



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 12.06.1995
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Proposal for a

COUNCIL REGULATION (EC)

opening and providing for the administration of a Community tariff quota
for rum, tafia and arrack originating
in the African, Caribbean and Pacific (ACP) States
(second half 1995 and 1996 to 1999)
and amending Regulation (EC) No 1989/94 opening and providing for the
administration of a Community tariff quota for rum, tafia and arrack originating
in the African, Caribbean and Pacific (ACP) States (1994 to 1995)

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. Protocol No 6, annexed to the IV Lomé Convention, was signed on 15 December 1989. It stipulates that imports into the Community of products of CN codes 2208 40 10, 2208 40 90, 2208 90 11 and 2208 90 19 (rum, tafia and arrack), originating in the ACP States are exempted from customs duties. This preferential treatment is limited to a quantity set annually by the Community.

The method for calculating the volume of the quota is laid down in Article 2 of the Protocol.

In view of the characteristics of the market in rum, the quota period runs from 1 July to 30 June.

2. The quota volume for the period from 1 July 1994 to 30 June 1995 opened under Regulation No 1989/94 should be increased to accommodate both the strong increase in the traditional trade flows in rum, tafia and arrack between the ACP State and the Community, and the market demand for these products from the three new Member States. The increase is in line with the Protocol's normal implementing arrangements and meets the request put forward by the ACP States pursuant to Article 2(c) and (d) of the Protocol.
3. The quota volume for the period from 1 July to 31 December 1995 is equivalent to half the volume for the preceding period increased by 10 000 hl of pure alcohol.

Accordingly, preferential arrangements should be implemented for that period with the opening of a Community tariff quota for rum, tafia and arrack originating in the ACP States.

4. As regards the arrangements applicable from 1996, the Council, on the basis of a Commission report, has decided to abolish the quota system from 1 January 1996 in respect of "light" ACP rum and to maintain a tariff quota for "traditional" ACP rum pending full liberalization from 1 January 2000.

The volume for that quota shall be 58 000 HPA for 1996, 61 000 HPA for 1997, 64 000 HPA for 1998 and 67 000 HPA for 1999.

5. This is the purpose of the proposal for a Council regulation annexed hereto.

**Proposal for
a Council Regulation 0(EC)**

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administration of a Community tariff quota for rum, tafia and arrack originating
in the African, Caribbean and Pacific (ACP) States (1994 to 1995)

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 Fourth ACP-EEC Convention¹ entered into force on 1 September 1991;

Whereas Protocol 6 thereof stipulates that products originating in the African, Caribbean and Pacific (ACP) States which fall within CN codes 2208 40 10, 2208 40 90, 2208 90 11 and 2208 90 19 shall, until the entry into force of a common organization of the market in spirits, be allowed into the Community free of customs duties under conditions such as to permit the development of traditional traffic flows between the ACP States and the Community, whereas the Community shall until 31 December 1995 fix each year the quantities which may be imported free of customs duties;

Whereas Council Regulation (EC) No 1989/94² opened a Community tariff quota (Order No 09.1605) for rum, tafia and arrack for the period 1 July 1994 to 30 June 1995;

Whereas economic data currently available suggests that the traditional trade flow between the ACP States and the Community in the rum sector has increased significantly and could, during the current period, attain levels higher than the volumes set by the Regulation referred to above; whereas accordingly the volume of the quota opened by Regulation (EC) No 1989/94 should be increased as provided for in Article 2(c) of Protocol No 6 referred to above;

Whereas, in view of the market demand from the three new Member States, the quota should be adjusted pursuant to Article 2(d) of the said Protocol;

Whereas additional imports of rum from ACP countries during the period covered by Regulation (EC) No 1989/94 is estimated at 50 000 hl of pure alcohol;

(1) OJ No L 229, 17.8.1991, p. 3.

(2) OJ No L 200, 3.8.1994, p. 2.

Whereas pursuant to Protocol No 6 of the said Convention the volume of the tariff quota for the period from 1 July 1995 to 31 December 1995 will be equivalent to half that of the previous year increased by 10 000 hl of pure alcohol, whereas the volume of the annual tariff quota for the period from 1 July 1994 to 30 June 1995 was set at 294 827 hl of pure alcohol, whereas 10 000 hl of pure alcohol should be added to half of that volume for the second half of 1995;

Whereas pursuant to the said Protocol, as regards the arrangements applicable from 1996, the Council, on the basis of a report from the Commission, has decided to abolish the quota system in respect of "light" ACP rum from 1 January 1996 and to maintain a tariff quota for "traditional" ACP rum pending full liberalization on 1 January 2000; whereas the volume of the tariff quota shall be set at 58 800 HPA for 1996, 61 000 HPA for 1997, 64 000 HPA for 1998 and 67 00 HPA for 1999;

Whereas for these reasons the appropriate definition of "traditional" ACP rum should be given; whereas to this end the general definition of rum given in Council Regulation (EEC) No 1576/89³, which stipulates that traditional rum is characterized by a high content of volatile substances other than ethyl and methyl alcohol;

Whereas equal and continuous access to the said quota should be ensured for all Community importers and the rates laid down for the quota should be applied consistently to all imports of the products in question into all the Member States until the quota is exhausted; whereas the decision for the opening of tariff quotas in fulfilment of its international obligations should be taken by the Community; whereas, to ensure the efficient common administration of these quotas, however, there is no obstacle to authorizing the Member States to draw from the quota volumes the necessary quantities corresponding to actual imports; whereas, however, this method of administration requires close cooperation between the Member States and the Commission and the latter must, in particular, be able to monitor the rate at which the quotas are used up and inform the Member States accordingly;

Whereas measures should be laid down to ensure that Protocol 6 is implemented under conditions such as to permit the development of traditional trade flows between the ACP States and the Community, and between the Member States,

HAS ADOPTED THIS REGULATION:

(3) OJ No L 160, 12.6.1989, p.1.

Article 1

The table given under Article 1 of Regulation (EC) No 1989/94 (Order No 09.1605) is replaced by the following table:

| Order No | CN code | Description | Quota volume (in hl of pure alcohol) | Quota duty |
|----------|--|-----------------------|--------------------------------------|------------|
| 09.1605 | 2208 40 10 2208 40 90 2208 90 11 2208 90 19 | Rum, tafia and arrack | 294 827 | Free |

Article 2

From 1 July 1995 to 31 December 1995 the following products originating in the ACP States shall be imported into the Community free of customs duty within the limits of the relevant Community tariff quota shown below:

| Order No | CN code | Description | Quota volume (in hl of pure alcohol) | Quota duty |
|----------|--|-----------------------|--------------------------------------|------------|
| 09.1605 | 2208 40 10 2208 40 90 2208 90 11 2208 90 19 | Rum, tafia and arrack | 157 414 | Free |

Article 3

The following products originating in ACP States shall be imported free of customs duties for the periods and within the limits of the Community tariff quotas shown next to each of them.

| Order No | CN code | Taric sub-divisions | Description | Period | Quota volume (in hl of pure alcohol) | Quota duty |
|----------|------------------------------|---------------------|---|--|--------------------------------------|------------|
| 09.1617 | ex2208 40 10 ex2208 40 90 | *10 *10 | Rum with a content of volatile substances other than ethyl and methyl alcohol equal to or exceeding 225 grams per hectolitre of pure alcohol with a 10% tolerance | 1.1.96-31.12.96 1.1.97-31.12.97 1.1.98-31.12.98 1.1.99-31.12.99 | 58.000 61.000 64.000 67.000 | Free |

Article 4

The tariff quotas referred to in Articles 2 and 3 shall be administered by the Commission, which may take all administrative measures to ensure the effective administration thereof.

Article 5

1. The provisions required to implement Article 3, and in particular:
 - (a) the technical amendments and adjustments which may be needed as a result of amendments to the Combined Nomenclature and the Taric codes,
 - (b) the adjustments required as a result of the conclusion of protocols or exchanges of letters between the Community and the ACP States concerned in the framework of the Convention referred to herein

shall be adopted in accordance with the procedure laid down in Article 6(2).

Article 6

1. The Commission shall be assisted by the Customs Code Committee established by Article 247 of Regulation (EEC) No 2913/92⁴.
2. The representative of the Commission shall submit to the committee a draft of the measures to be taken. The committee shall deliver its opinion on the draft within a time limit which the chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority laid down in Article 148(2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the committee shall be weighted in the manner set out in that Article. The chairman shall not vote.

The Commission shall adopt measures which shall apply immediately. However, if these measures are not in accordance with the opinion of the committee, they shall be communicated by the Commission to the Council forthwith. In that event:

- the Commission shall defer application of the measures which it has decided upon for three months from the date of such communication,
 - The Council, acting by a qualified majority, may take a different decision within the time limit referred to in the previous indent.
3. The committee may examine any issue in connection with the implementation of this Regulation put forward by its chairman either on his own initiative or at the request of a Member State.

(4) OJ No L 302, 19.10.1992, p. 1.

Article 7

If an importer presents in a Member State a declaration of entry for free circulation together with a request for preferential treatment for a product referred to in Articles 2 and 3 and the declaration is accepted by the customs authorities, the Member State concerned shall inform the Commission and draw an amount corresponding to these requirements from the quota volume.

Requests to draw from the quota, indicating the date of acceptance of the said declarations, must be transmitted to the Commission without delay.

Drawings shall be granted by the Commission by reference to the date of acceptance by the customs authorities of the Member State concerned, of the declarations of entry for free circulation, provided the residual balance so permits.

If a Member State does not use the quantities drawn, it shall return them to the quota as soon as possible.

If the quantities requested are greater than the available balance of the quota volume, allocation shall be made on a pro rata basis. The Member States shall be informed by the Commission of the drawings granted.

Article 8

Each Member State shall ensure that importers of the products concerned have equal and continuous access to the quota as long as the residual balance so permits.

Article 9

The Member States and the Commission shall cooperate closely to ensure that this Regulation is complied with

Article 10

Council Regulation (EEC) No 3705/90 of 18 December 1990 on the safeguard measures provided for in the Fourth ACP-EEC Convention⁵ shall apply to the products covered by this Regulation.

Article 11

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

It shall apply from 1 July 1995, with the exception of Article 1 which shall apply from 1 July 1994 and Article 3 which shall apply from 1 January 1996.

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

Done at Brussels,

For the Council
The President

(5) OJ No L 358, 21.12.1990, p. 4.

FINANCIAL STATEMENT

1. Budget heading involved: Chapter 12 Article 120
2. Legal basis: Article 113 of the Treaty
3. Title of the tariff measure: Proposal for a Council Regulation opening and providing for the administration of a Community tariff quota for rum, tafia and arrack originating in the African, Caribbean and Pacific (ACP) States (2nd half 1995 and 1996 to 1999) and amending Regulation (EC) No 1989/94 opening and providing for the administration of a Community tariff quota for rum, tafia and arrack originating in the African, Caribbean and Pacific (ACP) States (1994 to 1995).
4. Objective: Fulfilment of contractual obligation (Lomé IV Convention)
5. Method of calculation:

CN codes: 2208 40 10, 2208 40 90, 2208 90 11, 2208 90 19

Quota volume: 50 000 HPA (increase for the period 1.7.94 to 30.6.95)
157 414 HPA (period 1.7.95 to 30.6.95)

CN codes: ex 2208 40 10, ex 2208 40 90

Quota volume: 250 000 HPA (period 1.1.96 to 31.12.99)

Duties applicable: exemption

CCT duties: - 1 Ecu/% vol/hl +5 Ecu/hl (<2 l)

- 1 Ecu/% vol/hl (>2 l)

6. Loss of revenue:

Estimate: 137 224 hl in containers holding 2 litres or less

320 190 hl in containers holding more than 2 litres

Losses would total ECU 46 427 520 (period up to 31.12.1999). For the preceding period (1.7.1994 to 30.6.95) losses totalled ECU 23 891 935.

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