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Development

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SUGAR, THE EUROPEAN COMMUNITY AND THE LOMÉ CONVENTION

CONTENTS

The world sugar market 3
Sugar in the European Community 4
The sugar trade 5
The Lomé Convention 6
The Sugar Protocol 6
Two inconsistencies 9
International Sugar Agreement 10
Nomenclature of the EEC cooperation policy 11

1979

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The world sugar market

Sugar comes from two very different types of crop: sugar-beet, which is grown in temperate climates, and sugar-cane, grown in tropical climates. The first is mainly cultivated in Europe and in certain parts of the United States, the second in America, Asia and, so far on a relatively limited scale, in Africa.

Sugar production from cane can, on average, be said to account for 60% of world sugar production. By way of illustration, the geographical distribution in 1975/76 (in million tonnes raw sugar) was as follows:

Sugar production from cane

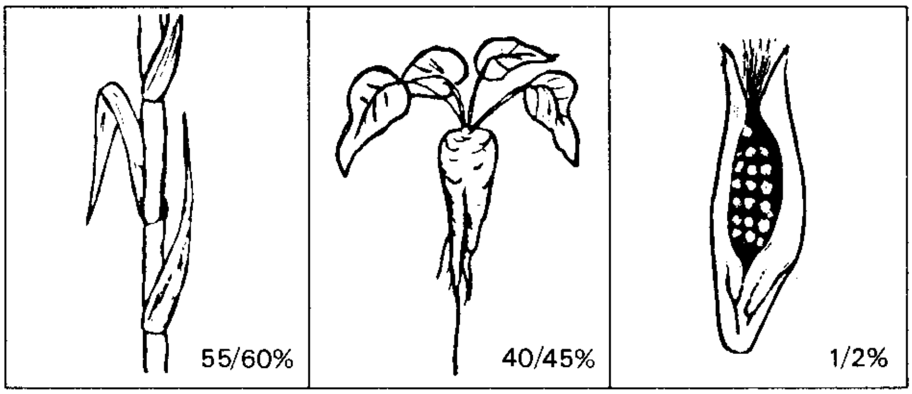
Europe (Spain)	19	0.03 %
North and Central America	14 981	30.40 %
South America	10 901	22.10 %
Africa	5 168	10.40 %
Asia	15 029	30.50 %
Oceania	3 214	6.50 %
Total	49 312	100.00 %

Sugar production from beet for the same crop year can be broken down as follows (in million tonnes raw sugar):

Sugar production from beet

Western Europe	13 789	42.40 %
(Community production)	10 154	31.20 %
Eastern Europe	12 111	37.30 %
Other continents	6,611	20.30 %
Total	32 511	100.00

Share of world sugar production



Up to 1969/70 there was a slight surplus on the world sugar market with production totalling between 60 million and 70 million tonnes and stocks corresponding to about a third of annual production. Then the situation underwent a dramatic change. Despite a progressive increase in production, the growth of consumption made it necessary to draw on stocks with the result that by 1974/75 they corresponded to only 18.7% of consumption, compared with an estimated optimum level of 24%.

Production then accelerated fast to reach 82.7 million tonnes in 1975/76, 86 million tonnes in 1976/77 and 92.5 million tonnes in 1977/78.

World sugar consumption rose from 62.8 million tonnes in 1965/66 to 79.6 million in 1975/76, 83.2 million in 1976/77 and 85.5 million in 1977/78. The present rather slow rate of growth is particularly low in the industrialized countries where in some cases consumption is stagnating or even declining. The unknown factor is clearly the future rate of increase in the developing countries which, with only a few exceptions, still consume very little sugar (7 kg to 18 kg per head against 34 to 50 kg in the industrialized countries). The future of the world sugar economy will largely be determined by the rate of increase in demand in the developing countries.

When looking at world sugar price trends it is important to remember that approximately 75% of the sugar produced is consumed on the spot with the result that only a very limited amount is exported. In addition, between 35% and 40% of these exports are, or have been, negotiated under special agreements, thus leaving all together no more than 10% to 15% of production for the open market.

After a pronounced steady upward curve between 1968/69 (6.87 EUA per 100 kg raw sugar on the London sugar exchange) and 1972/73 (17.53 EUA per 100 kg), the world sugar price suddenly rocketed to 30 EUA per 100 kg at the end of 1973 to reach an astounding 101.66 EUA in November 1974 on the London exchange. This dramatic increase cannot be explained solely by the market situation but was also influenced by economic fluctuations reflected at the time by a sudden increase in the prices of a number of raw materials, a production increase (+ 1.9%) which did not keep pace with the growth of consumption (+ 3.2%) over the previous ten years and the expiry of a number of international sugar agreements.

However, at the beginning of 1975, prices soon dropped to reach an average 27.4 EUA/100 kg in 1975/76, 16.9 EUA in 1976/77 and 13 EUA in 1977/78.

The following table sums up developments on the world sugar market between 1975/76 and 1977/78:

(1 000 tonnes raw sugar)

September—August balance	1975/1976	1976/1977	1977/1978
Initial stock	17 305	20 440	23 330
Production	82 780	86 080	92 500
Available quantities	100 085	106 520	115 830
Consumption	79 650	83 190	85 500
Final stock	20 440	23 330	30 330

Sugar in the European Community

Sugar production in the European Community is subject to quotas and quantities in excess of these quotas cease to be covered by any price guarantee and have to be exported. Production by the nine EEC countries rose from an average 8.4 million tonnes of white sugar for the period 1966/67 — 1970/71 to 10 million tonnes in 1976/77. Total production for 1977/78 is estimated at 11.5 million tonnes, broken down as follows: France 4.3 million, FR of Germany 2.9 million, Italy 1.2 million, United Kingdom 950 000, Netherlands 830 000, Benelux 728 000, Denmark 512 000 and Ireland 168 000.

In 1977/78 the sugar consumption of the Nine reached 9.2 million tonnes, i.e. virtually the same level as, for instance, in 1969/70 (9.1 million). The breakdown was as follows: United Kingdom 2.4 million, Germany 2.1 million, France 1.9 million, Italy 1.5 million, Benelux 350 000, Netherlands 572 000, Denmark 220 000, and Ireland 150 000.

The rate of self-sufficiency in the nine EEC Member States (ratio between total production and human consumption) was 115% in 1968/69, 118.5% in 1972/73, 90.4% in 1975/76, 112.2% in 1976/77 and an estimated 126% in 1977/78.

The Community sugar situation for 1976/77 and 1977/78 was as follows:

(1 000 tonnes white sugar)

Situation October–September	1976/1977	1977/1978
Production within the limits of the maximum guaranteed quota	9 820	10 740
Imports:		
– from the ACP States, overseas countries and territories and India	1 313.2	1 305.2 [1]
– from other countries		
(a) unprocessed	27	27
(b) processed	131	128
Exports:		
– (a) unprocessed	1 417	2 859
– (b) processed	262	259
Consumption	8 997	9 242
Intervention stocks	at 31/12/1976 941	at 30/9/1977 1 587

[1] Delivery period June–July.

Taking account of preferential imports (ACP, overseas countries and territories, India), the Community situation therefore reflects a very sharp increase in sugar available for export which is likely to accentuate the depression on the world market.

The sugar trade

International trade in this commodity accounts for approximately 25% of production, 90% of which is derived from cane. Between 10 million and 15 million tonnes (10-15% of production) is sold on the open market, i.e. is not covered by any specific agreement.

The main exporters are Cuba (approximately 26% of the total), Brazil (10.5%), the Philippines (7.5%), Australia (7.5%), France (6.5%) the Dominican Republic (5.0%), South Africa (4.0%), Mexico (3.5%), Mauritius (3.0%), Peru (2.5%), Guyana (1.4%) and Jamaica (1.5%).

The main importers are the United States (nearly 30% of the total), Japan (11%), the Soviet Union (11%), the United Kingdom (8.5%), Italy (4%), and Canada (4%).

Between 1970 and 1974, 10% of sugar production was covered or had been covered by specific trade agreements.

The US Sugar Act, passed in 1948, provided essentially for the fixing of import and domestic production quotas. In 1975 this Act was superseded by a system of general import quotas.

Under the agreement between the Soviet Union and Cuba, signed in 1964, Cuba undertook to supply the Soviet Union with 24 million tonnes of sugar, at a rate of 5 million tonnes per annum. This agreement was extended. The Commonwealth Sugar Agreement, signed in 1951, guaranteed the Commonwealth countries access and fixed prices on the United Kingdom market for 1.8 million tonnes of their produce. Since 1975 the Sugar Protocol to the Lomé Convention, concluded between the EEC and the African, Caribbean, and Pacific States, has ensured continuity.

The Lomé Convention

The Lomé Convention was signed by the Nine and 46 ACP States on 26 February 1975 in the capital city of Togo. It is due to expire at the end of February 1980 and negotiations for renewal are in progress.

This Convention covers six main heads:

(i) *Commercial cooperation:* the aim is to give virtually all products originating in the ACP States free access to the Community market;

(ii) *Stabilization of the export earnings* obtained by the ACP States from over 35 commodities. The 'Stabex' is some form of insurance against lean years. It applies to groundnut, cocoa, coffee, cotton, coconut, palm, palm nut and kernel products, hides, skins and leather, wood products, bananas, tea, raw sisal, iron-ore, vanilla, cloves, pyrethrum, gum-arabic, ylang-ylang, wool and mohair.
If an ACP State's export earnings for one of these products drop by a certain percentage in relation to a reference period, it may obtain from the Community a financial transfer to offset the 'loss of earnings', which is to be refunded when its export earnings again show an upward curve. This system provides for more flexible conditions (in particular waiver of refund) in respect of the least-developed ACP States;

(iii) *Industrial cooperation*: the main purpose of such cooperation is to facilitate the transfer and adjustment of technology in the ACP States. A joint Committee on Industrial Cooperation and a Centre for Industrial Development have been set up.

(iv) *Financial and technical cooperation:* financial resources of 3 444 million EUA have been earmarked for the various heads of the Lomé Convention for the period between 1 April 1976 and 1 March 1980. From these resources the European Development Fund (EDF) finances investment projects presented by the ACP States in addition to regional cooperation operations, specific measures to assist small or medium-sized undertakings in the ACP States and the Stabex.

Financial resources allocated for the Lomé Convention

(1 April 1976–1 March 1980) *(million EUA)*

European Development Fund:	3 054
grants	2 100
special loans	430
risk capital	95
Stabex	375
European Investment Bank	390
Total	3 444

(v) *Joint institutions,* namely the Council of Ministers and the Consultative Assembly, have been set up for the purpose of joint administration of the Convention;

(vi) Last but not least, the *Sugar Protocol.* This Protocol and the Stabex are undoubtedly the most distinctive features of the Lomé Convention. The Protocol is also one of the cornerstones of Community cooperation policy.

The Sugar Protocol

The Contracting Parties to the Commonwealth Sugar Agreement were particularly disturbed by the expiry of this Agreement on 28 February 1975, thus ending the quota system which advantaged their sugar imports on the United Kingdom market. Comparable safeguards were, however, embodied in the Lomé Convention under which the Community agreed to buy quantities which undoubtedly represented a commitment unique for any cooperation policy.

The fact is that, despite the United Kingdom's sugar deficit, the EEC is itself essentially self-sufficient in this sector and even produces a surplus. The introduction of this preferential system therefore meant that the Community had to try to export quantities of sugar equivalent to its imports from the ACP States an operation which has now become extremely expensive owing to low world prices. Under Protocol No 3 (the Sugar Protocol) to the Lomé Convention, the EEC buys 1 225 500 tonnes of cane sugar (expressed in white sugar) a year from the ACP producer countries, as well as 25 000 tonnes from India, for which an identical system applies, and 54 200 tonnes from two overseas countries and territories.

Sugar Protocol: breakdown of guaranteed quotas according to ACP State

ACP State	Agreed quotas for [1] 1977/1978	Agreed quotas for [1] 1978/1979	Production in 1977 (calendar year) [3]	Exports to the Community in 1977 (calendar year) [3]	Total exports in 1977 (calendar year) [3]
Barbados	49 300	49 300	119 836	62 500	106 247
Fiji	163 600	163 600	368 985	182 109	317 996
Guyana	157 700	157 700	253 127	177 955	217 609
Mauritius	487 200	487 200	704 762	567 736	673 981
Jamaica	118 300	118 300	297 174	135 525	205 455
Kenya [2]	5 000	93	185 000	—	—
Madagascar	10 000	10 000	110 000	15 402	25 902
Malawi	20 000	20 000	95 273	18 629	63 006
Uganda [2]	5 000	409	20 000	3 299	3 299
Congo [2]	10 000	4 810	15 711	10 000	15 649
Swaziland	116 400	116 400	238 497	116 347	213 600
Tanzania	10 000	10 000	107 521	10 990	10 990
Trinidad and Tobago	69 000	69 000	178 004	91 642	140 239
Surinam [2]	3 199	2 667	10 000	1 807	3 500
Total	1 224 389	1 209 479	2 703 890	1 393 941	1 997 473

[1] expressed in tonnes of white sugar.
[2] special delivery period from 1 January to 30 June 1978.
[3] expressed in tonnes of raw sugar. Source: ISA.

Other beneficiaries of the Sugar Protocol

	Quotas (expressed in tonnes white sugar)	Production 1976	Total exports 1976
Belize	39 400	97 831	85 785
St. Kitts-Nevis-Anguilla	14 800	—	—
India	25 000	5 018 798	276 401

The Community's undertaking to buy these quantities is matched by an undertaking on the part of the ACP States to supply them, thus placing the Protocol on a contractual footing. If an ACP State fails to deliver its agreed quantity, that quantity is reduced in respect of each subsequent delivery period by the undelivered quantity which may then be reallocated between the other supplier States. However, the ACP State may invoke *force majeure*, i.e. circumstances caused by factors beyond the control of the exporter country which do not stem from attempts on its part to reduce production or withdraw its sugar supplies. Should this appeal be recognized by the European Commission as valid, the agreed quantity is not reduced by the undelivered quantity.

For instance, in 1978/79, the quotas agreed for the Congo, Kenya, Uganda and Surinam were reduced by 4 810 tonnes, 93 tonnes, 409 tonnes and 2 677 tonnes respectively. The first two States did not lodge a valid appeal of *force majeure* in time and the applications by the other two were rejected by the Commission.

The Community undertaking to import the quantities agreed in the Sugar Protocol is also accompanied by the guarantee of a minimum purchase price. This price is negotiated annually – which often gives rise to complicated discussion – and must remain within the price range fixed for Community sugarbeet producers.

It is worth noting that should the ACP States fail to obtain at least this guaranteed price for their sugar on the EEC market, the Community would in any case buy it at this price under an intervention system that is exactly the same as the one that it applies to its own producers. However, for the time being, the ACP States have invariably obtained, after free negotiation between buyer (basically the UK firm Tate and Lyle) and seller, a real price that is slightly above the guaranteed price.

The table below compares trends in the guaranteed price for ACP raw sugar with world price trends (in EUA per 100 kg raw sugar):

	World prices (on the London exchange)	Guaranted ACP sugar prices
1974/1975	57.36	–
1975/1976	27.39	25.53
1976/1977	16.90	26.70
1977/1978	13.06	27.25
1978/1979 (July 78–May 1979)	12.21	27.81
1979/1980		28.23

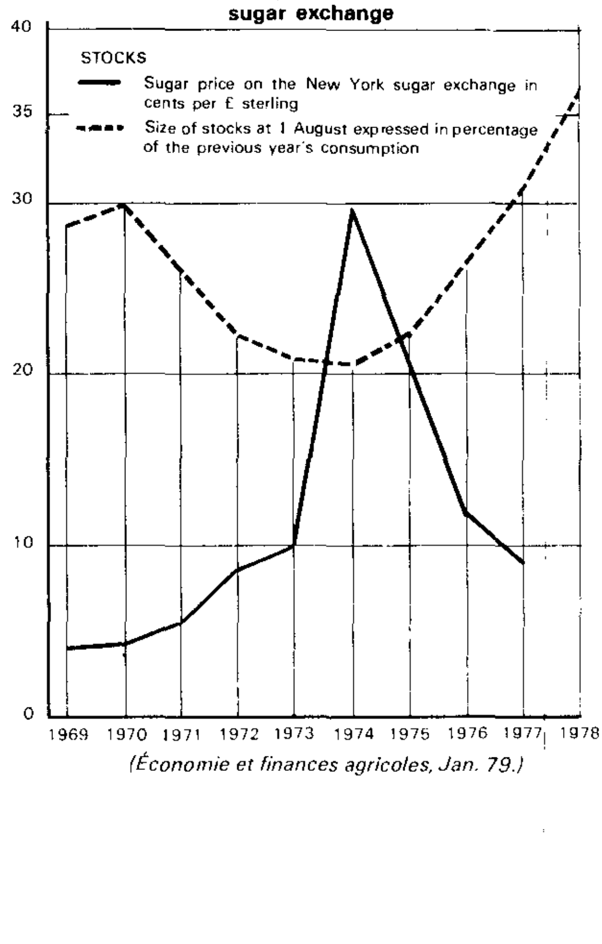
Example: Mauritius: the difference between the guaranteed price for the 1977/78 crop year and the average world price (July-December 1977) amounted in the case of Mauritius, taking its quotas into consideration, to approximately 68 million EUA and, for the 1978/79 crop year, approximately 84 million EUA, viz. over 10% of its GNP, 27% of its total export earnings or coverage of one year's imports of community equipment and manufactures.

Although the Sugar Protocol is annexed to the Lomé Convention which covers a five-year period, its own period of validity is unlimited and it can therefore to some extent be regarded as an instrument in its own right though one of its own Articles specifies that, after five years, it may be denounced by the Contracting Parties subject to two years' notice.

This Protocol can so far be said to have operated smoothly when one bears in mind the complexity of the matter and the very low prices on the world market.

However, two factors – 'inconsistencies' might not be too strong a word – further complicate the situation in a sector which already has its difficulties: investments by the sugar industry in the ACP States and the development of a competitive product, namely isoglucose.

World stocks and sugar prices on the New York sugar exchange



(Économie et finances agricoles, Jan. 79.)

Two inconsistencies

In November 1978 the European Commission drew the attention of the Council of Ministers of the EEC to the risks inherent in certain policies aimed at promoting industrial investment in developing countries whose exports might in the long run seriously compromise the financial health of sugar production and disrupt the Community or world markets. It asked the following question: Can we go on accepting, by pretending the problem does not exist, the inconsistency between blanket export aid policies — which are in themselves perfectly understandable — and the responsibility which the Member States and the Community should exercise *vis-à-vis* their Third World partners, particularly as regards the selection of sectors for development.

The first example quoted by the Commission was sugar. Fourteen ACP States are already large-scale producers and, along with other developing countries, are proposing to step up production. In many cases they will do this with financial support and technical assistance from European firms, the financial support sometimes even being provided by one or more of the Member States.

A close look at the development of such investments shows that two-thirds of the projects concerned are receiving public or private sector backing from the Community and that the volume of sugar available for export in the ACP States will increase from the present level of 2 million tonnes to 2.9 million tonnes by 1981. This situation is all the more alarming since the world market has a serious structural surplus reflected in persistently depressed prices. At the present price level, new (and even established) undertakings cannot count on making a profit.

It is expected that by 1981 export capacity will have increased by a total of 0.9 million tonnes. This increase will come from 66 known projects — 44 backed by European firms — supported by the full range of export promotion measures. Five ACP States account for a significant proportion of the projected increase:

Quantities available for export

(tonnes)

	1978	*1981*	*Firms (country of origin)*
Cameroon	12 000	100 000	F/UK
Ivory Coast	0	160 000 [1]	B/D/F/NL/UK
Kenya	0	105 000	F/UK
Sudan	0	187 000	B/UK
Swaziland	216 000	359 000	D/UK
Total	683 000 tonnes from these five countries alone.		

[1] The Ivory Coast might forego three or four projects representing an additional 200 000 tonnes.

In the circumstances, the EEC must expect further requests for accession to the Sugar Protocol despite the fact that it cannot contemplate any increase whatsoever in the total quota laid down in Protocol No 3 to the Lomé Convention. A recent application by Zambia was refused on these grounds.

Taking the sugar sector as example, the Commission therefore proposes that there should be full coordination of all on-going or projected schemes which the Member States or indeed, the Community (EDF, EIB) might support directly or indirectly. The attention of other financing bodies (World Bank, African Development Bank) etc. is to be drawn to the Commission's conclusions.

A second inconsistency: isoglucose. Since 1974/75, i.e. the period when world sugar prices reached peak levels, manufacture of this sweetener, which is mainly extracted from maize and is a sugar substitute which can be used with totally satisfactory results in the foodstuffs and food industry, has grown apace. Investment has been on a particularly large scale in the United States where the authorities did not look askance at this change to reduce the country's dependence on sugar imports, especially as the United States is a major maize producer.

US isoglucose production, which is mainly controlled by the sugar concerns, is currently estimated at 1.5 million tonnes. The market for this product is protected since the minimum frontier price for sugar imports is high enough to make isoglucose economically attractive to both producer and consumer. The United States, where the food industry accounts for 70% of sugar consumption, can be expected in future to substitute isoglucose for imported sugar to an ever-increasing extent.

In the EEC, isoglucose production — for which, it should be remembered, it is necessary to import maize — rose from 70 000 tonnes in 1976 and 82 000 tonnes in 1977 to 102 810 tonnes in 1978. The high prices fixed for sugar work to its advantage. The expansion of this industry is a source of concern to the Commission which recently proposed to the Council of Ministers that a system of production quotas identical in all respects to the system applicable to sugar should be introduced for isoglucose. This system can be summed up as follows: each manufacturer would have a basic quota corresponding to his level of production in previous years as well as an additional quota subject to a contribution. Any production in excess of this total volume would have to be exported from the Community without any guarantee.

Be that as it may, the development of this new product can clearly be seen as deeply regrettable at a time when the sugar market is becoming increasingly overloaded and the world price remains very low.

International Sugar Agreement

In an attempt to place the sugar market on a sounder footing a new International Sugar Agreement (ISA) was concluded in Geneva in October 1977. Though this Agreement came into force on 1 January 1978, the Community has still not acceded to it nor has it been ratified by the United States.

The purpose of this Agreement, which covers a five-year period, is to stabilize the world price within a price band of between 11 and 21 cents a pound. A total volume of approximately 16 million tonnes was distributed among the various participating exporting States. Each State's quota was then reduced by 15%, theoretically in order to make it possible to raise the price. The participants also decided to set up a 2.5 million tonnes buffer stock.

Just before the end of the negotiations, the EEC somewhat modified its firm stand and stated that it was prepared to participate in the building-up of a buffer stock and to neutralize part of the Community-produced sugar available for export provided that the quotas fixed for other exporters were reduced. It refused, however, to allow its sugar imports from the ACP producer countries under Protocol No 3 to the Lomé Convention to be taken into account for the purpose of assessing its sales. It ultimately proved impossible to incorporate the requested special status in the International Agreement.

Certain structural features of the market have done nothing to help towards the effectiveness of the measures provided for in the ISA. The world sugar market has always been subject to cyclical fluctuations which have sometimes been sudden and violent, for a number of reasons, in particular:

(i) the residual nature of the open sugar market,

(ii) the tendency of most countries (both buyers and sellers) to intervene directly or indirectly in the formation of domestic prices,

(iii) the relative price inelasticity of consumption, at least in the industrialized countries.

In eight years out of ten the world market is over-supplied which has the effect of depressing prices.

In addition, during the first few months after the new ISA came into force, and despite a temporary recovery in January 1978, there has been a significant and steady drop in prices. This situation is very different from that experienced during the first months following the entry into force of the 1968 Agreement, when prices rose by 25%.

None the less, the current Agreement might have been expected to have a considerable impact since the introduction of export quotas was designed to reduce supplies on the world market by 4 million tonnes, thereby obliging exporting countries to build up stocks (with International Monetary Fund facilities). In actual fact, between the end of the negotiations (October 1977) and the entry into force of the Agreement (1 January 1978) it would appear that the participating producer countries did their best to reduce their stocks by large-scale selling. This tactic led to a drop in the price of brown sugar at the end of 1977 and caused a large number of importing countries to stock up in advance.

As a result, despite the price objective set by the ISA of USD 242 per tonne, the average price continues to be well below this level (USD 150 — USD 155) though the exporters have reduced their export quotas by 15%. Additional quantities will also be offered on the 'residual' world market, inevitably aggravating the downward pressure on prices. It must be remembered too that the EEC's refusal to accede to this ISA and its sugar surplus have increased the strain on the world market.

It has to be admitted that the above factors give little scope for optimism.

Nomenclature of the EEC Cooperation Policy

Parallel to the Lomé Convention — the cornerstone of its cooperation policy — the European Community has embarked on a number of operations or agreements establishing closer ties with the developing countries.

World level

(i) *Generalized system of preferences (GSP):* The EEC was the first industrial unit to introduce, on 1 July 1971, a system of this kind which has subsequently been improved to encompass more countries and broaden the scope of the advantages granted.

The GSP is a special customs arrangement applied by the industrialized countries to products originating in the developing countries and consists of reductions of or exemption from customs duties, accompanied in some cases by quantitative limitations.

In 1977 the Community extended generalized preferences to 296 processed agricultural products and all industrial products originating in 110 developing countries.

(ii) *Food aid*: The EEC has been active in this area since 1968, combining national operations by its Member States with specifically Community action.

In statistical terms, such action can be summed up as follows:

	Quantities (1 000 tonnes)		Value (million EUA)	
	1968 – 76	1977	1968 – 76	1977
Cereals:	9 161	1 287	1 141 [1]	145 [1]
Community action	3 800	721	502 [1]	81 [1]
National operations	5 361	566	639 [1]	64 [1]
Other products [2]:	—	—	567	86
Milk powder	460	105	287	41
Butteroil	187	45	272	47
Sugar	18	—	7	—
Eggs	0,5	—	1	—

[1] Estimates at world price.
[2] Solely in the form of Community action.

(iii) *The 'Emergency Fund'*: Influenced by an idea mooted by the European Commission, the United Nations decided at a special session in April 1974 to set up a World Emergency Fund to help developing countries hit by the 1973-74 economic crisis.

The Community made a specific contribution of USD 292 million and its Member States contributed approximately USD 430 million.

(iv) *Disaster aid*: The EEC always has the possibility of intervening in the event of natural disasters and its budget includes a special appropriation for this purpose (800 000 EUA for 1977).

(v) *Financial aid to 'non-associated'* countries: The Community has entered an appropriation in its budget with a view to assisting developing countries which are not associated with it under regional cooperation agreements.

Such aid, for which 45 million EUA was earmarked in 1977, is mainly intended for the Asian and Latin-American countries and covers schemes to step up agricultural production and to promote regional cooperation and trade relations in addition to relief operations.

Regional level

In addition to the Lomé Convention, there are a number of other regional instruments:

(i) *Agreements between the EEC and the Mediterranean countries:* After signing an agreement with Israel in 1975, the Community concluded agreements with the Maghreb (Algeria, Morocco, Tunisia) and Mashreq (Egypt, Jordan, Syria, Lebanon) countries in 1976 and 1977.

These agreements provide for specific trade arrangements, various forms of cooperation and Community financial aid (see table below).

Financial cooperation with the southern Mediterranean countries

(in million EUA)

	Algeria	Morocco	Tunisia	Egypt	Jordan	Lebanon	Syria	Israel
EIB loans	70	56	41	93	18	20	34	30
Special loans	19	58	39	14	4	2	7	–
Grants	25	16	15	63	18	8	19	–
Total	114	130	95	170	40	30	60	30

(ii) *Euro-Arab dialogue:* In December, at the Copenhagen summit conference, the EEC Heads of State and Government, in response to approaches by the Arab ministers, reiterated their keen interest in efforts to achieve long-term cooperation in all areas, whether economic, technical or cultural.

Dialogue between the Nine and the Arab League countries got under way the following year and, slowly but steadily, is now producing tangible results in the shape of joint action to further development in the Arab countries.

(iii) *Specific trade agreements*: The EEC has concluded various types of trade agreements with twelve Asian countries and four Latin American countries. The first of these agreements came into force in 1969.

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