

COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 20 December 1978

Commission communication to the Council

General guidelines for the inclusion of sesame seed in the list
of products covered by the export earnings stabilization system
set up by the Lome Convention

DRAFT DECISION OF THE ACP-EEC COUNCIL OF MINISTERS

Adding a product to the list in Article 17 (1) of the ACP-EEC Convention
of Lome

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INTRODUCTION

Article 16 of the Lomé Convention provides for the implementation of a system for guaranteeing the stabilization of earnings from exports by the ACP States to the Community of certain commodities listed in Article 17 (1) of the Convention.

Article 17 (3) stipulates that if, not sooner than twelve months following the entry into force of the Convention, one or more products not contained in the list given in Article 17 (1), but upon which the economies of one or more ACP States depend to a considerable extent, are affected by sharp fluctuations, the ACP-EEC Council of Ministers may decide whether the product or products should be included in the list, without prejudice to the total amount allocated to cover commitments under the system.

On this basis, the ACP-EEC Council of Ministers, which met in Fiji on 13 and 14 April 1977, adopted Decision n° 3 adding the following products to the list in Article 17 (1) of the Lomé Convention : vanilla, cloves, pyrethrum, ylang-ylang, gum arabic, wool and mohair.

On the basis of information given to the ACP-EEC Subcommittee on the Stabilization of Export Earnings on 7 February 1978, the Chairman of this Subcommittee, H.E. Mr. S.O. SY, the Senegalese Ambassador, wrote on 10 February 1978 to the EEC Co-Chairman of the Subcommittee, Mr. M. HAUSWIRTH, transmitting, on behalf of the ACP Group, Ethiopia's request for sesame seed to be included in the list of products covered by the export earnings stabilization system. This letter was accompanied by the necessary statistical information. Through the same channels, the Commission received, by letter dated 2 May 1978, the statistical data relating to Sudan.

At its meeting on 13 and 14 March 1978, the ACP-EEC Council of Ministers instructed the ACP-EEC Committee of Ambassadors to continue examining the ACP request.

1. Technical details (1)

11. The Commission has sufficient information to conclude that, contrary to the trend in Upper Volta (2), Ethiopia and Sudan are to a large extent structurally dependent on exports of sesame seed and that these exports are subject to considerable fluctuations. The conditions laid down in Article 17 (3) of the Convention for the inclusion of other products in the list are therefore met.

12. Ethiopia's percentage rate of dependence has varied as follows :

| <u>1972</u> | <u>1973</u> | <u>1974</u> | <u>1975</u> | <u>1976</u> | <u>1977</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 10.7 | 6.6 | 15.3 | 16.1 | 4.7 | 2.35 (3) |

There have also been sharp fluctuations in exports to all destinations and, to a lesser extent, in unit values :

| | <u>1972</u> | <u>1973</u> | <u>1974</u> | <u>1975</u> | <u>1976</u> | <u>1977</u> |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| EE '000 | 40,184 | 42,689 | 83,726 | 72,147 | 26,666 | 16,212 (3) |
| \$ '000 | 17,321.4 | 20,279.8 | 40,146.7 | 34,594.6 | 12,786.4 | 7,773.7 (3) |
| Tonnes | 57,891 | 72,252 | 84,574 | 57,249 | 23,413 | 12,924 (3) |
| Unit value : EE/tonne | 694 | 591 | 990 | 1,260 | 1,139 | 1,254 (3) |
| \$/tonne | 299.2 | 280.7 | 474.7 | 604.3 | 546.1 | 601.5 (3) |

In addition to these figures, other information concerning production, local consumption, etc. has been obtained.

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(1) The following details will be supplemented by a Commission working paper to be transmitted at the appropriate time.

(2) Upper Volta's rate of dependence has varied as follows :

| <u>1973</u> | <u>1974</u> | <u>1975</u> | <u>1976</u> | <u>1977</u> |
|-------------|-------------|-------------|-------------|-------------|
| 4.1 | 2.7 | 5.5 | 1.1 | 1.8 |

(3) Provisional figure.

13. Sudan's percentage rate of dependence has varied as follows :

| <u>1973</u> | <u>1974</u> | <u>1975</u> | <u>1976</u> | <u>1977</u> |
|-------------|-------------|-------------|-------------|-------------|
| 7.0 | 13.5 | 7.8 | 9.0 | 7.9 (1) |

There has been considerable fluctuation in exports to all destinations, and to the EEC specifically :

| | <u>1973</u> | <u>1974</u> | <u>1975</u> | <u>1976</u> | <u>1977</u> |
|---------------------------|-------------|-------------|-------------|-------------|--------------|
| LSd '000 | 10,706 | 16,511 | 11,939 | 17,290 | 18,255 (1) |
| £ '000 | 37,086.6 | 47,413.0 | 34,284.0 | 49,649.9 | 52,421.1 (1) |
| Tonnes | 101,863 | 83,508 | 56,624 | 88,755 | 92,989 (1) |
| Unit Value : LSd/tonne | 105 | 198 | 211 | 194 | 196 (1) |
| £/tonne | 346.1 | 567.8 | 605.5 | 559.4 | 562.7 (1) |

Exports to the EEC (Italy's share varies between 65 and 80 %) :

| | <u>1973</u> | <u>1974</u> | <u>1975</u> | <u>1976</u> | <u>1977</u> |
|---------------------------|-------------|-------------|-------------|-------------|-------------|
| LSd '000 | 4,145 | 5,947 | 1,757 | 3,389 | 1,822 (1) |
| £ '000 | 14,358.7 | 17,077.4 | 5,045.4 | 9,731.9 | 5,232.1 (1) |
| Tonnes | 36,388 | 33,280 | 11,260 | 19,370 | 8,000 (1) |
| Unit Value : LSd/tonne | 114 | 179 | 156 | 175 | 225 (1) |
| £/tonne | 394.6 | 513.1 | 448.1 | 502.4 | 654.0 (1) |

In addition to these figures, other information concerning production has been supplied.

14. In conclusion, it can be seen on the basis of the data provided by the two countries that the criteria laid down in Article 17 (3) are met.

2. Entry into force

Since the request for the inclusion of sesame seed in the list was made in 1978, the Commission proposes that a decision for this purpose should take effect as from 1 January 1978. The first year of application for any transfers in respect of this product will therefore be the calendar year 1978. A draft decision to be submitted by the Community to the ACP/EEC Council of Ministers is appended to the present Communication.

(1) provisional figure

DRAFT DECISION

OF THE ACP-EEC COUNCIL OF MINISTERS

adding a product to the list in Article 17(1) of the ACP-EEC Convention
of Lomé

THE ACP-EEC COUNCIL OF MINISTERS,

Having regard to the ACP-EEC Convention of Lomé, hereinafter called the
"Convention", and in particular Article 17(3) thereof,

Whereas the 12-month period referred to in Article 17(3) has elapsed and
whereas the other conditions laid down in that paragraph have been met in
respect of a product and whereas this product should therefore be added
to the list contained in Article 17(1) of the Convention,

HAS DECIDED AS FOLLOWS :

Article 1

The following product shall be included in the list contained in
Article 17(1) of the Convention :

Sesame seed.

Article 2

The ACP States, the Member States and the Community shall be bound,
for their part, to take the measures necessary to implement this Decision.

Article 3

This Decision shall enter into force on

It shall apply to exports of the product referred to in Article 1
as from 1 January 1978.

Done at Brussels,

For the ACP-EEC Council of Ministers

The President