



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 24.02.1999

COM(1999)85 final

99/0057 (ACC)

Proposal for a

COUNCIL REGULATION (EC)

**on the application of specific measures for the import
of grape juice and must originating in Cyprus**

(presented by the Commission)

EXPLANATORY MEMORANDUM

Council Regulation (EC) No 3290/94, which laid down transitional arrangements in the agricultural sector to implement the agreements concluded during the Uruguay Round, will not be extended. In order to maintain the tariff preferences already granted to Cyprus for the import of grape juice and must into the Community, therefore, it is necessary to present a specific proposal for a Regulation to the Council.

The aim of this proposal is to extend the exemption from payment of a special import duty on the above products originating in Cyprus. This measure is also necessary pending the conclusion of the new agreement between the European Community and Cyprus.

Proposal for a

COUNCIL REGULATION (EC)

**on the application of specific measures for the import
of grape juice and must originating in Cyprus**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 113 thereof,

Having regard to the proposal from the Commission,

Whereas the agreement establishing an association between the European Community and the Republic of Cyprus provides for the opening of an annual Community tariff quota for certain concentrated grape juices and musts originating in Cyprus; whereas the import duty for this tariff quota is 0%;

Whereas from 1 September 1995 the old reference price system applicable to imports of grape juice and must into the Community was replaced by new import arrangements resulting from the Uruguay Round of multilateral trade negotiations; whereas the association agreement with Cyprus must take these new import arrangements into account;

Whereas it is necessary to maintain the tariff preferences already granted and to permit Cyprus to continue to export its products to the Community under the tariff quota arrangements; whereas the necessary specific measures should be taken to this end and pending the new agreement between the European Community and Cyprus,

HAS ADOPTED THIS REGULATION:

Article 1

The special duty listed in Annex I, Part 3, Section I, Annex 2, to the Customs Tariff of the European Communities for the import of the products falling with CN codes 2009 60 51, 2009 60 71, ex 2009 60 90 and ex 2204 30 92 shall not be levied on the products in question originating in Cyprus and imported under tariff quota number 09.1421 as referred to in Annex V to Council Regulation (EC) No 1981/94¹.

¹ OJ L 199, 2.8.1994, p. 1.

Article 2

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

It shall apply from 1 July 1999.

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

Done at Brussels,

For the Council
The President

FINANCIAL STATEMENT

| | | | | | |
|--|---|--|--|-----------------------|----------|
| 1. BUDGET HEADING: 16 | | APPROPRIATIONS: EUR 661 million | | | |
| 2. TITLE: Proposal for a Council Regulation (EC) on the application of specific measures for the import of grape juice and must originating in Cyprus. | | | | | |
| 3. LEGAL BASIS: Article 113 of the Treaty | | | | | |
| 4. AIMS: To prolong the exemption from payment of the special duty on grape juice and must imported from Cyprus. | | | | | |
| 5. FINANCIAL IMPLICATIONS | PERIOD OF 12 MONTHS (EUR million) | CURRENT FINANCIAL YEAR (1999) (EUR million) | FOLLOWING FINANCIAL YEAR (2000) (EUR million) | | |
| 5.0 EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) - NATIONAL AUTHORITIES - OTHER | * | - | * | | |
| 5.1 REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL | 0,2 | - | 0,2 | | |
| | 2001 (EUR million) | 2002 (EUR million) | 2003 (EUR million) | 2004 (EUR million) | |
| 5.0.1 ESTIMATED EXPENDITURE | * | * | * | * | |
| 5.1.1 ESTIMATED REVENUE | 0,2 | 0,2 | 0,2 | 0,2 | |
| 5.2 METHOD OF CALCULATION: In reality only around 10% of the quota of 4 950 t is used. 495 t x 7.9 (conversion coefficient) x EUR 138/hl (average 1997/98) x 25.2% (fixed duty) = EUR 135 992 495 t x 7.9 x EUR 11/hl (average conventional duty) = <u>EUR 43 016</u> Theoretical loss = EUR 179 008 | | | | | |
| 6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET? | | | | | YES / NO |
| 6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET? | | | | | YES / NO |
| 6.2 WILL A SUPPLEMENTARY BUDGET BE NECESSARY? | | | | | YES / NO |
| 6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY? | | | | | YES / NO |
| OBSERVATIONS: The measure does not involve any change compared to the present situation. * The possible financial impact on expenditure is negligible and is not quantifiable at this stage. | | | | | |