Reduced rate of excise duty on locally produced and consumed alcohol in the autonomous regions of Madeira and the Azores: period of application

2013/0446(CNS) - 19/12/2013 - Legislative proposal

PURPOSE: to extend the period of application of Decision 2009/831/EC.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

BACKGROUND: Council Decision 2009/831/EC, adopted on the basis of Article 299 of the EC Treaty, authorises Portugal, up to 31 December 2013, to apply a reduced rate of excise duty in the autonomous region of Madeira on locally produced and consumed rum and liqueurs and in the autonomous region of the Azores on locally produced and consumed liqueurs and eaux-de-vie.

The Commission confirms that the reduction of the rate of excise duty should continue to be authorised to offset the competitive disadvantage which distilled alcoholic beverages produced in Madeira and in the Azores face as a result of higher production and marketing costs.

On 28 June 2013, the Commission has adopted its Guidelines on regional State aid for 2014-20204, setting out how Member States can grant aid to companies in order to support the development of disadvantaged regions in Europe between 2014 and 2020. These Guidelines will enter into force on 1 July 2014.

The Commission considers that it is justified to extend the period of application of Decision 2009/831/EC, for six months, so that its expiry date coincides with the date of entry into force of the Guidelines on regional State aid for 2014-2020.

CONTENT: the proposal seeks to extend **until 30 June 2014 the period of application of Decision 2009 /831/EC**, which authorises Portugal to apply a reduced rate of excise duty in the autonomous region of Madeira on locally produced and consumed alcoholic products as well as in the autonomous region of the Azores.