

WRITTEN QUESTION P-1731/07
by Martin Dimitrov (PPE-DE)
to the Council

Subject: Commission draft proposal amending Council Directive 2003/96/EC with regard to excise duties on fuel

On 13 March 2007 the European Commission adopted a draft proposal amending Council Directive 2003/96/EC¹ with regard to excise duties on fuel which provides for an increase in the minimum rate of excise duty on diesel from EUR 302 to EUR 380 per 1000 litres in 2014. According to the Commission, the proposal would reduce the negative impact of the disparities in EU excise duties on both competition and the environment and would benefit national budgets.

In its analysis, however, the Commission fails to note that in line with earlier provisions excise duties on fuel in some of the new Member States are, at present, significantly lower than those introduced by the EU energy directive of 2003. For example, the current rate for diesel in Bulgaria is EUR 274 per 1000 litres. The Commission proposal would thus imply a 40% increase in the minimum excise duty rate on diesel in 2014 as compared to current levels. This would lead to price increases for basic consumer goods out of all proportion to increases in incomes in Bulgaria. In the light of the huge income differentials between countries such as Bulgaria and, for example, Germany, the increase in the minimum duty rates for diesel would result in a corresponding decrease in the purchasing power of Bulgarian citizens and would further widen disparities in living standards in the EU.

Attempts to harmonise minimum excise duty rates in other areas (for example with regard to alcoholic beverages) show that this form of regulation is ineffective and leads instead to a widening of the disparities in price levels for end products, whilst stimulating the grey economy and tax evasion. Last but not least any increase in the cost of basic consumer goods and services in the countries which only recently joined the EU - especially as a result of European legislation - would damage the image of the Community and foster Euroscepticism.

Would the Council therefore:

1. Reject the European Commission proposal as unfounded and detrimental to European citizens?
2. Review its policy with regard to an EU-wide increase in minimum rates of excise duty?

¹ OJ L 283, 31.10.2003, p. 51.