

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(84) 186 final

Brussels, 4 April 1984

Proposal for a
COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of a
Community tariff quota for rum, arrack and tafia, falling
within subheading 22.09 C I of the Common Customs Tariff and
originating in the African, Caribbean and Pacific States (ACP)
(1984/85)

(submitted to the Council by the Commission)

COM(84) 186 final

EXPLANATORY MEMORANDUM

1. Protocol No 5 annexed to the Convention between the ACP States and the EEC (Lomé II) provides that the products falling within sub-heading No 22.09 C I of the CCT (rum, arrack, tafia), originating in the ACP States, shall be imported duty free into the Community. These preferential arrangements are restricted to a quantity which is to be fixed annually by the Community on the basis of the largest quantities imported annually from the ACP States during the last three years for which statistics are available, increased by certain annual growth rates.
2. To ensure a continuous application of the tariff measures valid at present the preferential arrangements should therefore be brought into force - from 1 July 1984 onward - by the opening of a Community tariff quota for rum, arrack and tafia originating in the ACP States.

However, the Convention and its Protocol No. 5 will expire on 28 February 1985; this requires that the duration of validity of the tariff quota has to come to an end on the same day.

For the period 1 July 1984 to 28 February 1985 a tariff quota should therefore be opened, the volume of which should be fixed pro rata temporis for this period.

3. Community imports of the goods concerned during the last three years were as follow :

.../...

- in hectolitres of pure alcohol -

	<u>1981</u>	<u>1982</u>	<u>1983</u>
Benelux	5.656	5.820	5.372
Denmark	2.004	1.976	1.638
Germany	38.971	29.747	25.456
Greece	35	294	27
France	2.705	2.445	1.817
Ireland	2.619	2.307	1.830
Italy	328	333	463
United Kingdom	<u>79.756</u>	<u>72.693</u>	<u>67.874</u>
EC	132.074	115.615	104.477

The quota volume to be taken into account on this basis for the period 1 July 1984 to 28 February 1985 should be 115 595 hectolitres of pure alcohol.

4. The administration of this tariff measure in the form of a Community tariff quota has the aim of ensuring that :
- imports of the products in question do not exceed the global volume fixed,
 - each Community importer has equal and continuous access to the said quota,
 - the preferential rate is applied without interruption to all imports in all the Member States, and
 - in particular, the preferential rate is applied uniformly and stantly throughout the Community.

The facility for drawing supplementary quota-shares from the Community reserve and the obligation to return unused quantities - two fundamental rules in the context of Community measures - are capable of being run in accordance with these principles.

.../...

5. For these reasons the provisions of the Regulation provide for the splitting up of the quota volume into two parts, the first of which will be allocated among the Member States as quota shares, with the second forming a reserve.

The calculation of these shares is based on the imports of the products in question from ACP States during the previous three years 1981, 1982 and 1983 and the economic outlook for the period in question, respecting, however, the growth rates mentioned under point 1.

6. The annexed table shows in detail the amounts actually charged, against the tariff quotas in question during the periods 1979/80, 1980/81 1981/82 and 1982/83.
7. It is proposed that the draft for a Council Regulation described above should be approved (see annex).

.../...

ACP - Rum - heading 22.09 C I

Amounts actually charged against the tariff quotas opened for 1979/80, 1980/81, 1981/82 and 1982/83

Member State	1979/80			1980/81			1981/82			1982/83		
	Volume of the quota	Amount actually charged		Volume of the quota	Amount actually charged		Volume of the quota	Amount actually charged		Volume of the quota	Amount actually charged	
	- hl -	-hl-	%	- hl -	-hl-	%	- hl -	-hl-	%	-hl-	-hl-	%
Benelux	6 912	5 731	83	7 631	7 631	100	15 262	6 089	40	12 070	5 712	47
Denmark	3 722	938	25	2 443	1 235	50	2 157	2 056	95	2 570	1 738	68
Germany	33 979	28 531	84	35 714	32 194	90	45 000	23 905	75	44 788	22 956	51
Greece	-	-	-	-	-	-	49	-	-	55	27	49
France	6 449	1 144	18	5 438	4 236	78	4 585	2 408	53	4 480	1 972	44
Ireland	2 704	1 154	43	3 209	2 008	63	2 678	2 109	79	3 245	1 909	59
Italy	426	351	82	535	429	80	522	402	77	540	388	72
United Kingdom	122 645	85 256	69	123 330	78 097	63	118 825	74 378	63	125 430	71 586	57
<i>E.C.</i>	176 837	123 105	70	178 300	125 830	71	189 078	121 347	64	193 178	106 288	55

Proposal for a
COUNCIL REGULATION (EEC) :

opening, allocating and providing for the administration of a Community tariff quota for rum, arrack and tafia, falling within subheading 22.09 C I of the Common Customs Tariff and originating in the African, Caribbean and Pacific States (ACP) (1984/85)

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 Protocol 5 annexed to the Second ACP-EEC Convention, signed at Lomé on 31 October 1979 (1), provides that products originating in the ACP States which fall within subheading 22.09 C I of the Common Customs Tariff 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 trade flows between the ACP States and the Community and between the Member States ; whereas the Community shall fix each year the quantities which may be imported free of customs duties on the basis of the largest quantities imported annually from the ACP States into the Community in the past three years for which statistics are available, increased by an annual growth rate of 40 % on the market of the United Kingdom and 18 % on the other markets of the Community ;

Whereas, having regard to the levels reached by imports of the products concerned into the Community and the Member States during the past three years for which statistics are available, the annual quota volume would amount to 173 393 hectolitres of pure alcohol ;

Whereas, because the Convention is due to expire on 28 February 1985, a pro rata temporis reduction to eighttwelfths should be introduced ; whereas the size of the tariff quota for the period 1 July 1984 to 28 February 1985 should therefore be fixed at 115 595 hectolitres of pure alcohol ;

(1) OJ No L 347, 22.12.1980, p. 141.

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 rate 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, to reflect as accurately as possible the true trend of the market of the products in question, such allocation should be in proportion to the requirements of the Member States calculated by reference to the statistics of imports from / over a representative period and also to the economic outlook for the quota period concerned;

the ACP-States

Whereas, during the last three years for which statistics are available, the corresponding imports by each of the Member States represent the following percentages of the imports into the Community from the countries in question of the products concerned:

Member State	1981	1982	1983
Benelux	3.9	5.0	5.1
Denmark	1.4	1.7	1.6
Germany	26.6	25.7	24.4
Greece	0.0	0.3	0.0
France	1.8	2.1	1.8
Ireland	1.8	2.0	1.8
Italy	0.2	0.3	0.4
United Kingdom	64.3	62.9	64.9

Whereas, in view of these factors of market forecasts for the products in question and of the estimates submitted by certain Member States, quota shares may be fixed approximately at the following percentages :

Benelux	4.78
Denmark	1.59
Germany	26.74
Greece	0.10
France	1.98
Ireland	1.92
Italy	0.32
United Kingdom	62.57

.../...

Whereas, in order to take into account import trends for the products concerned in the various Member States, the quota volume should be divided into two instalments, the first being shared among the Member States and the second constituting a reserve to cover at a later date the requirements of those Member States having used up their initial quota shares ; whereas, in order to give importers in each Member State a certain degree of security, the first instalment of the Community quota should under present circumstances be fixed at 90% of the quota ;

Whereas the Member States initial shares 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 which has almost used up its initial share should draw an additional share from the reserve ; whereas this must be done by each Member State as and when each of its additional shares is almost used up, and repeated many times as the reserve allows ; whereas the initial and additional shares must be valid until the end of the quota period ; whereas this method of administration requires close cooperation between the Member States and the Commission, and the latter must be in a position to monitor the extent to which the quota volume has been used up and to inform the Member States thereof ;

Whereas if, at a given date in the quota period, a substantial quantity of an initial share remains unused in a Member State, it is essential that that Member State should return a significant proportion to the reserve, to prevent a part of any Community quota from 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 within and jointly represented by the Benelux Economic Union, any operation concerning the administration of the quota shares allocated to that economic union may be carried out by any of its members,

HAS ADOPTED THIS REGULATION :

Article 1

28 February 1985,

1. From 1 July 1984 to / rum, arrack and tafia falling within subheading 22.09 C I of the Common Customs Tariff and originating in the ACP States, shall be imported duty free into the Community within the limits of a Community tariff quota of 115 595 hectolitres of pure alcohol.

2. Within the limit of this tariff quota the Hellenic Republic shall apply customs duties calculated in accordance with the relevant provisions of the 1979 Act of Accession and of Regulation (EEC) no 439/81 (1).

Article 2

1. A first instalment amounting to 104 000 hl the Community tariff quota referred to in Article 1 shall be allocated among the Member States; the respective shares, which subject to Article 5 shall be valid until / shall be as follows: /28 February 1985

(hectolitres of pure alcohol)

Benelux	4,970
Denmark	1,660
Germany	27,810
Greece	100
France	2,060
Ireland	2,000
Italy	330
United Kingdom	65,070

2. The second instalment of 11,595 hl constitute the reserve.

Article 3

1. If 90 % or more of a Member State's initial share as specified in Article 2 (1), or 90 % of that share

minus the portion returned to the reserve where Article 5 is applied, has been used up, then, to the extent permitted by the amount of the reserve, that Member State shall forthwith, by notifying the Commission, draw a second share equal to 10 % of its initial share, rounded up where necessary to the next unit.

2. If, after its initial share has been used up, 90 % or more of the second share drawn by a Member State shall, in accordance with the conditions laid down in paragraph 1, draw a third share equal to 5 % of its initial share, rounded up where necessary to the next unit.

.../...

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

This process shall continue until the reserve is used up.

4. By way of derogation from paragraphs 1, 2 and 3, a Member State may draw shares smaller than those fixed in those paragraphs if there is reason to believe that these might not be used up. It shall inform the Commission of its reasons for applying this paragraph.

Article 4

Each of the additional shares drawn pursuant to Article 3 shall be valid until 28 February 1985.

Article 5

The Member States shall return to the reserve, not later than 1 / such unused portion of their initial share which, on 15 November / is in excess of 20 % of the initial volume. They may return a larger quantity if there are grounds for believing that it may not be used.

/December 1984
/1984

The Member States shall, not later than 1 December 1984, notify the Commission of the total quantities of the products in question up to / and charged against the tariff quota and of any quantities of the initial shares returned to the reserve.

/15 November 1984

Article 6

The Commission shall keep an account of the shares opened by Member States in accordance with Articles 2 and 3 and shall, as soon as it is notified, inform each Member State of the extent to which the reserve has been used up.

It shall inform the Member States, not later than 5 December 1984, of the amount in the reserve after quantities have been returned pursuant to Article 5.

The Commission shall ensure that any drawing which exhausts the reserve does not exceed the balance available and, to this end, shall notify the amount of that balance to the Member State which makes such last drawing.

Article 7

1. The Member States shall take all measures necessary to ensure that additional shares drawn pursuant to Article 3 are opened in such a way that imports may be charged without interruption against their accumulated shares of the Community quota.

2. The Member States shall ensure that importers of the products in question have free access to the shares allocated to them.

.../...

3. The extent to which the Member States have used up their shares shall be determined on the basis of the imports of the products in question, originating in the ACP States, entered for customs clearance under declarations for free circulation.

Article 8

1. Member States shall inform the Commission each month of imports actually charged against the tariff quota.
2. The Commission shall regularly inform the Member States of the extent to which the tariff quota has been used up.
3. Where necessary, consultations may be held at the request of a Member State or on the initiative of the Commission.

Article 9

The Member States and the Commission shall cooperate closely in order to ensure compliance with this Regulation.

Article 10

Council Regulation (EEC) No 1470/80 of 9 June 1980 on the safeguard measures provided for in the Second ACP-EEC Convention (1) shall apply in respect of the products covered by this Regulation.

Article 11

This Regulation shall enter into force on 1 July 1984.

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 L 147, 13.6.1980, p. 4.