Excise duty: reduced rate on rum produced in French overseas departments, period of application and annual quota

2011/0248(CNS) - 19/12/2011 - Final act

PURPOSE: to amend Decision 2007/659/EC as regards its period of application and the annual quota benefiting from a reduced rate of excise duty.

LEGISLATIVE ACT: Council Decision No 896/2011/EU amending Decision 2007/659/EC as regards its period of application and the annual quota benefiting from a reduced rate of excise duty.

CONTENT: the Council decided to increase the quota for traditional rum produced in the French overseas departments, on which a reduced rate of excise duty may be applied, **from 108 000 hectolitres to 120 000 hectolitres**. **It also extended by one year until 31 December 2013 the period of application of the scheme of reduced excise duty**.

The information provided by the French authorities shows that quantities of 'traditional' rum coming onto the market at the reduced rate of excise duty have grown since the adoption of Decision 2007/659/EC, from 96 100 hectolitres of pure alcohol in 2007 to 105 700 hectolitres in 2010, i.e. an annual increase of 3.2%. If this trend continues, the quantities of 'traditional' rum coming onto the market should be around 109 100 hectolitres of pure alcohol in 2011, 112 600 hectolitres in 2012 and 116 200 hectolitres in 2013, thus exceeding the 108 000 hectolitre quota provided for by Decision 2007/659/EC.

Underlining that since the competitiveness of "traditional" rum from the overseas departments needs to be supported on the market in mainland France in order to safeguard the activity of their sugar-cane rum sector, the quantities of traditional rum originating in the overseas departments eligible for a reduced rate of excise duty when released for consumption on that market should be reviewed, the 108 000 hectolitre annual quota established by Decision 2007/659/EC should be, therefore, increased to 120000 hectolitres, including the quota for 2011 in order to ensure continuity, taking into account the increase forecasted for that year. This increase would cover annual growth of 4.3%, i.e. a little more than the 3.2% increase witnessed in 2007-10.

ENTRY INTO FORCE: 19/12/2011.