

# European Communities

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EUROPEAN PARLIAMENT

## Working Documents

1974-1975

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23 September 1974

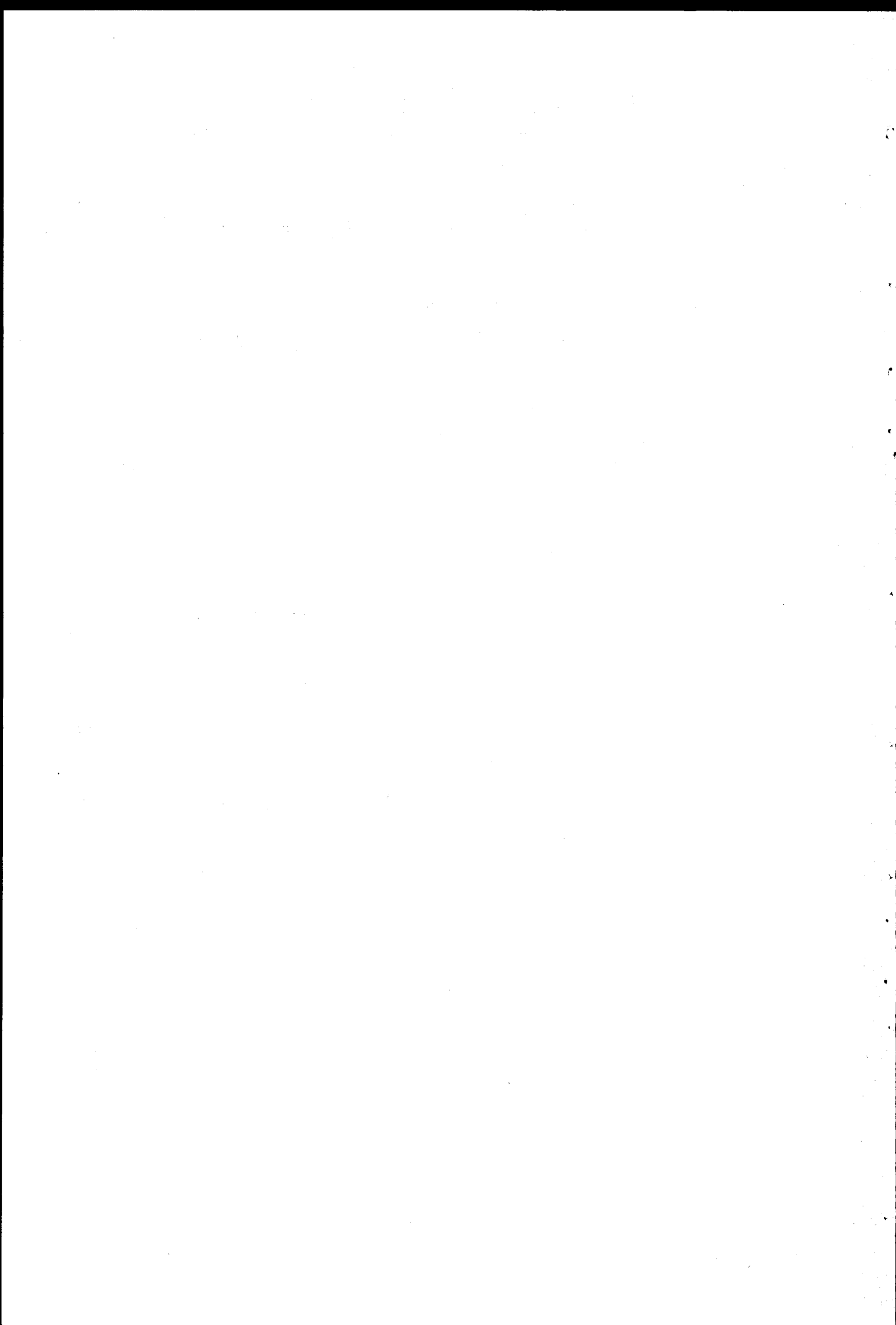
DOCUMENT 264/74

### Report

drawn up on behalf of the Committee on External Economic Relations

on the proposals from the Commission of the European Communities to the Council (Doc. 166/74) for three regulations/opening, allocating and providing for the administration of Community tariff quotas for port, Madeira and Setubal muscatel wines falling within subheading No ex 22.05 of the Common Customs Tariff, originating in Portugal

Rapporteur: Mr Mario VETRONE



By letter of 25 June 1974 the President of the Council consulted the European Parliament, pursuant to Article 43 of the EEC Treaty, on the proposals from the Commission of the European Communities to the Council for three regulations opening, allocating and providing for the administration of Community tariff quotas for port, Madeira and Setubal muscatel wines falling within subheading No. ex. 22.05 of the Common Customs Tariff, originating in Portugal (Doc. 166/74).

At the European Parliament's sitting of 28 June 1974 this document was referred to the Committee on External Economic Relations as the committee responsible and to the Committee on Agriculture for its opinion.

The Committee on External Economic Relations appointed Mr VETRONE rapporteur at its meeting of 17 September 1974. At the same meeting the committee considered the text of the proposals and unanimously adopted the motion for a resolution and the accompanying explanatory statement.

The following were present: Sir Douglas Dodds-Parker, oldest member and acting chairman; Mr Brewis, Mr Corterier, Mr de Clercq, Mr Klepsch, Mr E. Muller, Mr Radoux, Mr Sandri, Mr Thornley and Mr Vandewiele.

The opinion of the Committee on Agriculture is attached to this report.

C O N T E N T S

	<u>Page</u>
A. MOTION FOR A RESOLUTION .....	5
B. EXPLANATORY STATEMENT .....	7
Opinion of the Committee on Agriculture .....	9

The Committee on External Economic Relations hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement :

MOTION FOR A RESOLUTION

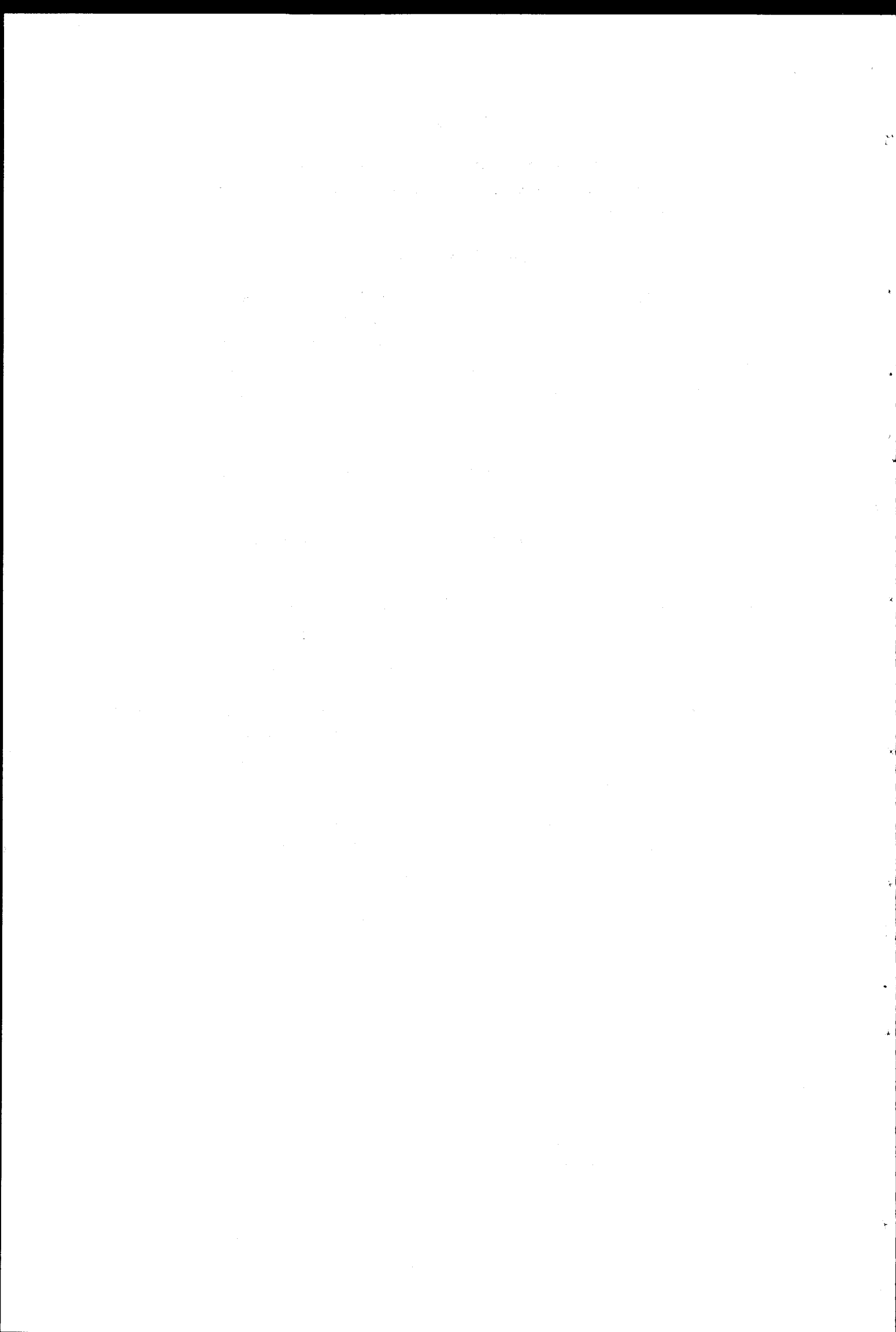
embodying the opinion of the European Parliament on the proposals from the Commission of the European Communities to the Council for three regulations opening, allocating and providing for the administration of Community tariff quotas for port, Madeira and Setubal muscatel wines falling within sub-heading No. ex 22.05 of the Common Customs Tariff, originating in Portugal

The European Parliament,

- having regard to the proposals from the Commission of the European Communities to the Council<sup>1</sup>;
  - having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. 166/74);
  - having regard to the report of the Committee on External Economic Relations and the opinion of the Committee on Agriculture (Doc. 264/74);
1. Approves the Commission's proposals in their entirety;
  2. Hopes that the statistical data available to the Community relating to trade in the goods which form the subject of these proposals will be improved as soon as possible so as to permit allocation of quotas among the Member States on a surer basis;
  3. Instructs its President to forward this resolution and the report of its committee to the Council and Commission of the European Communities.

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<sup>1</sup> OJ No. C 81, 13 July 1974, p.23



EXPLANATORY STATEMENT

1. The proposals from the Commission of the European Communities concern three regulations opening, allocating and providing for the administration of Community tariff quotas for port, Madeira and Setubal muscatel wines falling within subheading No. ex 22.05 of the Common Customs Tariff, originating in Portugal.

2. The first proposal would reduce by 60% the customs duties on port wine up to an annual quota of 20,000 hl, and by 50% up to a quota of 285,000 hl.

The second proposal would reduce customs duties by 30% on Madeira wine up to a total annual volume of 15,000 hl.

The third proposal would reduce by 30% the duties payable on Setubal muscatel wine up to a quota limit of 30,000 hl.

3. The opening of Community tariff quotas for these wines is provided for in Article 4 of Protocol No. 8 of the Agreement between the EEC and the Portuguese Republic.

4. The proposals provide, in the normal way, for the division of the quota amount into two parts, the first part to be allocated amongst the Member States and the second to constitute a reserve.

Allocation of the first part is to be based on statistical data relating to the three preceding years and on forecasts for the period in question.

It should be noted in this connection that there is a lack of detailed Community statistics on this subject and the quotas allocated to the individual Member States were therefore calculated on the basis of the latest statistics for Portuguese exports during the period 1971-73.

This lack of detailed statistics could lead to errors in the calculation of quota allocations to the different Member States.

In order to avoid adversely affecting the speedy and effective implementation of these proposals it is to be hoped that detailed statistics can be compiled without delay; the Commission is therefore requested to take the necessary steps.

5. The proposed regulations should enter into force on 1 January 1975 and remain applicable until 31 December of the same year.

6. The committee considers that these proposals raise no political problems and that they will effectively fulfil the commitments entered into by the Community in its Agreement with Portugal. The committee recalls, furthermore, that it has reported favourably on this subject already<sup>1</sup>.

The Committee on External Economic Relations approves these proposals from the Commission of the European Communities in their entirety.

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<sup>1</sup> See de KONING Report (Doc. 287/73)



OPINION OF THE COMMITTEE ON AGRICULTURE

Draftsman : Mr L. DELLA BRIOTTA

The Committee on Agriculture, asked to give its opinion to the Committee on External Economic Relations on the proposals from the Commission of the European Communities to the Council for three regulations opening, allocating and providing for the administration of Community tariff quotas for port, Madeira and Setubal muscatel wines falling within subheading No. ex 22.05 of the Common Customs Tariff, originating in Portugal, appointed Mr DELLA BRIOTTA draftsman for an opinion at its meeting of 2 July 1974.

It considered Mr DELLA BRIOTTA's draft opinion at its meeting of 6 September 1974 and adopted it unanimously.

The following were present: Mr Houdet, chairman; Mr Vetrone, vice-chairman; Mr Laban, vice-chairman; Mr Della Briotta, rapporteur; Mr Baas, Mr Bourdelles, Mr Brugger, Mr Concas, Mr Frehsee, Mr Früh, Mr Hansen, Mr Ligios, Mr Liogier, Mr Martens.

1. The Committee on Agriculture was asked to submit an opinion to the Committee on External Economic Relations as the committee responsible on the proposals from the Commission of the European Communities to the Council for three regulations opening, allocating and providing for the administration of Community tariff quotas for port, Madeira and Setubal muscatel wines falling within subheading No. ex 22.05 of the Common Customs Tariff, originating in Portugal.

2. The first proposal would reduce by 60% the customs duties on port wine in containers holding 2 litres or less up to a total annual quota of 20,000 hl, and by 50% in the case of wines in containers holding more than 2 litres up to a total annual quota of 285,000 hl.

The second proposal would reduce customs duties by 30% on Madeira wines up to a total annual volume of 15,000 hl.

The third proposal would reduce by 30% the duties payable on Setubal muscatel wines up to a quota limit of 30,000 hl.

3. The opening of these reduced tariff quotas was stipulated in the Agreement with the Portuguese Republic signed by the Community on 22 July 1972<sup>1</sup>. Moreover, such quotas have already been opened in the past, notably for the current year, through Regulations (EEC) Nos. 3610/73, 3611/73, 3612/73<sup>2</sup>, on which the Committee on Agriculture gave a favourable opinion.<sup>3</sup>

4. As regards the proposals under consideration, which refer to the quota year 1974<sup>4</sup>, the committee realizes that it is not required to comment on the fact of the opening of the quotas.

Since only relatively small amounts of the wines in question are involved, and since they are of a local type which appeal to a specific type of consumer, the Committee on Agriculture considers that their importation at reduced customs duties will not have any adverse effects on Community production.

However, the Committee on Agriculture considers it necessary to recall that the Community wine-producing sector is going through a particularly difficult phase, and hopes that the situation will be improved by appropriate Community measures before importation of these wines into the Community commences.

<sup>1</sup> See Article 4 of Protocol No. 8 of the Agreement: OJ No. L 301 of 31.12.1972

<sup>2</sup> OJ No. L 365 of 31.12.1973

<sup>3</sup> See opinion by Mr Vals, annexed to the De Koning Report, Doc. 287/73, 13.12.1973

5. The Committee on Agriculture has no general comments with respect to the rules on the allocation and administration of the quotas themselves, since they follow the usual Community pattern: allocation of approximately 90% of the quota among the various Member States, the remainder forming a Community reserve available to Member States which have used up their initial quota.

6. However, the point made by the Commission in almost identical terms in the three proposals for regulations in the third paragraph of the preamble that 'available Community statistics give no information on the situation of port wines on the markets (of the Community)' deserves special attention. The committee makes this assertion because it considers that the lack of statistical data could have certain implications for the allocation of the quotas proposed by the Commission amongst the Member States.

This is borne out by paragraph 4 of the explanatory memorandum accompanying the proposals, which states that the experts of the Member States 'advised as to the quota allocations which the Commission proposes to allot to them ... wished to see a considerable increase in their allocations'.

7. The Committee on Agriculture recalls that on various occasions<sup>1</sup> the European Parliament has criticized the fact that the representatives of the Member States had requested a different allocation from that proposed by the Commission and considers it essential that this problem be solved for the future. In the committee's view the Commission must therefore be requested to take the appropriate steps to ensure that, on future occasions, it has the necessary statistical data and all other relevant information at its disposal, so that its definitive proposals for the allocation of quotas cannot be called into question.

This would require objective data enabling an allocation to be made proportional to the needs of the individual Member States, based on their imports over a representative period of reference and on economic prospects for the quota period.

8. Subject to these remarks the Committee on Agriculture delivers a favourable opinion on these proposals.

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<sup>1</sup> See De Koning Report submitted on behalf of the Committee on External Economic Relations (Doc. 92/72 of 21 September 1972) on the proposals concerning quotas for certain Spanish wines.

