/COMMISSION OF THE EUROPEAN COMMUNITIES

COM(81) 747 final

Brussels, 25th November 1981

PROPOSAL FOR A COUNCIL REGULATION (EEC)

amending Regulation (EEC) No 1785/81 on the common organization of the markets in the sugar sector

(presented by the Commission to the Council)

COM(81) 747 final

EXPLAMATORY MEMORANDUM

1. Subject

The object of this proposal is to exclude preferential sugar imported and/ or refined in the Community under protocol No 7 on ACP/EEC sugar attached to the second Lomé Convention and the Agreement with India from the compensation system for storage costs provided for in the basic sugar Regulation, with effect from the 1981/82 marketing year. Experience in this respect shows that the average period of storage for preferential sugar is very much shorter than that for sugar from Community production and that, accordingly, application of the above-mentioned system to that sugar is not justified having regard, firstly, to the objective of market stability aimed at by this system in spreading disposal on the basis of demand through a given marketing year and, secondly of the implications for management of unjustified application to preferential sugar for the Member States concerned.

The system should accordingly cease to apply as quickly as possible and, as this cannot be carried out during the marketing year on account of the very nature of the system, based on compensation between reimbursement and level for each marketing year, the Commission proposes that it by terminated as from the 1981/82 marketing year. In this respect, the Commission feels that the Council should simultaneously adopt appropriate measures to ensure, as far as possible, that this retroactivity does not case harm to those concerned.

2. Financial impact

In principal, abolition of this system cannot have net financial impact on the Community budget, as expenditure and receipts correspond in principle. However, there is a management cost economy which has been assessed as a flat-rate figure of 10% of levies which are not transferred by the Member States to the Community (some 1,4 million ECU per year). On the other hand, there will be a loss of receipts resulting from the fact that application of Article 8 of the basic Regulation to preferential sugar has a debit balance of 2,045 million ECU as at 1 July 1981, and this sum will no longer be recovered if the Council adopts this proposal.

Proposal for

COUNCIL REGULATION (EEC) No

of

amending Regulation (EEC) No 1785/81 on the common organization of the markets in the sugar sector

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas Article 8 of Council Regulation (EEC) No 1785/81 of 30 June 1981 on the common organization of the markets in the sugar sector (1) lays down a compensation system for storage costs comprising flat-rate reimbursement to be financed by a levy; Whereas this system, under special provisions, also covers preferential sugar imported into or refined in the Community under Protocol 7 on ACP sugar of the Second ACP-EEC Convention signed at Lomé (2) and under the Agreement with India (3);

Whereas one of the objects of the compensation system for storage costs is to help stabilize the Community market in sugar by adjusting release to the market throughout the marketing year according to demand; whereas experience shows that deliveries of preferential sugar are spread regularly over the marketing year, whereby the average storage period for the said sugar is very short; whereas it is therefore no longer justified to maintain the said system in respect of preferential sugar, particularly in view of the management costs henceforth involved for the Member States concerned;

Whereas the said system is based essentially on the principle of compensation between reimbursement and levy for each marketing year; whereas it is not possible to stop applying the system to preferential sugar during a marketing year without infringing the said principle; Whereas it should nevertheless be stopped without delay on account of the implications of any delay for management, and this measure should accordingly be made applicable from the 1981/82 marketing year,

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(1) OJ No L 177, 1.7.1981, p. 4
(2) OJ No L 347, 22.12.1980, p. 144
(3) OJ No L 190, 23.7.1975, p. 36

HAS ADOPTED THIS REGULATION:

Article 1

Article 8 of Regulation (EEC) No 1785/81 is hereby amended as follows:

1. The second subparagraph of paragraph 2 is deleted.

2. The text under b) and c) in the third subparagraph of paragraph 2 is deleted.

3. The fourth subparagraph of paragraph 2 is replaced by the following: "The amount of the reimbursement shall be the same for the whole Community. This rule shall also apply in respect of the levy."

Article 2

1. The provisions of Article 1 shall apply with effect from 1 July 1981.

2. Storage levies due and collected under b) and c) in the third subparagraph of Article 8(2) of Regulation (EEC) No 1785/81 between 1 July 1981 and the date of entry into force of this Regulation shall be repaid to those subject to them by the Member State which collected them.

3. Sums for repayment under paragraph 2 shall be reduced by the sums corresponding to entitlement for reimbursement of storage costs pursuant to the second subparagraph of Article 8(2) of Regulation (EEC) No 1785/81 for storage of the sugar in question during the period from 1 July 1981 up to the date of entry into force of this Regulation.

4. For the storage period from 1 July 1981 up to the date of entry into force of this Regulation, reimbursements not affected by application of paragraph 3 shall be forfeit to beneficiaries.

Article 3

This Regulation shall enter into force on the third day following that of its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council,