

II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DECISION

of 19 December 2000

**on the granting of exceptional national aid by the authorities of the Federal Republic of Germany
for the distillation of certain wine sector products**

(2000/808/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 88(2), third subparagraph, thereof,

Having regard to the request made by the Government of the Federal Republic of Germany on 1 December 2000,

Whereas:

- (1) Article 29 of Council Regulation (EC) No 1493/1999 of 17 May 1999 on the common organisation of the market in wine ⁽¹⁾ allows Community support for the distillation of wines in order to support the wine market and, as a consequence, facilitate the continuation of supplies of wine distillate.
- (2) In the *Land* of Rhineland Palatinate, three successive wine-growing years with production below 6 million hectolitres per annum, i.e. below the annual average of 7,1 million hectolitres over a 10-year period, followed by three successive wine-growing years with harvests of between 7 million and over 8 million hectolitres per annum, have caused a significant drop in wine prices since the autumn of 1998.
- (3) The German authorities are planning to grant exceptional aid for the distillation of a maximum quantity of 350 000 hectolitres of wine in that region, in order to provide additional support for the measures applied by the Community pursuant to Article 29 of Regulation (EC) No 1493/1999, and notified the Commission of this planned aid on 21 September 2000.

- (4) The Commission has not at this stage given an opinion on the nature and compatibility of the aid.
- (5) Given the current situation on the wine market, with abnormally low prices and no prospect of rapid and sustainable recovery, the granting of aid of EUR 7,66 (DEM 15) per hectolitre, in addition to the aid of EUR 17,89 (DEM 35) per hectolitre already provided for, (as a result of application of the measure referred to in Article 29 of Regulation (EC) No 1493/1999), is intended to offset this imbalance. The additional aid and the aid already provided for may be modulated according to the alcohol content of the wine but may in no circumstances exceed EUR 25,56 (DEM 50) in total.
- (6) Exceptional circumstances therefore exist, making it possible to consider such aid, by way of derogation and to the extent strictly necessary to remedy the imbalance which has arisen, to be compatible with the common market on the terms specified in this Decision,

HAS ADOPTED THIS DECISION:

Article 1

Exceptional additional aid by the German authorities for the distillation of a maximum quantity of 350 000 hectolitres of wine in the *Land* of Rhineland Palatinate, amounting to a maximum of EUR 4,38 million (DEM 8,57 million), including administrative expenditure, shall be considered to be compatible with the common market.

⁽¹⁾ OJ L 179, 14.7.1999, p. 1. Regulation amended by Commission Regulation (EC) No 1622/2000 (OJ L 194, 31.7.2000, p. 1).

Article 2

This Decision is addressed to the Federal Republic of Germany.

Done at Brussels, 19 December 2000.

For the Council
The President
J. GLAVANY
