



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 9.03.2007
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Proposal for a

COUNCIL REGULATION

amending Regulation (EC) No 527/2003 authorising the offer and delivery for direct human consumption of certain wines imported from Argentina which may have undergone oenological processes not provided for in Regulation (EC) No 1493/1999

(presented by the Commission)

EXPLANATORY MEMORANDUM

Wines originating in third countries which have undergone oenological practices not allowed by Community rules may not, except by way of derogation to be decided by the Council, be offered for direct human consumption in the Community. The derogation procedure is provided for in Article 45(2) of Regulation (EC) No 1493/1999 on the common organisation of the market in wine. However, malic acid may be added to wine originating in Argentina to correct acidity, and while this oenological practice is permitted in Argentina and approved by the International Organisation of Vine and Wine (OIV), it is prohibited in the European Union.

Negotiations concerning, in particular, the mutual recognition of the respective oenological practices of both parties are being conducted between the Community, represented by the Commission, and Mercosur, of which Argentina is a member, in the context of overall negotiations for an agreement on trade in wines. These negotiations started in 2002 and are still ongoing. The agreement should, specifically, provide for Argentina to be able to use this practice permanently. To demonstrate the Commission's positive and constructive approach to these negotiations and in order to avoid any possible disturbances to trade, the provisional authorisation of this oenological practice, which is important for certain Argentinian wines, should be extended until the entry into force of the agreement resulting from the negotiations, and no later than 31 December 2008.

The Commission is proposing to authorise the presence of malic acid in wine imported from Argentina into the Community until the end of the ongoing negotiations between the Community and Mercosur (of which Argentina is a member), with a view to concluding, if possible, an agreement on trade in wines.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1493/1999 of 17 May 1999 on the common organisation of the market in wine¹, and in particular Article 45(2) thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) By way of derogation from Article 45(1) of Regulation (EC) No 1493/1999, Council Regulation (EC) No 527/2003² authorises imports into the Community of wine produced in Argentina which has undergone oenological processes not authorised by Community rules, in particular the addition of malic acid. That authorisation expired on 31 December 2006.
- (2) The use of malic acid is an oenological practice approved by the International Organisation of Vine and Wine (OIV).
- (3) Negotiations are currently underway between the Community and Mercosur, of which Argentina is a member, on an agreement on trade in wine. These negotiations concern, in particular, the respective oenological practices used by both parties and the protection of geographical indications.
- (4) Pending the entry into force of an Agreement between the European Community and Mercosur on trade in wine mutually recognising the oenological practices of each Party and thus facilitating the import into the Community of wines originating in Argentina to which malic acid may have been added, the authorisation of this process for Argentinian wines should be extended until the date of that entry into force, but not later than 31 December 2008.
- (5) Regulation (EC) No 527/2003 should therefore be amended accordingly,

¹ OJ L 179, 14.7.1999, p. 1. Regulation as last amended by Regulation (EC) No 2165/2005 (OJ L 345, 28.12.2005, p. 1).

² OJ L 78, 25.3.2003, p. 1. Regulation as last amended by Regulation (EC) No 1912/2005 (OJ L 307, 25.11.2005, p. 1).

HAS ADOPTED THIS REGULATION:

Article 1

In the second subparagraph of Article 1(1) of Regulation (EC) No 527/2003, the date “31 December 2006” is hereby replaced by “31 December 2008”.

Article 2

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

It shall apply from 1 January 2007.

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

1. BUDGET HEADING: 05 02 09 Chapter 10 – Agricultural duties		APPROPRIATIONS: LR 2007: EUR 1 487 million 2007 PDB: EUR 1 486.9 million			
2. TITLE: Proposal for a Council Regulation amending Regulation (EC) No 527/2003 authorising the offer and delivery for direct human consumption of certain wines imported from Argentina which may have undergone oenological processes not provided for in Regulation (EC) No 1493/1999.					
3. LEGAL BASIS: Article 45(2) of Council Regulation (EC) No 1493/1999					
4. OBJECTIVES: To extend the derogation for Argentinian wines until 31 December 2008.					
5. FINANCIAL IMPLICATIONS		12 MONTH PERIOD (EUR million)	CURRENT FINANCIAL YEAR 2007 (EUR million)	FOLLOWING FINANCIAL YEAR 2008 (EUR million)	
5.0 EXPENDITURE CHARGED TO – THE EC BUDGET (REFUNDS/INTERVENTIONS) – NATIONAL AUTHORITIES – OTHER		p.m.	p.m.	p.m.	
5.1 REVENUE – OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) – NATIONAL		–	–	–	
		2009	2010	2011	2012
5.0.1 ESTIMATED EXPENDITURE		–	–	–	–
5.1.1 ESTIMATED REVENUE		–	–	–	–
5.2 METHOD OF CALCULATION: –					
6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET? YES NO					
6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET? YES NO					
6.2 WILL A SUPPLEMENTARY BUDGET BE NECESSARY? YES NO					
6.3 WILL APPROPRIATIONS NEED TO BE ENTERED IN FUTURE BUDGETS? YES NO					
OBSERVATIONS: The measure extends the derogation allowing Argentina to export wine to the Community. It could have an impact on Community expenditure as a result of the additional quantities of wine on the market. However, this impact cannot be measured. On account of a lack of data, it is not possible to express the revenue in figures.					