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Conformément au règlement (CEE, Euratom) n° 354/83 du Conseil du 1er février 1983 concernant l'ouverture au public des archives historiques de la Communauté économique européenne et de la Communauté européenne de l'énergie atomique (JO L 43 du 15.2.1983, p. 1), tel que modifié par le règlement (CE, Euratom) n° 1700/2003 du 22 septembre 2003 (JO L 243 du 27.9.2003, p. 1), ce dossier est ouvert au public. Le cas échéant, les documents classifiés présents dans ce dossier ont été déclassifiés conformément à l'article 5 dudit règlement.

In accordance with Council Regulation (EEC, Euratom) No 354/83 of 1 February 1983 concerning the opening to the public of the historical archives of the European Economic Community and the European Atomic Energy Community (OJ L 43, 15.2.1983, p. 1), as amended by Regulation (EC, Euratom) No 1700/2003 of 22 September 2003 (OJ L 243, 27.9.2003, p. 1), this file is open to the public. Where necessary, classified documents in this file have been declassified in conformity with Article 5 of the aforementioned regulation.

In Übereinstimmung mit der Verordnung (EWG, Euratom) Nr. 354/83 des Rates vom 1. Februar 1983 über die Freigabe der historischen Archive der Europäischen Wirtschaftsgemeinschaft und der Europäischen Atomgemeinschaft (ABl. L 43 vom 15.2.1983, S. 1), geändert durch die Verordnung (EG, Euratom) Nr. 1700/2003 vom 22. September 2003 (ABl. L 243 vom 27.9.2003, S. 1), ist diese Datei der Öffentlichkeit zugänglich. Soweit erforderlich, wurden die Verschlussachen in dieser Datei in Übereinstimmung mit Artikel 5 der genannten Verordnung freigegeben.

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(73) 2032 final

Brussels, 5 December 1973

PROPOSAL FOR A REGULATION (EEC) OF THE COUNCIL

extending the arrangements made by Regulation (EEC) No 1253/73 on imports
of the wine product exported under the label of
"Cyprus Sherry", originating in and coming from Cyprus, and the introduction
of subsidies for similar wine products produced
in the Community as originally constituted and exported to Ireland and the
United Kingdom

(submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

The Association Agreement with the Republic of Cyprus provides that special import terms shall be introduced for wine exported under the label "Cyprus Sherry", of which Cyprus exports a large quantity and the sales of which are essential for the Cyprus economy. These arrangements, set out in an exchange of letters annexed to the supplementary protocol to the Agreement, were motivated by a concern not to interrupt traditional exports to Ireland and the United Kingdom after 1 February, 1973, when the reference prices for wine became applicable in the new Member States. Indeed, if the reference prices had been applied immediately to that product then, bearing in mind certain questions of competition and quality, this product would probably have disappeared from the British market. However, in order not to prolong indefinitely an arrangement which would seriously jeopardize attainment of the objectives of the common organization of the market, in particular as such special arrangements would be bound to create a precedent, provisions should be adopted by Cyprus so that the rules governing Cyprus Sherry could as quickly as possible be aligned with the general rules laid down by the Community wine regulations.

This is why the opening of the provisional special arrangements was made subject to the enactment and bringing into force by Cyprus, during a given period, of wine rules conforming with those in force within the Community.

As a result of this concern not to interrupt traditional trade flows and deliveries on the Irish and British markets in similar Community wines during the period over which "Cyprus Sherry" benefits from the special import terms, the volume of imports subject to those arrangements was limited, in the exchange of letters, to the level actually imported in previous years (200,000 hectolitres). The Council also laid down measures to enable similar Community wines to be sold on the relevant markets in conditions of balanced competition with the Cyprus wine.

.../...

The object of Regulation (EEC) No 1253/73 was to implement, from 1 February to 31 December 1973, the relevant provisions of the Agreement between the Community and Cyprus as set out in the above mentioned exchange of letters. The Regulation also makes provision for extending the special arrangements for a period such that they could be applied to the 1974 harvest, upon condition that the legislation to be enacted before 1 September 1973 by Cyprus was in conformity with the Community rules.

Analysis, now in progress, of the legislation enacted by the Republic of Cyprus on 31 August has shown that in certain aspects it does not conform with Community legislation, so that Article 6 of Regulation EEC No 1253/73, which sets up such conformity as a condition precedent for the extension, cannot be used as a basis for extending the present arrangements. In the meantime contact has been made with the Cyprus authorities in order to find out how far it is possible to make the necessary changes so that the rules would conform with Community rules. Pending results of the research being carried out with the authorities, who are being most cooperative in this respect, from which one assumes that the necessary conformity will be achieved, the present arrangements should be extended on the basis of Article 43 of the Treaty. This would avoid any unwarranted sudden interruption in trade if the Cypriot authorities, as may reasonably be expected, quickly made the necessary changes in their laws in order to make them conform with Community rules.

FINANCIAL EFFECTS

1. It follows from what has already been said that if the reference price was applied, involving collection upon imports of "Cyprus Sherry" on a countervailing charge pursuant to Article 9(3) of Regulation (EEC) No 816/70 of some 50 u.a./hl, it would be virtually impossible to import this product to Ireland and the United Kingdom. Consequently, non-application to this type of wine of a countervailing charge - which corresponds to an agricultural levy for the purposes of Article 2(a) of the Decision of 21 April 1970 on the replacement of the Member States' financial contribution by the Community's own resources - would have virtually no effect on the total amount of income obtained from applying the countervailing charges on wine.
 2. The financial effect of the scheme of subsidies for deliveries of Community wines similar to "Cyprus Sherry" largely depends on the list of wines referred to in Article 5 of the proposal. This list will be drawn up by the Commission, after receiving the Opinion of the Management Committee. As a guideline, based on the Commission departments' draft which has not yet been submitted for the Opinion of the Management Committee, the amount of the subsidy will be 37 u.a./hl and it can be expected that the quantity of wine concerned will, assuming an optimistic estimate, be equivalent to exports of liqueur wines which are not covered by a registered designation of origin from the Community of Six to third countries, i.e., for 1971, 3,900 hl. In this case the cost would be 145,000 u.a. for the period of the application of the proposed regulation (1 January to 31 December 1974). The way in which this expenditure is to be financed by the Community will be made clear in a proposal for a Regulation to be put forward subsequently.
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Proposal for a
REGULATION (EEC) OF THE COUNCIL

extending the arrangements made by Regulation (EEC) No 1253/73 on imports of the wine product exported under the label of "Cyprus Sherry", originating in and coming from Cyprus, and the introduction of subsidies for similar wine products produced in the Community as originally constituted and exported to Ireland and the United Kingdom.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Whereas Regulation (EEC) No 1253/73 ⁽¹⁾ introduced arrangements for imports of the wine product exported under the label of "Cyprus Sherry", originating in and coming from Cyprus, and subsidies for similar wine products produced in the Community as originally constituted and exported to Ireland and the United Kingdom;

Whereas these arrangements are applicable until 31 December 1973; whereas, however, pursuant to Article 6 of Regulation (EEC) No 1253/73, if, before 1 September 1973, the Republic of Cyprus enacts legislation on wine production which is in conformity with Community rules applicable to products similar to the products specified in Article 1, the Council, acting on a proposal from the Commission in accordance with the voting procedure laid down in Article 43(2) of the Treaty, is to take all necessary steps to ensure that the arrangements are extended in accordance with the terms of the exchange of letters ⁽²⁾ annexed to the Protocol laying down certain provisions relating to the Agreement establishing an association between the European Economic Community and the Republic of Cyprus following the Accession of new Member States to the European Economic Community;

.../...

(1) OJ No L133, 21 May 1973, p. 115

(2) OJ No L133, 21 May 1973, p. 95

Whereas on 31 August the Republic of Cyprus adopted new rules governing wine and on 16 October sent texts for perusal by the Commission;

Whereas, however, consideration of these texts is not yet far enough advanced for a decision finally to be taken on whether the legislation enacted by Cyprus is in conformity with Community rules;

Whereas the legislation enacted should therefore be examined with the authorities of Cyprus with a view to making any necessary changes thereto;

Whereas the Cypriot authorities have declared their willingness to collaborate with the Commission in order to seek the best ways of applying the exchange of letters referred to above;

Whereas in the meantime any interruption in the arrangements applicable to imports of the relevant products into the United Kingdom and Ireland should be avoided;

.../...

HAS ADOPTED THIS REGULATION:

Article 1

For the period from 1 January to 31 December 1974, the countervailing charge provided for in the first subparagraph of Article 9(3) of Regulation (EEC) No 816/70 ⁽¹⁾, as last amended by Council Regulation (EEC) No 2591/73 ⁽²⁾ of 24 September 1973, shall not be levied on imports into Ireland and the United Kingdom of the wine product exported under the label of "Cyprus Sherry" originating in and coming from Cyprus up to a maximum amount of 2000,000 hectolitres.

Article 2

1. The amount of 200,000 hectolitres fixed in Article 1 shall be divided into two quotas, the one of 2,000 hectolitres for Ireland and the other of 198,000 hectolitres for the United Kingdom.
2. The said Member States shall ensure that all importers of the relevant product established in their territory have free access to the quotas attributed to them.
3. The extent to which the quotas of these Member States have been used up shall be assessed on the basis of imports of the product in question passed through customs under cover of declarations that it has been released for consumption.
4. The Member States concerned shall inform the Commission at regular intervals of imports from Cyprus actually set off against their quotas.

Article 3

Wine products imported into the United Kingdom and into Ireland free of countervailing charge, pursuant to Article 1, may not be exported to other Member States.

(1) OJ No L 99, 5 May 1970, p. 1

(2) OJ No L259, 26 September, p.1

Article 4

1. Subsidies shall be granted in respect of exports effected from 1 February 1973 to 1 December 1974 to Ireland and the United Kingdom of wine products produced in the Community as originally constituted which are similar to the wine product exported under the label of "Cyprus Sherry".
2. The subsidies referred to in paragraph 1 shall be calculated on the basis of the difference, on the markets of the Member States referred to in paragraph 1, between the prices of these Community wine products and the price of the wine product exported under the label of "Cyprus Sherry".

Article 5

Detailed rules for the application of this Regulation, in particular those concerning the amount of the subsidy and the Community wine products eligible for aid, shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24 on the progressive establishment of a common organization of the market in wine ⁽¹⁾.

Article 6

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

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 30, 20.4.1962, p. 989/62