reached on these proposals. Instead the Council's efforts have concentrated on harmonizing the tax structure of cigarettes, which account for over 90% of the manufactured tobacco market.

5. Today within the Community there is still no common basis for assessing excise duties. These are variously expressed as a proportion of the selling price inclusive of all taxes, as a specific duty or as a combination of the two. Annexes 1, 2 and 3 contain tables giving for each Member State the structure and rates of the taxes applicable to manufactured tobacco other than cigarettes.

---

(1) OJ No C 50 of 28 April 1970

(2) Proposal for a Directive in OJ No C 4 of 18 January 1971, p. 22, subsequently adopted as Directive 72/464/EEC of 19 December 1972 (OJ No L 303 of 31 December 1972).

6. The purpose of this proposal, therefore, is not only to establish a common structure and basis of assessment for the excise duty on manufactured tobacco other than cigarettes but, at the same time, to determine the rates that will make it possible to do away with tax frontiers by harmonizing the tax burdens arising from the combination of the two taxes (excise duty and VAT) levied on such products.

### III. SPECIFIC REMARKS

#### Article 1 : Determining the structure and basis of assessment of the excise duty

1. Directive 72/464/EEC does not mention the actual structure of the excise duties to be applied to cigars and cigarillos, smoking tobacco, chewing tobacco and snuff. The structure, which may be either ad valorem, specific or mixed, needs therefore to be determined. The reasons why a mixed or specific tax does not seem suitable for the Community tax system and why an ad valorem tax seems more appropriate are set out below.

#### 2. Mixed duty

In the case of cigarettes, a mixed duty made up of a specific and an ad valorem component was adopted in 1972 (Directive 72/464/EEC) after a compromise between the different tax systems of the original six Member States had been worked out.

The "mixed" system of taxation on cigarettes is feasible because of the intrinsic characteristics of cigarettes, viz. a unit weight of around 1 g irrespective of their diameter or length and the fact that a large proportion of the cigarettes smoked in each country comes within the "most popular" price category, which provides the benchmark for the level of taxation. A "mixed" system does not, however, seem appropriate for the other types of manufactured tobacco.

Indeed, the supply of cigars and cigarillos is characterized by very wide choice coupled with extremely varied prices. While the spread of prices for cigarettes is relatively narrow (there is no country where the price of the most expensive cigarette brand is more than twice the price of "popular" brands) the price range for cigars and cigarillos is extremely wide, with the highest prices exceeding the lowest by a factor of ten or more. There are also major quality distinctions and a multiplicity of different retail products of varying weights. Nowhere is a particular price category clearly predominant.

It is therefore impossible to introduce a harmonized mixed system under such circumstances without seriously distorting existing market structures. Denmark, in fact, is the only country to apply a mixed system to cigars and cigarillos.

As regards smoking tobacco, the only reason which might militate in favour of a "mixed" system of taxation would be the relationship that some countries feel they must establish between the taxation of cigarettes and that of "handrolling" tobacco. Inevitably, however, such a relationship, if one has to be established, can be only in relation to the tax on "popular" cigarettes. In this case, a mixed tax structure is not needed for smoking tobacco; it is sufficient to fix either a specific amount of tax or a proportional rate of tax that takes account of the desired relationship with the tax burden on "popular" cigarettes.

Moreover, no Community definition exists (see Directive 79/32/EEC) that makes it possible to distinguish between "roll-your-own" smoking tobacco and pipe tobacco.

Only two countries, Germany and the Netherlands, apply a "mixed" tax structure but this creates problems when it comes to deciding on the respective levels of the two components.

For all these reasons, the Commission considers that a mixed system of taxation would be inappropriate for these products. The same is true of snuff and chewing tobacco, to which Member States, for practical reasons and because of the relative insignificance of these products, apply the same system of taxation as to smoking tobacco.

### 3. Specific duty

In the case of cigars and cigarillos, a specific excise duty per unit would make the incidence of the tax highly degressive since it would not take account of the price component. The cheaper products would thus be driven from the market, increasing the burden of the duty per unit; the process would then start all over again as part of a snowball effect. No country has, in fact, opted for a system of specific duty per unit.

A specific system based on the weight of raw tobacco used in manufacturing or on the weight of the final product would equally fail to take into account such factors as the wide range of prices and quality differentials (even within a particular weight class), and the same drawbacks as those enumerated above would arise. The United Kingdom and Ireland are the only Member States to apply such a system of taxation. In those countries, the incidence of taxation as a proportion of the retail selling prices of cigars and cigarillos varies quite considerably. Moreover, a specific duty does not take account of the effect of customs duties and would result in some loss of protection that Member States applying a proportional excise duty currently enjoy against products from third countries.

As regards smoking tobacco, a purely specific excise duty (taxation by weight) has advocates only in the United Kingdom, Ireland and Denmark.

These countries also distinguish between pipe tobacco and other smoking tobacco although as yet no Community definition exists in this field. This distinction is based on differing national definitions, and it is certainly no accident that the only countries applying a specific duty on its own or as part of a mixed system have had to make this distinction.

If a specific (or mixed) system were chosen, there would be no avoiding the need first to establish additional definitions within the group of smoking tobaccos. This would be made all the more difficult by the fact that there are smoking tobaccos sold on the market today which can be used both as pipe tobacco and for rolling cigarettes.

Again, the Commission considers that a wholly specific system of taxation would be inappropriate for cigars, cigarillos and smoking tobacco. The same is true of snuff and chewing tobacco since these are subject in Member States to the same system as smoking tobacco.

#### 4. Proportional duty

A purely ad valorem system based on retail selling prices freely determined by manufacturers or importers pursuant to Article 5 of Council Directive 72/464/EEC is the system of taxation that would interfere least with the ranges in prices and weights, quality differences and product variety.

Moreover, an ad valorem system is already applied in nine Member States with regard to cigars and cigarillos and in seven Member States with regard to smoking tobacco, snuff and chewing tobacco. In the Commission's view this system would be the best choice for a Community system.

An ad valorem structure also has the advantage of being simple as well as not requiring rates to be varied or additional definitions to be introduced within each category. While, in the case of cigars and cigarillos, some Member States apply proportional rates of taxation that differ according to product weight or composition (see below, concerning Article 3), in the case of smoking tobacco no country that applies a proportional duty has deemed it necessary to apply more than one rate.



## 5. Common structure and basis of assessment

Article 1 of the proposal for a Directive specifies the types of manufactured tobacco (other than cigarettes) to which the Directive applies and lays down the principle of introducing an ad valorem excise duty.

The basis of assessment for the excise duty is the maximum retail selling price, inclusive of all taxes, of each product. That price is freely determined by the manufacturer or the importer for each of his products, in accordance with Article 5 of Directive 72/464/EEC.

### Article 2 : Product definitions

This Article stipulates that the Directive applies to the products as defined in Council Directive 79/32/EEC of 18 December 1978. It should be pointed out that cigars and cigarillos fall within the same definition. As a result, there are no Community criteria for distinguishing between cigars and cigarillos on the basis of size or weight or between the different varieties of cigar and cigarillo on the basis of quality or grade of tobacco. Nor are there any Community criteria for distinguishing between pipe tobacco and other types of smoking tobacco.

### Article 3(1) : Determination of rates

1. Retail selling prices are influenced by the total tax burden, which is made up of the excise duty and VAT.

Since the total tax burden results from the interaction between the rate of the ad valorem excise duty applied to the retail selling price (inclusive of all taxes) and the VAT rate (normally applied to the retail selling price exclusive of VAT), the total incidence of these two taxes should first be determined on the same basis.

Member States that currently apply an ad valorem excise duty already do this in practice by expressing the VAT rates chargeable on tobacco as a percentage of the price to the final consumer inclusive of all taxes (see annexed tables).

2. For the reasons spelled out in the Global Communication<sup>(1)</sup>, the Commission proposes that the tax burdens to be applied should be calculated on the basis of the arithmetic average of the rates at present charged in the Member States (or of their incidence).

The average rates yielded by this method, which represents the sum of the rates of the excise duty and VAT are:

- for cigars and cigarillos	:	35%	) of the retail
			)
- for smoking tobacco	:	55%	) selling price inclusive
			)
- for snuff and chewing tobacco	:	42%	) of all taxes

3. The proposal for a Directive on the approximation of VAT rates provides for flexibility within a 6 point rate band. Since VAT is invariably calculated on the basis of a price inclusive of excise duty, no additional measure of flexibility can be introduced for excise duty rates since the effect of this would be to allow taxes and prices to differ too widely. Moreover, since the ad valorem excise duty is calculated on the basis of a price inclusive of the duty itself and on the basis of VAT, it is necessary to ensure that the combined effect of the duty and of VAT does not result in greater flexibility of taxation than is permissible in the case of non-dutiable products. For this reason, Article 3 of the proposal for a Directive does not lay down any precise rates for the excise duty but, instead, specifies ranges for the incidence of total taxation (excise duty + VAT). These ranges are limited to one percentage point either side of the average rates resulting from the arithmetic mean of total taxation. As in the case of cigarettes, therefore, the element of flexibility available to the Member States is expressed as a combination of the excise duty and VAT.

---

(1) COM(87)320 final

4. Although there is no compelling reason to form a direct link between the level of taxes on cigarettes and the level of taxes on other manufactured tobacco products (except perhaps where tobacco to be used for handrolling cigarettes is concerned), the proposed incidence of taxation and the tax burden would still be much lower here than in the case of cigarettes. This is consistent, therefore, with the general approach in all Member States.

5. In the case of cigars and cigarillos, taxes and prices will rise in Belgium, Luxembourg, the Netherlands, Germany, Greece and Spain but fall in the other Member States.

In the case of smoking tobacco, little change is expected in the Netherlands and Germany while taxes and prices will rise in Belgium, Luxembourg, Spain and Portugal and fall in the other Member States.

6. Assuming that overall consumption remains unchanged, total tax revenue in the Community from cigars, cigarillos, smoking tobacco, chewing tobacco and snuff is expected to rise: this is because the larger tax increases occur in the main in those countries where consumption of these products is concentrated.

Article 3(2) : Same rate of tax for products in the same group

Manufactured tobacco products belonging to the same group are subject not only to the same structure of duty but also to the same rate. Rates may, therefore, differ from one group to another but not within a particular group.

This principle merely reaffirms the substance of Article 5(2) of Directive 72/464/EEC, read in conjunction with Article 1(2) of Directive 79/32/EEC.

The question is whether, in addition to the different proportional rates that can be applied to the different groups, it would also be necessary to distinguish between rates within each group, e.g. between pipe tobacco and other smoking tobacco, between large and small cigars, or between cigars made of natural tobacco only and other cigars. Since we are concerned here with proportional rates, such a distinction does not seem warranted, those rates being applied to retail prices that already take account of the different production costs that may result from different characteristics. Differentiation of rates would also give rise to numerous problems of definition since "similar" products or substitutes are available.

It should also be noted that the VAT rates applicable to the different types of manufactured tobacco are not differentiated in any country.

Article 4 : Rules for collecting excise duty

Article 6 of Council Directive 72/464/EEC stipulates that the rules for collecting excise duty are to be harmonized at the final stage at the latest.

Since the purpose of this proposal is precisely to determine that final stage, the Commission will, at the earliest opportunity, present proposals relating to the rules for collecting excise duty and to the time allowed for payment in order to eliminate any distortions of competition arising from differing practices in this field.

Rates of tax on cigars and cigarillos in the Member States

The table below gives the rates of excise duty and VAT applicable in the Member States on 1 April 1987. The ad valorem duty and VAT rates are given in all cases as a percentage of the price to the final consumer inclusive of all taxes.

		<u>Excise duty</u>	<u>VAT</u>	<u>Total</u>
<u>Belgium</u>	- cigars weighing 3 kg or more per 1000	16.50%	5.66%	22.16%
	- other cigars (cigarillos)	21.00%	5.66%	26.66%
<u>Luxemburg</u>	- cigars weighing 3 kg or more per 1000	16.50%	6%	22.50%
	- other cigars (cigarillos)	21.00%	6%	27.00%
<u>Netherlands</u>	- cigars weighing 3 kg or more per 1000	2.93%	16.67%	19.60%
	- other cigars (cigarillos)	8.11%	16.67%	24.78%
<u>France</u>	- cigars/cigarillos with natural tobacco wrapping	24.50%	25.60% 0.60% (including BAPSA)	50.10%
	- cigars/cigarillos with reconstituted tobacco wrapping	28.20%	25.60%	53.80%
<u>Germany</u>	- cigars weighing 3 kg or more per 1000 (minimum duty : DM 26 per 1000)	14.00%	12.28%	26.28%
	- other cigars (cigarillos) (minimum duty : DM 31 per 1000)	17.00%	12.28%	29.28%
<u>Italy</u>	- cigars and cigarillos entirely of natural tobacco	24.00%	15.25%	39.25%
	- other cigars and cigarillos	48.00%	15.25%	53.25%
<u>United Kingdom</u>	UK£ 47.05 per kg		13.04%	50.00% *
<u>Ireland</u>	IR£ 56.289 per kg		20.00%	56.00% *
<u>Denmark</u>	10% + DKR 198 per 1000		18.03%	40.00% *
<u>Greece</u>		5.00%	26.47%	31.47%
<u>Spain</u>		10.00%	10.70%	20.70%
<u>Portugal</u>		26.21%	13.79%	40.00%

\*Estimate of the average incidence for the United Kingdom, Ireland and Denmark. Arithmetic mean of the total incidence of tax (excise duty + VAT) on cigars and cigarillos : 35%.

Range of rates proposed by the Commission : 34% - 36% of the retail selling price inclusive of all taxes.

Rates of tax on smoking tobacco in the Member States

The table below gives the rates of excise duty and VAT applicable in the Member States on 1 April 1987. The ad valorem duty and VAT rates are given in all cases as a percentage of the price to the final consumer inclusive of all taxes.

	<u>Excise duty</u>	<u>VAT</u>	<u>Total</u>
<u>Belgium</u>	31.5 %	5.66 %	37.16 %
<u>Luxembourg</u>	31.5 %	6.00 %	37.50 %
<u>Netherlands</u>	10.6 % + HFL 20 per kg	16.67 %	56.00 % *
<u>France</u>	39.5 %	25.60 % (including 0.6 % BAPSA)	65.10 %
<u>Germany</u>	- "Feinschnitt" (fine-cut tobacco) : 31.8 % + DM 8.40 per kg (minimum duty : DM 26.00 per kg)	12.28 %	54.00 % *
	- Pipe tobacco : 20.70 % + DM 4.20 per kg (minimum duty : DM 15.00 per kg)	12.28 %	36.00 % *
	- Pipe tobacco containing at least 30 % stems and priced at DM 35 per kg or less to the final con- sumer : DM 6.00 per kg	12.28 %	- *
	- "Strangtabak" (twisted pipe tobacco) DM 4.50 per kg	12.28 %	- *
	- "Rippentabak" DM 2.00 per kg	12.28 %	- *
<u>Italy</u>	56 %	15.25 %	71.25 %

	<u>Excise duty</u>	<u>VAT</u>	<u>Total</u>
<u>United Kingdom</u>	- "Handrolling tobacco" (fine-cut tobacco) UKL 49.64 per kg	13.04 %	70.00 % *
	- Other smoking tobacco UKL 24.95 per kg	13.04 %	65.00 % *
<u>Ireland</u>	- Pipe tobacco :		
	"Cavendish" or "Negrohead" IRL 56.882 per kg	20.00 %	70.00 % *
	"Hard pressed" IRL 36.376 per kg	20.00 %	
	Other pipe tobacco IRL 45.726 per kg	20.00 %	
	- Other smoking tobacco IRL 47.500 per kg	20.00 %	70.00 % *
<u>Denmark</u>	Fine-cut tobacco DKR 531.00 per kg	18.03 %	83.00 % *
	Pipe tobacco DKR 128.90 per kg	18.03 %	58.00 % *
<u>Greece</u>	37 %	26.47 %	63.47 %
<u>Spain</u>	20 %	10.70 %	30.70 %
<u>Portugal</u>	26.21 %	13.79 %	40.00 %

\* Estimate of the average incidence for the Netherlands, Denmark, United Kingdom, Ireland and Denmark.

No account has been taken of the incidence of tax on certain German tobaccos that are consumed only locally.

Arithmetic mean of the total incidence of tax (excise duty + VAT) on smoking tobacco : 55 %

Range of rates proposed by the Commission : 54 % - 56 % of the retail selling price inclusive of all taxes.

Rates of tax on snuff and chewing tobacco

The table below gives the rates of excise duty and VAT applicable in the Member States on 1 April 1987. The ad valorem duty and VAT rates are given as a percentage of the price to the final consumer inclusive of all taxes.

		<u>Excise duty</u>	<u>VAT</u>	<u>Total</u>
<u>Belgium</u>	Chewing tobacco ) Snuff )	31.50%	5.66%	37.16%
<u>Luxembourg</u>	Chewing tobacco ) Snuff )	31.50%	6%	37.50%
<u>Netherlands</u>	Chewing tobacco ) Snuff )	10.60% + HFL 20 per kg	16.67%	56.00%
<u>France</u>	Snuff Chewing tobacco	33.40% 21.60	25.60% (including BAPSA*)	59.00% 37.20%
<u>Germany</u>	Snuff Chewing tobacco "Kau-Feinschnitt" Other	DM 0.65 per kg DM 5.30/kg DM 0.65/kg	12.28%	20.00% *
<u>Italy</u>	Chewing tobacco ) Snuff )	27%	15.25%	42.25%
<u>United Kingdom</u>	Chewing tobacco Snuff	UK£ 24.95 per kg 0	13.04%	50.00% * 13.04%
<u>Ireland</u>	Chewing tobacco Snuff	IR£ 47.500 per kg 0	20.00	70.00% * 20.00%
<u>Denmark</u>	Snuff Chewing tobacco	39% 23%	18.03%	57.03% 41.03%
<u>Greece</u>	Snuff ) Chewing tobacco )	60%	3.85%	63.85%
<u>Spain</u>		25%	10.70%	35.70%
<u>Portugal</u>		16.21%	13.79%	30.00%

\*Estimate of the average incidence for the Netherlands, Germany, the United Kingdom and Ireland.

Arithmetic mean of the total incidence of tax (excise duty + VAT) on chewing tobacco and snuff : 42%.

Range of rates proposed by the Commission : 41% - 43% of the retail selling price inclusive of all taxes.



Proposal for a  
Council Directive  
on the approximation of taxes  
on manufactured tobacco other than cigarettes

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,  
and in particular Article 99 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament (1),

Having regard to the opinion of the Economic and Social Committee (2),

Whereas Council Directive 72/464/EEC (3), as last amended by Directive 86/246/EEC,(4)  
sets out in Title I general provisions relating to excise duties applicable to all  
groups of manufactured tobacco; whereas special provisions relating to  
cigarettes have already been adopted in Title II of that Directive;  
whereas special provisions still have to be adopted for other manufactured  
tobacco products;

Whereas Council Directive 79/32/EEC (5) lays down the  
definitions of the different types of manufactured tobacco;

Whereas, in order to establish an internal market without frontiers, the structures of  
excise duties and VAT need to be harmonized and their rates brought more  
closely into line;

Whereas in the case of manufactured tobacco other than cigarettes, an  
excise duty structure proportional to the retail selling prices is the  
structure best suited to achieving that objective;

---

(1)

(2)

(3) OJ No L 303, 31.12.1972, p. 1

(4) OJ No L 164, 20.6.1986, p. 26

(5) OJ No L 10, 16.1.1979, p. 8

Whereas a proportional excise duty displays special characteristics, notably with regard to its multiplier effect in combination with VAT; whereas, therefore, the incidence of the sum of the rates of those two taxes should be harmonized as a proportion of the retail selling prices of the products in question;

Whereas the incidence of taxation should be harmonized in the case of all products belonging to the same group of manufactured tobacco;

HAS ADOPTED THIS DIRECTIVE:

Article 1

The following groups of home-produced and imported manufactured tobacco shall be subject, in each Member State, to an ad valorem excise duty calculated on the basis of the maximum retail selling price of each product, freely determined by manufacturers and importers in accordance with Article 5 of Directive 72/464/EEC:

- (a) cigars and cigarillos;
- (b) smoking tobacco;
- (c) chewing tobacco;
- (d) snuff.

Article 2

For the purposes of this Directive, the definitions of the products referred to in Article 1 shall be those laid down in Articles 2, 4, 5, 6 and 7 respectively of Directive 79/32/EEC.

Article 3

Not later than 31 December 1992, each Member State shall apply an ad valorem rate of excise duty in such a way that the total tax burden resulting from the combination of the excise duty and VAT is:

- |                                  |                     |   |  |
|----------------------------------|---------------------|---|--|
| - for cigars and cigarillos:     | between 34% and 36% | ) | of the retail<br>selling price<br>inclusive of<br>all taxes. |
| - for smoking tobacco:           | between 54% and 56% | ) |  |
| - for snuff and chewing tobacco: | between 41% and 43% | ) |  |

These rates shall be effective for all products belonging to the group of manufactured tobacco concerned, without distinction within that group as to quality, presentation, origin of the products, the materials used, the characteristics of the firms involved or any other criterion.

Article 4

The provisions relating to the arrangements for collecting the duty and the time allowed for payment shall be laid down before 1 January 1990 in Directives adopted by the Council acting on proposals from the Commission.

Article 5

Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive not later than 31 December 1992.

They shall forthwith inform the Commission of any provisions of national law which they adopt in the field governed by this Directive.

Article 6

This Directive is addressed to the Member States.

Done at Brussels,

For the Council  
The President

## FICHE D'IMPACT SUR LA COMPETITIVITE ET L'EMPLOI

### Rapprochement des taxes frappant les tabacs manufacturés autres que les cigarettes

#### Caractéristiques des entreprises concernées

Les industries du cigare, du tabac à fumer, à priser et à mâcher sont surtout concentrées dans les pays du Benelux et en R.F.A. (plus de 70 % des cigares et plus de 80 % du tabac à fumer de la CEE). Il s'agit en fait de diverses industries distinctes et indépendantes de celle des cigarettes bien que certaines entreprises qui fabriquent des cigarettes produisent parfois également des cigares et du tabac à fumer (notamment dans les pays à monopoles). En ce qui concerne le tabac à fumer, les fabricants sont surtout de grosses entreprises qui n'ont en général pas le caractère de PME. La situation est différente dans le secteur des cigarillos et surtout des cigares où l'on retrouve encore des PME.

Dans la C.E.E., les taxes sont extrêmement variées : leur incidence se situe selon les pays entre 22 % et plus de 70 % des prix de vente au détail.

La consommation de ces produits, par tête d'habitant, est la plus élevée dans les pays à forte production (Benelux, R.F.A.) qui connaissent d'ailleurs une charge fiscale moins élevée que celle des autres pays.

I. Voir fiche cigarettes

II. Voir fiche cigarettes

III. Voir fiche cigarettes

IV. Quel est l'effet prévisible ?

La proposition de directive augmentera la compétitivité entre les entreprises. Comme pour les cigarettes, les nouveaux taux proposés pourront entraîner des changements plus ou moins importants dans plusieurs Etats membres.

Pour les cigares et cigarillos, les taxes et les prix augmenteront en B, L, NL, RFA, Grèce et Espagne, alors que les taxes et les prix diminueront dans les autres pays.

Pour les tabacs à fumer l'incidence fiscale changera peu en NL et RFA, les hausses se situeront en B, L, ESP, P et les baisses dans les autres pays.

L'industrie cigarière PME connaît un déclin même dans les pays à faible taxation. Ce déclin peut difficilement être imputé à la seule taxation, mais semble plutôt résulter des coûts de production élevés (main d'oeuvre plus intensive que pour cigarettes et niveau élevé des investissements).

V. Voir fiche cigarettes.