Reduced rate of certain indirect taxes on "traditional" rum produced in Guadeloupe, French Guiana, Martinique and Réunion

2017/0127(CNS) - 16/10/2017 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Regional Development adopted, in the framework of a special legislative procedure (Parliament's consultation), the report by Iskra MIHAYLOVA (ALDE, BG) on the proposal for a Council decision amending Council Decision No 189/2014/EU authorising France to apply a reduced rate of certain indirect taxes on 'traditional' rum produced in Guadeloupe, French Guiana, Martinique and Réunion and repealing Decision No 2007/659/EC.

The committee recommended the European Parliament to approve the Commission proposal without making any amendments.

As the explanatory memorandum accompanying the report pointed out, traditional rum from France's outermost regions is subject to special excise duty arrangements on the French mainland market. Council Decision No 2002/166/EC fixed the volume of rum eligible for special excise duty.

In 2016, rum production in the French outermost regions exceeded the quota eligible for special tax treatment by about one-fifth. Unless the quota for 2016 is changed retroactively, the State aid effect of these arrangements will be cancelled-out and the producers may suffer economic harm.

On 22 September 2016, the French authorities asked the Commission to present a draft technical adaptation to the most recent Council Decision Council Decision No 189/2014/EU, **increasing the annual quota from 120 000 to 144 000 hap (hectolitres of pure alcohol)** for the period between 1 January 2016 and 31 December 2020.

The Rapporteur welcomed the Commission proposal adopted on 9 June 2017.