

# COMMISSION OF THE EUROPEAN COMMUNITIES

EC(94) 1936 final

Brussels, 28.11.1994

Proposal for a

COUNCIL DECISION

reducing the transfers to be paid to the OCT under the system for  
stabilizing export earnings set up by the  
Council Decision of 25 July 1991  
on the association of the OCT with the European Economic Community

(presented by the Commission)

EXPLANATORY MEMORANDUM

I. SUBJECT

1. The purpose of this communication is to propose that, in accordance with Article 121(4) of the Council Decision of 25 July 1991 on the association of the overseas countries and territories with the European Economic Community, the Council reduce the amount of the transfer to be made to an overseas territory for the 1993 application year because the sum in question exceeds the total resources available.
2. ECU 900 000, the balance of the year's instalment referred to in Article 119(1) of the Decision, is available for the 1993 application year.
3. The transfer for the 1993 application year has been established as follows:

<u>OCT</u>	<u>Product</u>	<u>Transfer basis</u> (Article 124)
Falkland Islands	Wool	ECU 2 136 026

4. Since the total transfer basis exceeds the ECU 900 000 available, the first step is to apply Article 121(1) of the Council Decision of 25 July 1991, which provides for recourse each year, except the last, to not more than 25% of the following year's instalment. This adds a further ECU 300 000, 25% of the instalment for the 1994 application year, bringing the resources available to ECU 1 200 000. Nevertheless, they are still not enough to cover the system's obligations for the 1993 application year.
5. For this reason, the transfer basis has to be reduced pursuant to Article 121(2), which reads as follows:  
"If, after the operation referred to in paragraph 1, the amount of resources available is still less than the total amount of the transfer bases referred to in paragraph 1 for the same year of application, the amount of each transfer basis shall be reduced by 10% of that amount."

6. Following the calculations referred to above, the transfer basis is reduced as follows.

<u>OCT</u>	<u>Product</u>	<u>Reduced transfer basis</u>
Falkland Islands	Wool	ECU 1 922 423

7. Since the sum to be paid, ECU 1 922 423, still exceeds the resources available, the Council may, in accordance with Article 121(4) of the Council Decision of 25 July 1991 and acting on a proposal from the Commission, reduce the amounts to be transferred still further.

## II. EXPLANATORY MEMORANDUM

8. Article 121(4) of the Council Decision of 25 July 1991 on the association of the OCT with the EC requires the Council to take a decision taking into account the resources available for the 1993 application year.
9. For this reason it is proposed that the transfer basis be reduced further by the percentage difference between the sum payable in application of Article 121(2) of the said Council Decision and the available resources of ECU 1 200 000. The percentage difference has been established as 37.5788%.
10. After this last reduction the final transfer rights are as follows:

<u>OCT</u>	<u>Product</u>	<u>Transfer</u>
Falkland Islands	Wool	ECU 1 200 000

## III. PROPOSAL

11. In the light of the above, the Commission asks the Council to adopt the attached Decision.

PROPOSAL FOR A COUNCIL DECISION OF....

reducing the transfers to be paid to the OCT under the system for  
stabilizing export earnings set up by the  
Council Decision of 25 July 1991  
on the association of the OCT with the European Economic Community

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Decision 91/482/EC of 25 July 1991 on the association  
of the overseas countries and territories with the European Economic Community,  
and in particular Article 121(4) thereof,

Having regard to the proposal from the Commission,

Whereas, pursuant to Articles 118, 120 and 121 of the Decision referred to above,  
ECU 1 200 000 has been made available to cover all commitments to the overseas  
countries and territories arising from the system for stabilizing export earnings for  
the year of application 1993;

Whereas under the system transfer rights for the 1993 year of application have been  
established for one OCT, for which the transfer basis calculated in accordance with  
Article 124 of the said Decision, and reduced in accordance with Article 121(2) of  
the same Decision, totals ECU 1 922 423;

Whereas the amount referred to above exceeds the ECU 1 200 000 available for the  
1993 year of application;

Whereas the total transfer basis will therefore have to be reduced by 37.5788%;

HAS DECIDED AS FOLLOWS:

Article 1

The transfer rights to compensate for losses of export earnings in the 1993 year of application, which amount to ECU 1 922 423, are hereby reduced by 37.5788%, giving rise to a final payment of ECU 1 200 000, which breaks down as follows:

<u>OCT</u>	<u>Product</u>	<u>Transfer</u>
Falkland Islands	Wool	ECU 1 200 000

Article 2

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

Done at Brussels,

For the Council  
The President

APPRAISAL OF THE STABEX TRANSFER FOR

Falkland Is

for Wool not carded or combed

for the year of application 1993

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08-06-1994

## BASIC STATISTICAL TABLE

Stabex -

Application year : 1993

OCT 529 Falkland Is

Product 30 Wool not carded or combed

Year	TOTAL EXPORTS		Commercialised Production		EXPORT-->All Destinations		Export -->ACP Destinations		Export -->EEC Destinations		EEC Importations		Curr
	Value STG	0	tons	tons	Quantity tons	Value STG	Quantity tons	Value STG	Quantity tons	Value STG	Quantity tons	Value Ecu	
1987		0	2,195.000		2,195.000	3,406,963	0.000	0	2,195.000	3,406,963	2,357.000	4,348,000	0.7
1988		0	2,400.000		2,400.000	4,253,687	0.000	0	2,400.000	4,253,687	2,529.000	5,584,000	0.6
1989		4,450,477	2,276.000		2,276.000	4,450,477	0.000	0	2,276.000	4,450,477	3,067.000	7,071,000	0.6
1990		3,310,026	2,615.000		2,615.000	3,310,026	0.000	0	2,615.000	3,310,026	2,832.000	4,428,000	0.7
1991		2,352,218	2,610.000		2,610.000	2,352,218	0.000	0	2,610.000	2,352,218	2,717.000	2,277,000	0.7
1992		3,000,000	2,723.531		2,723.531	2,976,693	0.000	0	2,723.531	2,976,693	2,874.000	1,691,000	0.7
1993		4,681,332	2,520.854		2,520.854	2,923,719	0.000	0	2,520.854	2,923,719	2,666.000	1,673,000	0.7

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OCT : Falkland Is  
Product : Wool not carded or combed  
Application year : 1993

Calculation of the Dependence Rate

1. Total export earnings (all goods) for the  
year preceding the application year..... 3,000,000.000 STG
  2. Earnings from exports of the product to all  
destinations for the year preceding the  
application year..... 2,976,693.000 STG
  3. Actual dependence, as a percentage (2 over 1)..... 99.22 %
- It is therefore higher or equal than the dependence  
threshold to be applied, which in this case is..... 5.00 %

The threshold has been reached.

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## CALCULATION OF THE TRANSFER BASIS

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Calculation of the loss of earnings1. Exports of the product in question to the Community  
Earnings in ecu:

1987	1988	1989(*)	1990	1991	1992(*)
4,348,000	5,584,000	7,071,000	4,428,000	2,277,000	1,691,000

2. Reference Level (EEC)..... 4,159,250

3. Actual Earnings for the application year (EEC)..... 1,673,000

4. Differences (2 minus 3)..... 2,486,250

5. Exports of the product in question to all destinations  
Earnings in ecu:

1987	1988(*)	1989	1990	1991	1992(*)
4,049,156	5,299,170	5,247,341	4,088,708	2,187,328	1,602,467

6. Reference Level (all destinations)..... 3,893,133

7. Actual Earnings for the application year to all destinations..... 1,581,916

8. Differences ..... 2,311,217

Note An asterisk (\*) indicates an extreme year, which is not to be taken into account in the calculation of the reference level.

CALCULATION OF THE TRANSFER BASIS

Calculation of the reduction applicable.

1. Reference Level.....	3,893,133
2. Reduction calculated; 4.5% of reference level.....	175,191
3. Difference between reference level and actual earnings in year of application.....	2,311,217
4. Reduction applicable.....	175,191
5. Transfer basis (3 minus 4).....	2,136,026

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02-03-1994

Stabex - OCT

## EXAMINATION OF THE EVOLUTION OF PRODUCTION AND EXPORTS

Application year: 1993

OCT 529 Falkland Is  
 Product 30 Wool not carded or combed  
 Tons

	1987	1988	1989	1990	1991	1992	Average	1993	Diff %
A. Marketed Production	* 2,195.000	2,400.000	2,276.000	2,615.000	2,610.000	2,723.531	2,475.250	2,520.854	
	-						100.00%	101.84%	+1.84%
B. Exports all destinations	* 2,195.000	2,400.000	2,276.000	2,615.000	2,610.000	2,723.531	2,475.250	2,520.854	
- as % of A.							100.00%	100.00%	+0.00%
C. Exports to E.C.	* 2,195.000	2,400.000	2,276.000	2,615.000	2,610.000	2,723.531	2,475.250	2,520.854	
- as % of B.							100.00%	100.00%	+0.00%

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