Basic information

2009/0075(CNS) CNS - Consultation procedure Decision	Procedure completed
Excise duties: reduced rate on locally produced and consumed alcohol in the autonomous regions of Madeira and the Azores Amended by 2013/0446(CNS) **Subject** 2.70.02 Indirect taxation, VAT, excise duties 3.10.06.08 Wine, alcoholic and non-alcoholic beverages 4.70.06 Outlying and outermost regions, overseas countries and territories **Geographical area** Portugal	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
REGI Regional Development	HÜBNER Danuta Maria (PPE)	06/10/2009
	Shadow rapporteur ALVES Luís Paulo (S&D) NICHOLSON James (ECR)	

Former committee responsible	Former rapporteur	Appointed
REGI Regional Development		

Committee for opinion	Rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	
AGRI Agriculture and Rural Development	The committee decided not to give an opinion.	

Former committee for opinion	Former rapporteur for opinion	Appointed

	ECON Economic and Monetary Affairs		
	AGRI Agriculture and Rural Development		

Council of the European Union	Council configuration	Meetings	Date
	Economic and Financial Affairs ECOFIN	2972	2009-11-10

European Commission	Commission DG	Commissioner
	Taxation and Customs Union	KOVÁCS László

Key events

Date	Event	Reference	Summary
09/06/2009	Legislative proposal published	COM(2009)0259	Summary
14/09/2009	Committee referral announced in Parliament		
06/10/2009	Vote in committee		Summary
14/10/2009	Committee report tabled for plenary, 1st reading/single reading	A7-0039/2009	
20/10/2009	Decision by Parliament	T7-0033/2009	Summary
20/10/2009	Results of vote in Parliament		
10/11/2009	Act adopted by Council after consultation of Parliament		
10/11/2009	End of procedure in Parliament		
13/11/2009	Final act published in Official Journal		

Technical information

Procedure reference	2009/0075(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Decision
Amendments and repeals	Amended by 2013/0446(CNS)
Legal basis	Treaty on the Functioning of the European Union TFEU 349-p1sub1-as1
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	REGI/7/00321

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE428.141	09/09/2009	
Committee report tabled for plenary, 1st reading/single reading		A7-0039/2009	14/10/2009	
Text adopted by Parliament, 1st reading/single reading		T7-0033/2009	20/10/2009	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2009)0259	09/06/2009	Summary

Additional information

Source	Document	Date
National parliaments	IPEX	
European Commission	EUR-Lex	

Final act

Decision 2009/0831
OJ L 297 13.11.2009, p. 0009 Summary

Excise duties: reduced rate on locally produced and consumed alcohol in the autonomous regions of Madeira and the Azores

2009/0075(CNS) - 09/06/2009 - Legislative proposal

PURPOSE: to authorise Portugal to apply, from 1 January 2009 to 31 December 2013, a reduced rate of excise duty applicable to certain products in Madeira and the Azores.

PROPOSED ACT: Council Decision.

BACKGROUND: Decision 2002/167/EC authorised Portugal to apply a reduction in the rate of excise duty on rum and liqueurs locally produced and consumed in the autonomous region of Madeira and on liqueurs and eaux-de-vie locally produced and consumed in the autonomous region of the Azores. The reduced rate applied must not be more than 75% lower than the standard national excise duty on alcohol. This decision ceased to have effect on 31 December 2008. Portugal has sought an extension of this authorisation until 31 December 2013. The Portuguese authorities have provided additional information aiming to demonstrate that it is necessary to extend the reduced rate of excise duty beyond the end of 2008 in order to maintain the production of rum, liqueurs and/or eaux-de-vie and associated agricultural activities.

At present, nine companies are registered to produce rum and/or liqueurs in Madeira; nine companies produce liqueurs and 38 companies produce eaux-de-vie in the Azores. The local industry employs around 130 workers in Madeira and around 90 workers in the Azores. In Madeira, the cultivation and processing of sugar cane and fruits provides work for around 1 000 family-owned agricultural holdings.

In 2007 the market share of the products benefiting from a reduced rate of excise duty was lower than that of similar products imported or supplied from other parts of the Community (20.3 % in Madeira; 38.9% in the Azores) from which these products therefore face strong competition.

Furthermore, notwithstanding the application of a reduced rate of excise duty, the average retail selling price (including tax) in Madeira and in the Azores of locally produced rum, liqueurs or eaux-de-vie is higher than that of similar products from outside these regions. The main handicaps faced by the producers of rum, liqueurs and/or eaux-de-vie arise from additional costs linked to the factors identified in Article 299(2) of the Treaty (i.e. remoteness, insularity, small size, difficult topography, and climate).

IMPACT ASSESSMENT: the economic impact of the proposal concerns in essence producers of rum and liqueurs in Madeira and producers liqueurs and eaux-de-vie in the Azores and can, therefore, be considered as minimal. If such producers were to lose the benefit of the reduced rate of excise duty, the resulting increase in retail selling price would risk jeopardising the subsistence and survival of these economic sectors, as well as employment directly and indirectly connected to them.

CONTENT: it is proposed to authorise Portugal to apply, from 1 January 2009 to 31 December 2013, a reduced rate of excise duty applicable to locally produced and consumed rum and liqueurs in the autonomous region of Madeira and to locally produced and consumed liqueurs and eaux-de-vie in the autonomous region of the Azores. The reduced rate may be lower than the minimum rate of excise duty on alcohol set by Directive 92/84/EEC, but may not be more than 75% lower than the standard national excise duty on alcohol. This corresponds to the authorisation granted from 1 January 2002 until 31 December 2008 by Decision 2002/167/EC.

BUDGETARY IMPLICATIONS: the proposal has no implication for the Community budget.

Excise duties: reduced rate on locally produced and consumed alcohol in the autonomous regions of Madeira and the Azores

2009/0075(CNS) - 10/11/2009 - Final act

PURPOSE: to authorise Portugal to apply, from 1 January 2009 to 31 December 2013, a reduced rate of excise duty applicable to certain products in Madeira and the Azores.

LEGISLATIVE ACT: Council Decision 2009/831/EC authorising Portugal 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

CONTENT: the Council adopted a decision authorising Portugal to apply reduced excise duty rates on certain locally produced and consumed spirits. The Decision provides that the reduced rate may be applied to rum and liqueurs which are locally produced and consumed in the autonomous region of Madeira and to liqueurs and eaux-de-vie which are locally produced and consumed in the autonomous region of Azores. The rates applied may be lower than the minimum rate of excise duty on alcohol set by Directive

92/84/EEC, but may not be more than 75% lower than the standard national excise duty on alcohol.

It is recalled that by Council Decision 2002/167/EC Portugal had been authorised 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 Azores on locally produced and consumed liqueurs and eaux-de-vie. The application of a reduced rate of excise duty on those products was considered necessary for the survival of the local industry producing and marketing them. In view of the high cost of those activities arising mainly from factors inherent to the situation of Madeira and the Azores as outermost regions (remoteness, insularity, small size, topography and climate), it was considered that only a reduction of the rate of excise duty on the locally produced and consumed products concerned could enable them to continue to compete on an equal footing with similar products imported or supplied from other parts of the Community and thus ensure the survival of the industries. Portugal could apply to those products a rate of excise duty lower than the full rate on alcohol laid down in Council Directive 92/84/EE), and lower than the minimum rate of excise duty on alcohol set by this Directive but not more than 75 % lower than the standard national excise duty on alcohol. This measure was applicable from 1 January 2002 until 31 December 2008.

Subsequently Portugal sought an authorisation subject to the same terms, for the period from 1 January 2009 until 31 December 2013.

The granting of this new authorisation sought is justified in order to avoid endangering the development of those outermost regions. The local industry employs around 130 workers in Madeira and around 90 workers in the Azores. In Madeira, the cultivation and processing of sugar cane and fruits provides work for around 1 000 family-owned agricultural holdings. Faced with difficulties in exporting outside the regions, the regional markets are the only possible outlets to sell those products.

A reduction of the rate of excise duty is continued to be authorised at the level requested to help 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.

APPLICATION: the Decision will apply from 1 January 2009 until 31 December 2013.

Excise duties: reduced rate on locally produced and consumed alcohol in the autonomous regions of Madeira and the Azores

2009/0075(CNS) - 20/10/2009 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 579 votes to 13, with 12 abstentions, a legislative resolution approving unamended, under the consultation procedure, the proposal for a Council decision authorising Portugal to apply reduced rates 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.