

COMMISSION OF THE EUROPEAN COMMUNITIES

COM (88) 575 final

Brussels, 21 October 1988

Draft
Council Decision
reducing the amounts of STABEX transfers calculated
pursuant to the Decision of 30 June 1986
on the association of the OCT with the EEC

(presented by the Commission)

I. SUBJECT

1. The purpose of this communication is to propose that pursuant to Article 91(3) of the Council Decision of 30 June 1986 on the association of the overseas countries and territories with the European Economic Community, the Council should reduce the amount of the transfer to be made to an overseas territory for the 1987 year of application because the amount concerned exceeds the total resources available.
2. The resources available for the 1987 year of application are 600 000 ECU, consisting of the unused balance for that year.
3. Details of the transfer request which has been received for the 1987 year of application are as follows:

<u>OCT</u>	<u>Product</u>	<u>Transfer basis</u> (Article 94(2)) ¹
French Polynesia	copra oil	1 595 721

4. As the transfer basis of 1 595 721 ECU exceeds the 600 000 ECU available it is necessary to resort to the measure laid down in Article 91(1) of the Council Decision of 30 June 1986, which allows for automatic advance use, for each year except the last, of a maximum of 25% of the following year's instalment. This increases the resources available by 200 000 ECU, 25% of the instalment for the 1988 year of application, to a total of 800 000 ECU. However, this amount remains insufficient to cover the system's commitments for the 1987 year of application.
5. Therefore the transfer basis must be reduced in accordance with the provisions of Article 91(2) which reads as follows:

"If, after the measure referred to in paragraph 1, the amount of resources available is still less than the total amount of the transfer bases for the same year of application, the amount of each transfer basis shall be reduced by an amount calculated by applying to the reference level in question a percentage equal to that referred to in Article 98 applicable to the country or territory concerned."

¹ Article 94(2) reads as follows:

"The difference between the reference level and actual earnings, plus 2% for statistical errors and omissions, shall constitute the basis of the transfer."

6. On the basis of the calculation described above, the reduced transfer basis is as follows:

<u>OCT</u>	<u>Product</u>	<u>Reduced transfer basis</u>
French Polynesia	copra oil	1 348 954 ECU

7. The amount payable, 1 348 954 ECU, still exceeds the resources available. Article 91(3) of the Council Decision of 30 June 1986 allows the Council, on a proposal from the Commission, to reduce further the amounts to be transferred.

II. EXPLANATORY MEMORANDUM

8. The decision which the Council is requested to take under Article 91(3) of the Council Decision of 30 June 1986 must be based on the resources available for the 1987 year of application.
9. It is therefore proposed that the transfer basis be further reduced in accordance with the percentage difference between the sum due after application of Article 91(2) of the above-mentioned Council Decision and the resources available (800 000 ECU). This difference has been calculated to be 40.6948%.
10. After this final reduction, the definitive amount to be transferred will be the following:

<u>OCT</u>	<u>Product</u>	<u>Amount to be transferred</u> <u>ECU</u>
French Polynesia	copra oil	800 000

III. PROPOSAL

11. In the light of the above, the Commission requests the Council to adopt the attached proposal for a Decision.

PROPOSAL FOR A COUNCIL DECISION OF

on the amount of the transfer to be paid to French Polynesia under the export earnings stabilization system for the 1987 year of application in accordance with Decision 86/283/EEC

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Decision 86/283/EEC of 30 June 1986 on the association of the overseas countries and territories with the European Economic Community, and in particular Article 91(3) thereof,

Having regard to the proposal from the Commission,

Whereas pursuant to Articles 88, 90 and 91 of the above-mentioned Decision, a sum of 800 000 ECU is available to cover all the commitments of the export earnings stabilization system for the 1987 application year for the overseas countries and territories;

Whereas French Polynesia has requested a transfer under the system for the 1987 year of application concerning copra oil, and the transfer basis calculated in accordance with Article 94(2) of the above-mentioned Decision and reduced in accordance with Article 91(2) of the same Decision is 1 348 954 ECU;

Whereas the transfer amount of 1 348 954 ECU exceeds the 800 000 ECU available for the 1987 year of application;

Whereas it will therefore be necessary to reduce further the transfer basis by 40.6948%;

HAS DECIDED AS FOLLOWS:

Article 1

The transfer due to French Polynesia to compensate for losses of export earnings on copra oil during the 1987 year of application, which totals 1 348 954 ECU, shall be reduced by 40.6948%, resulting in a final payment of 800 000 ECU.

Article 2

This Decision shall enter into force on the day of its adoption.

Done at Brussels,

For the Council
The President