

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(84) 529 final

Brussels, 1 October 1984

COMMISSION COMMUNICATION TO THE COUNCIL  
concerning application of the Stabex system to Kiribati

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I. INTRODUCTION

1. The purpose of this communication is to propose that the "all destinations" derogation which it was decided to accord to Kiribati for years of application 1981 and 1982 should not be extended.
2. In its letter of 18 May 1983 to the ACP Secretary General, the Government of Kiribati asked the ACP-EEC Council of Ministers to decide to extend this treatment beyond the period specified. The matter was not subsequently discussed, however.
3. Kiribati has presented a transfer request for 1983 which is not admissible unless the "all destinations" arrangements apply to this year too. In a telex message of 25 January 1984, the Government of Kiribati pointed out that it had been expecting the special treatment to be tacitly extended. This telex message could be regarded as a request for such an extension.

II. BACKGROUND

4. By Decision No 4/81 of 7 April 1981 the ACP-EEC Council accorded Kiribati the derogation provided for in Article 46(3) of the second Lomé Convention, which stipulates that "the system shall apply to [their] exports of the products in question whatever their destination". Under this Decision, however, the period of application of the derogation was limited to the two years of application 1981 and 1982.
5. The reason for the decision was the fact that the deposit of phosphates, which hitherto had been the main export product of the ACP State in question, had been worked out and copra had become Kiribati's main export. Prior to this development, virtually all the copra had been exported to the

Community, but from 1980 onwards, when dependence on exports of this product had reached over 90%, it became increasingly difficult to continue to send the bulk of exports to Europe, notably on account of the lack of regular shipping links. Hence it was partly in order to take account of the material changes that had taken place and partly with a view to the foreseeable trend that the derogation was granted for a period of just two years.

6. In the absence of a further decision on extending the "all destinations" treatment, Kiribati must be regarded as coming once more from the 1983 year of application onwards under the normal arrangements, whereby only exports to the Community are covered by the system.

### III. GROUNDS FOR THE PROPOSAL

7. The subsequent trend of Kiribati's exports confirms that this return to normal treatment is warranted. This trend, moreover, over a period coinciding exactly with the specified two-year period, confirmed the expectations on the basis of which the derogation was granted, as the statistics show that exports to the Community, after declining steadily throughout the period prior to the request for the derogation, fell to zero in the two years covered by the derogation. In 1983, however, exports to the Member States made a spectacular recovery.<sup>1</sup>

### IV. PROPOSAL

8. For the foregoing reasons, the Commission proposes that the EEC Council confirm the conclusions of this report and that Kiribati's request for an extension of the "all destinations" derogation should be rejected.

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<sup>1</sup> See annex.

ANNEX

EXPORTS OF COPRA FROM KIRIBATI

Year	Quantities exported (t)*		% to EEC
	all destinations	EEC	
1976	5 634	5 634	100
1977	8 420	8 385	99.6
1978	9 033	6 489	71.8
1979	7 250	4 256	58.7
1980	6 940	2 118	30.5
1981	11 957	-	0
1982	8 795	-	0
1983	6 764	3 646	53.9

\*Based on ACP data.