COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 24.08.2001
COM(2001) 487 final

2001/0196 (ACC)

Proposal for a

COUNCIL REGULATION

opening and providing for the administration of a tariff quota for imports of soluble coffee covered by CN code 2101 11 11

(presented by the Commission)

EXPLANATORY MEMORANDUM

The application of different preferential tariff arrangements by the Community has resulted in a significant reduction in the diversity of soluble coffee available on the Community market over the last few years.

The best way of countering this trend seems to be to open a zero-duty quota for a limited volume of soluble coffee.

This would make it possible to restore equal conditions of competition between the Community's different suppliers, particularly for those whose exports are currently subject to 9% duties.

The best way of ensuring optimal use of the tariff quota is to allocate it in the chronological order of the dates on which declarations of release for free circulation are accepted. This is a flexible method which avoids the need for import licences.

Moreover, in order to ensure that the quota is administered efficiently, presentation of a certificate of origin should be required for imports of soluble coffee from Brazil, which is the Community's main supplier and the main beneficiary of the quota.

Finally it should be recalled that soluble coffee benefiting from the tariff quota must be marketed in the Community in compliance with the quality conditions established by Directive 1999/4/EC relating to coffee extracts and chicory extracts.

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Proposal for a

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opening and providing for the administration of a tariff quota for imports of soluble coffee covered by CN code 2101 11 11

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133 thereof,

Having regard to the proposal from the Commission[1],

Whereas:

(1) The diversity of soluble coffee available on the Community market has decreased significantly in recent years.

(2) The best way of countering this trend is to open a zero-duty quota for a limited volume of soluble coffee.

(3) The best way of ensuring optimal use of the tariff quota is to allocate it in the chronological order of the dates on which declarations of release for free circulation are accepted.

(4) In order to ensure that the quota is administered efficiently, presentation of a certificate of origin should be required for imports of soluble coffee from Brazil, the main supplier and the main beneficiary of the quota.

(5) Soluble coffee benefiting from the tariff quota must be marketed in the Community in compliance with the quality conditions established by Directive 1999/4/EC of the European Parliament and of the Council relating to coffee extracts and chicory extracts[2].

(6) Since the measures needed to implement this Regulation are management measures within the meaning of article 2 of Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission[3], they must be adopted using the management procedure provided for in Article 4 of that Decision.

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1 OJ C …, …, p. …
2 OJ L 66, 13.3.1999, p. 26.
3 OJ L 184, 17.7.1999, p. 23.

HAS ADOPTED THIS REGULATION:

Article 1

From [……….], imports of soluble coffee covered by CN code 2101 11 11 originating in any country shall be eligible for a zero-duty tariff quota.

Article 2

The tariff quota shall be opened annually for an initial period of three years. Its volume shall be fixed as follows:

– 10 000 tonnes from [……….] to [……….];

– 12 000 tonnes from [……….] to [……….];

– 14 000 tonnes from [……….] to [……….].

Article 3

The tariff quota shall be divided into two parts:

a) a quota of 87.4% of the annual volume, with the order number 09.2000, for imports originating in Brazil and

b) a quota of 12.6% of the annual volume, with the order number 09.2001, for imports originating in other third countries.

Article 4

1. The origin of soluble coffee qualifying for the tariff quota shall be determined in accordance with the provisions in force in the Community.

2. Qualification for the share of the tariff quota allocated to Brazil in accordance with Article 3 shall be subject to presentation of a certificate of origin meeting the conditions laid down in Article 47 of Commission Regulation (EEC) No 2454/93.[4]

   Certificates of origin shall be accepted only if the products meet the criteria for determining origin set out in the provisions in force in the Community.

Article 5

The tariff quota shall be administered by the Commission in accordance with Articles 308a, 308b and 308c of Regulation (EEC) No 2454/93.

[4] OJ L 253, 11.10.1993, p. 1.

Article 6

This Regulation may be revised during the third year after the tariff quota is opened in order to adapt the volume of the quota to the needs of the Community market. If, however, this revision is not completed three months before the date of closure of the initial tariff quota, i.e. *[………]*, the quota shall be automatically extended for a further year for a volume of 14 000 tonnes. Subsequently the tariff quota shall be extended regularly for one year at a time and for the same volume unless a revision is adopted not later than three months before the closure of the current quota.

Article 7

The Commission shall adopt the provisions necessary for the implementation of this Regulation, including the amendments and adjustments required by amendments to the Combined Nomenclature and the TARIC, in accordance with the procedure referred to in Article 8(2).

Article 8

1. The Commission shall be assisted by the Customs Code Committee set up by Article 247a of Council Regulation (EEC) No 2913/92[5].

2. Where reference is made to this paragraph, the management procedure provided for in Article 4 of Decision 1999/468/EC shall apply, in compliance with the provisions of Article 7 of that Decision.

3. The period provided for in Article 4(3) of Decision 1999/468/EC shall be set at three months.

Article 9

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

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[5] OJ L 302, 19.10.1992, p. 1.

FINANCIAL STATEMENT

DATE: [9.7.01]

1.	BUDGET LINE: [1.2.0]	APPROPRIATIONS:
2.	TITLE: Establishment of a tariff quota for imports of soluble coffee covered by CN code 2101 11 11	
3.	LEGAL BASIS Article 133 of the EC Treaty	
4.	AIMS: to re-establish equal conditions of competition between the different suppliers of the Community	

5.	FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS (EUR million)	CURRENT YEAR [n] (EUR million)	FOLLOWING YEAR [n+1] (EUR million)
5.0	EXPENDITURE - CHARGED TO THE EC BUDGET (<REFUNDS/INTERVENTIONS) - NATIONAL AUTHORITIES - OTHER		[0]	3 798 000 €
5.1	REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL			

		[n+2]	[n+3]	[n+4]	[n+5]
5.0.1	ESTIMATED EXPENDITURE	4 557 600€	5 469 120€		
5.1.1	ESTIMATED REVENUE				

5.2	METHOD OF CALCULATION: Non-application of 9% duties on imports benefiting from the tariff quota (which will not be exhausted).	
6.0	CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?	YES/NO
6.1	CAN THE PROJECGT BE FUNDED BY TRANSFER BETWEEN CHAPTERS OF CURRENT BUDGET	YES/NO
6.2	WILL A SUPPLEMENTARY BUDGET BE NECESSARY?	YES/NO
6.3	WILL APPROPRIATIONS NEED TO BE ENTERED IN FUTURE BUDGETS?	YES/NO

OBSERVATIONS:
The 9% duty will in any case probably be eliminated during the next round of tariff negotiations with Brazil.