



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 23.10.2003  
COM(2003) 633 final

2003/251 (CNS)

Proposal for a

**COUNCIL REGULATION**

**amending Regulation (EEC) No 2075/92 on the common organisation  
of the market in raw tobacco**

(presented by the Commission)

## **EXPLANATORY MEMORANDUM**

The purpose of this proposal for a Council Regulation is to set the deduction from the 2004 harvest premium to finance the Community Tobacco Fund.

This measure is being proposed transitionally pending entry into force of the reform of the common organisation of the market in raw tobacco.

Under these circumstances, the level chosen is the same as that set for the 2003 harvest – i.e. a premium deduction of 3%.

Proposal for a

**COUNCIL REGULATION**

**amending Regulation (EEC) No 2075/92 on the common organisation  
of the market in raw tobacco**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 37 thereof,

Having regard to the proposal from the Commission<sup>1</sup>,

Having regard to the opinion of the European Parliament<sup>2</sup>,

Having regard to the opinion of the European Economic and Social Committee<sup>3</sup>,

Having regard to the opinion of the Committee of the Regions<sup>4</sup>,

Whereas:

- (1) Under Article 13(1) of Council Regulation (EEC) No 2075/92<sup>5</sup>, the Community Tobacco Fund is to be financed by deductions of 2% and 3% respectively from the premiums for the 2002 and 2003 harvests.
- (2) The reform of the common organisation of the market in raw tobacco, which also covers the Community Tobacco Fund, is currently being drawn up. The new rules are not due to take effect until 2005. A deduction percentage therefore needs to be set for 2004, and in the transitional context it should be maintained at the same level as in 2003.
- (3) According to the conclusions of the report on utilisation of the Community Tobacco Fund<sup>6</sup> presented by the Commission to the Council under Article 13(1) of Regulation (EEC) No 2075/92, a 3% deduction will be sufficient to cover the fund's prospective expenditure.
- (4) Regulation (EEC) No 2075/92 therefore needs to be amended,

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<sup>1</sup> OJ C ..., ..., p. ...

<sup>2</sup> OJ C ..., ..., p. ...

<sup>3</sup> OJ C ..., ..., p. ...

<sup>4</sup> OJ C ..., ..., p. ...

<sup>5</sup> OJ L 215, 30.7.1992, p.70. Regulation last amended by Regulation (EC) No 806/2003 (OJ L 122, 16.5.2003, p. 1).

<sup>6</sup> COM(2003) XXXX.

HAS ADOPTED THIS REGULATION:

*Article 1*

Article 13(1) of Regulation (EEC) No 2075/92 is replaced by the following:

- "1. A Community Tobacco Fund (hereafter "Fund") shall be set up, financed by a deduction of:
- 2% from the premium for the 2002 harvest, and
  - 3% from the premium for the 2003 and 2004 harvests."

*Article 2*

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the Council*  
*The President*

# FINANCIAL STATEMENT

|  |   |   |   |                     |
|--|---|---|---|---------------------|
| <b>1. BUDGET HEADING:</b><br>05 02 1002 and 17 03 02   |   | <b>APPROPRIATIONS</b><br>(2004 PDB):<br>€28.8 million |   |                     |
| <b>2. TITLE:</b><br>Council Regulation amending Regulation (EEC) No 2075/92 on the common organisation of the market in raw tobacco  |   |   |   |                     |
| <b>3. LEGAL BASIS:</b><br>Article 37 of the Treaty   |   |   |   |                     |
| <b>4. AIMS:</b><br>To set the deduction to finance the Community Tobacco Fund for the 2004 harvest at the same level as for 2003.  |   |   |   |                     |
| <b>5. FINANCIAL IMPLICATIONS</b>   | <b>12 MONTH PERIOD</b><br>(EUR million) | <b>CURRENT FINANCIAL YEAR 2003</b><br>(EUR million)   | <b>FOLLOWING FINANCIAL YEAR 2004</b><br>(EUR million) |                     |
| 5.0 EXPENDITURE  | p.m.                                    | -   | -   |                     |
| - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)   |   |   |   |                     |
| - NATIONAL AUTHORITIES   |   |   |   |                     |
| - OTHER  |   |   |   |                     |
| 5.1 REVENUE  | -                                       | -   | -   |                     |
| - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)  |   |   |   |                     |
| - NATIONAL   |   |   |   |                     |
|  | 2005                                    | 2006  | 2007  | 2008                |
| 5.0.1 ESTIMATED EXPENDITURE  | p.m.                                    | -   | -   | -                   |
| 5.1.1 ESTIMATED REVENUE  | -                                       | -   | -   | -                   |
| <b>5.2 METHOD OF CALCULATION:</b><br>-   |   |   |   |                     |
| <b>6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?</b>  |   |   |   | YES / <del>NO</del> |
| <b>6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?</b>   |   |   |   | YES / <del>NO</del> |
| <b>6.2 WILL A SUPPLEMENTARY BUDGET BE NECESSARY?</b>   |   |   |   | <del>YES</del> / NO |
| <b>6.3 WILL APPROPRIATIONS NEED TO BE ENTERED IN FUTURE BUDGETS?</b>   |   |   |   | YES / <del>NO</del> |
| <b>OBSERVATIONS:</b><br>The Community Tobacco Fund is financed by a deduction from the premium paid to producers. This measure does not therefore entail any additional expenditure for the budget.<br>For the 2004 harvest, i.e. the 2005 financial year, it is proposed to set the deduction at the same level as for the 2003 harvest, i.e. 3%. This represents an estimated €28.8 million for the 15 existing Member States. If tobacco-producing countries among the new Member States do not apply the simplified system for the payment of direct aid (SAPS), that amount could increase by €4.4 million. |   |   |   |                     |