

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(80) 553 final

Brussels, 30th September 1980

PROPOSAL FOR A COUNCIL REGULATION (EEC)
ON THE COMMON ORGANIZATION OF THE MARKET IN SUGARS

(presented by the Commission to the Council)

COM(80) 553 final

EXPLANATORY MEMORANDUM

Subject: Community policy in the sugars sector from 1 July 1981

The present Community production regime in the sugar and isoglucose sectors expires on 30 June 1981 (1).

It is therefore appropriate to define the Community's future policy in these sectors taking account of acquired experience, and of the known and foreseeable developments in production, consumption and marketing.

THE PRESENT REGIME

1. For sugar the present regulations comprise a prices system and a system of production quotas. The prices system for sugar provides a threshold price, a target price, regionalized intervention prices and minimum prices for beet (also regionalized). Price levels are assured by means of import levies, export refunds, an obligation to buy into intervention and a system of reimbursement of storage costs.

The system of production quotas takes as its starting point a basic quantity fixed for each Member State. This quantity is allocated by the Member State to its sugar undertakings as basic quotas (or A quotas), the total of which is 9 136 000 tonnes of white sugar. To the A quota of each manufacturer is added a B quota which, for 1980/81, has been fixed at a uniform 27.5% of the A quota. The Community's price and sales guarantees apply to A + B production but a production levy is charged on B production as a contribution by the producers towards the cost of disposing of surpluses. Since 1975/76 the maximum amount of this levy has been fixed at 30% (2) of the intervention price. All production above these quotas (i.e. C sugar) must be exported by the producers at their own expense.

(1) Article 23 of Regulation (EEC) No 3330/74 for the sugar sector, Article 8 of Regulation (EEC) No 1111/77 for the isoglucose sector, Regulation (EEC) No 1592/80 for the sugar and isoglucose sectors.
(2) From 1968/69 to 1974/75 this maximum was 40%.

2. For isoglucose the present regulations comprise a system of production quotas coupled with a trading system. The present quota system provides for the allocation of an A quota direct to each undertaking. The total of such quotas is 138 819 tonnes (1) of isoglucose expressed as dry matter. As in the sugar sector, to each A quota is added a B quota fixed at a uniform 27.5% of the A quota. Isoglucose produced above maximum quotas (A + B) must be exported to third countries at the producers' expense. The production levy applying to B quota isoglucose is equal to that proportion of the total sugar production levy which is borne by the sugar manufacturer (40%).
3. As regards imports of preferential sugar it should be recalled that Protocol No 3 remains operative for an indefinite period and cannot in any circumstances be annulled before 1 April 1982.

THE PRESENT SITUATION

4. The difficult situation today is largely the result of the shortage situation on the world and Community markets in 1973/74 and 1974/75. During those two years Community production oscillated around nine million tonnes while demand, stimulated by the internal and external shortage situation, reached 10.4 mio tonnes in 1973/74. In those circumstances the Community decided to introduce import subsidies (for 1974/75) and measures to encourage production in 1975/76 and in subsequent years (EEC prices were increased by 15%, A quotas by 16%, B quotas to 45% of A quotas, etc.).
5. Following the introduction of these measures farmers increased their beet acreage by 19%. Nevertheless, sugar production in 1975 and 1976 remained below 10 mio tonnes because of poor yields per hectare. But from 1977 to 1979 a radically-changed world market situation led to a reduction in sowings in the surplus regions in France, Germany, Denmark and the Netherlands, because it was less profitable to grow beet for the production of sugar above maximum quotas (i.e. C sugar). In other regions where the quota levels allowed it the increase in acreage continued.

(1) Excluding an A quota of 7 426 tonnes for allocation to the D.Z.B. (Netherlands).

In 1977/78, 1978/79 and 1979/80, thanks to excellent yields, Community sugar production reached 11.5, 11.8 and 12.3 mio tonnes respectively, i.e. around 124% of consumption. On the basis of average yields, production in 1980/81 should reach 11.0 mio tonnes.

6. At the end of 1974 it was estimated that future Community consumption would be around 10.4 mio tonnes, taking account of the previous trend and of the demand in 1973/74 (10.4 mio tonnes). But effective consumption fell to 9.0 mio tonnes in 1976/77 and today it has settled around 9.5 mio tonnes. Having regard to demographic changes and to trends in dietary habits there is little or no possibility of an increase in the consumption of sugar as food. With a normal crop the surplus of Community production over consumption would now reach 1.5 mio tonnes. Moreover, if preferential imports from ACP and other countries (1.3 mio tonnes) are taken into account the Community will have 2.8 mio tonnes of sugar to export to the world market.

DEVELOPMENTS ON THE WORLD MARKET AND EXPENSES FALLING ON FEOGA

7. From 1975/76 to 1978/79 developments on the world market paralleled those in the EEC. In each year production exceeded consumption. Up to the end of 1976 these surpluses helped to re-establish normal carry-over stocks. But in 1977/78 and 1978/79 the situation was significantly worsened by new surpluses which resulted in world stocks on 1 September 1979 of 30.7 mio tonnes (raw value), a record level representing 34% of world consumption compared with a normal level of around 25%.
8. In November 1974 world market prices reached their highest-ever level, well above Community prices; twelve months later they were down to the Community level and they subsequently fell to about 30-40% of Community prices. The imbalance on the world market between offer and demand did not allow prices to rise to the lower limit of the price range laid down in the ISA in 1977 (11 cents to 21 cents per pound for raw sugar, f.o.b. Caribbean). Up to August 1979 the actual prices fluctuated between 7 cents and 9 cents per pound.

9. In 1979/80, after four consecutive years of surplus, world consumption will exceed production by around 6 mio tonnes, mainly as a result of very poor crops in several important producer countries such as the USSR, Cuba, India and Thailand. This development has led inevitably to a very strong increase in world market prices supported by speculation on the terminal markets which has continued since May 1980 in the expectation of a further deficit situation in 1980/81. The new production is currently estimated at between 88 and 89 mio tonnes compared with a supposed consumption of around 92 mio tonnes. Since last May the New York spot price has generally fluctuated between 30 and 35 cents per lb.

10. As early as the start of 1980 the world price rise led to the suspension of ISA export quotas and immediately afterwards to the release to the world market of all the ISA special stocks which at that time amounted to about 2 mio tonnes. These two measures had no significant effect on the evolution of prices. Since then the ISA has been without any means of influencing the world market. The reimposition of quotas can take place only when prices fall below 16 cents/lb, a situation which is unlikely to occur in the short term.

11. In the light of the situation reviewed above there is a good chance that in 1980/81 world market prices will remain at relatively high levels. But in judging their evolution in the longer term it is worth remembering that since 1900 the world market has been characterized in eight years out of ten by surplus production and low prices. Given that this pattern has been valid also for each decade since 1950, there is no reason to believe it will change.

OBJECTIVES TO BE PURSUED

12. The sugar policy of the Community should:
- (a) orientate production to marketing possibilities and should cover the losses involved in the disposal of surplus Community production by financial contributions from the producers;
 - (b) ensure reasonable returns to beet and cane producers;
 - (c) allow for Community membership of the International Sugar Agreement;
 - (d) encourage compensatory adjustment between good and poor crops;
 - (e) take account of regional developments in beet and cane production in the context of specialization;
 - (f) provide the conditions under which the obligations concerning the importation of preferential sugar can be respected.

MEASURES TO BE TAKEN

13. As the Commission pointed out in its proposals of November 1979 (1), in principle a range of possible systems can be considered. They fall into two categories depending on whether they influence production by way of prices or quotas.

Systems in the first category are preferable but they would involve a substantial reduction in Community prices in order to control production, and they would consequently have serious effects on producers' incomes and on production in the less-favoured areas of the Community. Nevertheless, the Commission wishes to draw particular attention to the element of price in the sugar sector with a view to introducing subsequently a system similar to those in the first category. Meanwhile it believes that it is necessary once more to propose a production system based on quotas for a limited period, which it regards as a transitional system. This approach is supported by the fact that during the discussions of its proposals submitted at the end of 1979 there was a large measure of agreement in favour of a quota regime and of the principle that the costs of disposing of surplus production should be wholly borne by the producers. The only area of disagreement which finally remained was centred on the global volume of quotas and on the method of allocating it between undertakings. It is in the light of these reactions in particular that the Commission makes the proposals which follow.

(1) c.f. Doc. 11337/79 Agriorg 569/Agrifin 307, page 25.

It goes without saying that a quota system for sugar is inconceivable without a quota system being applied also to isoglucose.

14. The Commission emphasizes once more the transitional nature of the proposed system, the application of which would be strictly confined to a period covering at most the next five marketing years. And considering the difficulties which have been encountered at all levels in trying to find a new method of allocating A quotas, the Commission now proposes that A quotas for sugar and isoglucose should be maintained at their present level. At the same time the Commission stresses the importance it attaches to the provisions concerning the "masse de manoeuvre" (see paragraph 19).

The total of A quotas is 9 136 000 tonnes but the effective production of A sugar will probably not exceed 9 mio tonnes.

15. In order to take account of regional developments in the production of beet and cane, B quotas for sugar must be based on effective production, provided that no B quota is less than 5% of the corresponding A quota. It is therefore necessary to refer to the production of B sugar in each of the marketing years 1975/76 to 1979/80; and in order to exclude any production by undertakings which is liable to be contested it is necessary to base the B quota on the average of the three best campaigns. The total of B quotas established in this way would be 2 098 000 tonnes, and the sum of A and B quotas would be 11 234 000 tonnes compared with the current total of 11 648 000 tonnes.

Nevertheless, in the light of the probability (referred to in paragraph 11) that the historic pattern of world surpluses and shortages will continue to repeat itself it would be unrealistic to assume that the present situation in which world consumption exceeds production will continue throughout the five-year period to be covered by the new EEC Sugar regime. It would therefore be appropriate to provide the means for revising the levels of B quotas for the last two campaigns of the period if such revision appears to be necessary as a result of changes in the world supply/demand situation.

16. Rather than change the status of C sugar, it seems appropriate to facilitate its carry forward (to count as production within quotas in the following marketing year) by discarding the quantitative limit and by granting storage reimbursement for the carried forward sugar. It will also be necessary to impose on producers of C sugar the obligation to store that sugar to the extent which would be necessary if the Community joined the ISA.

17. As regards isoglucose it is proposed that, as in the sugar sector, A quotas should be maintained at their present levels (totalling 146 245 tonnes dry matter). To each A quota would be added a B quota equal to 23% of the A quota provided, however, that no B quota would be less than the actual production of B quota isoglucose during the period 1 July 1979 to 30 June 1980. This percentage represents in the sugar sector the total of quotas compared with the total of A quotas. The total of A and B isoglucose quotas would be 183 709 tonnes.

18. The new regime must provide the measures necessary to ensure that all the losses incurred in the disposal of surpluses of Community quota production over consumption will be covered by contributions from the producers. If all such contributions were to fall solely on B production then that production could lose its value, even for the most efficient producers. It therefore seems desirable to ensure that the losses are distributed more equitably by requiring contributions also from the combined A and B production. This, in turn, requires a decision whether the production levy should be applied initially to the B production alone or initially to the combined A and B production.

With these considerations in mind the Commission proposes that the losses should in the first instance be shared by the combined A and B production by means of a basic production levy with a ceiling of 2.5% of the intervention price for white sugar, and that thereafter the losses exceeding the basic production levy should be covered by a levy on B production with a much higher ceiling. Any remaining losses not covered would be carried forward to the next marketing year.

19. A system of production quotas must necessarily take regional aspects into consideration and must be based on data specific to each producer concerned. Hence it must provide that quotas for each undertaking are fixed directly by the Community.

As regards measures for the subsequent modification of quotas these will be the subject of a specific Council Regulation as was the case in 1967 and 1974. This Regulation must provide for a "masse de manoeuvre" or margin.

This margin will consist of a quantity corresponding to 10% of the quotas initially allocated to each undertaking which can be allocated to undertakings producing sugar or isoglucose in order to meet the needs of restructuring either of existing undertakings or of new ones.

The Commission will ensure that this margin is used in an effective manner in order to achieve the objectives and the flexibility for which it is intended.

20. Apart from the new provisions with regard to production quotas, a number of adjustments to other existing provisions are advisable or necessary. In particular the Commission thinks that a more free interplay should be given to the market by abolishing the regionalized intervention prices presently fixed for the French overseas departments, Italy, the United Kingdom and Ireland, and also the target price. The fixing of derived intervention prices superior to the basic intervention price is not necessary. In any case, the prices obtained on the markets in deficit areas are higher than the basic intervention price having regard to transport costs. In the circumstances of a managed market in sugar the fixation of a target price between the intervention and threshold prices is no longer considered necessary in the sugar sector. The use of the target price in fixing the level of protection at the frontier can easily be taken into account in the criteria used to establish the threshold price.

21. The production of beet and sugar in Italy and that of cane and sugar in the French overseas departments, although benefitting for several years from national aids authorized by the Community, continues to experience certain difficulties, particularly in the application of modern techniques or for structural reasons. These crops and their industries represent important elements in the economies of these regions. Hence the Commission believes that it is right that Italy and France should be authorized to grant national adaptation aids to these sectors for a further and final period on condition that these aids are phased out before the 1985/86 marketing year. The Commission therefore proposes that the maximum level of aid authorized for 1980/81 is reduced by one-fifth in each subsequent year.

22. The quantitative results of the proposed quota system for sugar and isoglucose and estimates of Community receipts and expenditure are annexed.

The financial estimates indicate that in future virtually the only expenditure constituting a net charge on the Community budget will be that involved in the exportation of a quantity of sugar corresponding to preferential imports from the ACP, India and the OCT.

23. Finally, the Commission draws attention to the fact that the new regime will require to be adapted to take account of the additional states, notably Greece, to which the regime, or parts of it, will apply.

ANNEX I

TABLE 1 : Quantitative results of the proposed quota system for sugar

	DK	D	F/metr.:	F/FOD	IRE	I	NL	UEBL	UK	EEC
1. Current A quotas	328	1 990	2 530	466	182	1 230	690	680	1 040	9 136
2. Current B quotas	90	547	696	128	50	338	190	187	286	2 512
3. B quotas as % of A quotas	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5
4. Current A + B quotas	418	2 537	3 226	594	232	1 568	880	867	1 326	11 648
5. Proposed A quotas	328	1 990	2 530	466	182	1 230	690	680	1 040	9 136
6. Proposed B quotas (1)(2)	97	611	759	23	9	297	168	81	52	2 098
7. B quotas as % of A quotas	29.5	30.7	30.0	5.0	5.0	24.2	24.3	11.9	5.0	23.0
8. Proposed A + B quotas	425	2 601	3 289	489	191	1 528	858	761	1 092	11 234
9. Average A + B production in the 3 best years (2)	425	2 601	3 289	468	186	1 527	858	761	1 043	11 156
10. - of which A sugar	328	1 990	2 530	365	180	1 222	690	680	1 004	8 999
11. Proposed A quotas minus A sugar produced (5 - 10)	0	0	0	101	2	8	0	0	36	137

(1) Average production of B sugar in the best three of the marketing years 1975/76 to 1979/80)

(2) Total of the figures established for each undertaking involved

ANNEX I

TABLE 2 : Quantitative results of the proposed quota system for isoglucose

(in tonnes, dry matter)

	DK	D	F	IRE	I	NL(1)	UEBL	UK	EEC
Current A quotas	-	28 000	15 887	-	16 569	7 426	56 667	21 696	146 245
Current B quotas (2)	-	7 700	4 369	-	4 556	2 042	15 583	5 966	40 216
Current A + B quotas	-	35 700	20 256	-	21 125	9 468	72 250	27 662	186 461
Proposed A quotas	-	28 000	15 887	-	16 569	7 426	56 667	21 696	146 245
Proposed B quotas (3)	-	6 440	4 135	-	3 811	1 708	15 583	5 787	37 464
Proposed A + B quotas	-	34 440	20 022	-	20 380	9 134	72 250	27 483	183 709
+ B production in 1979/80	-	32 174	20 022	-	12 467	(4)	72 255	27 483	164 401

Working account of Article 9(5) of Regulation (EEC) No 1111/77.

5 % of A quotas.

0 % of A quotas (= EEC average for the proposed B quota for sugar).

Production recommenced at end June 1980.

ANNEX I

TABLE 3 : Calculation of the expenditure and receipts for sugar and isoglucose in 1981/82

	Quantities in 1 000 t white sugar		
	Quantities in 1 000 t dry matter isoglucose		
A. Expenditure and receipts arising from exports of surplus Community sugar production			
I. Quantitative data :			
	<u>Sugar</u>		<u>Isoglucose</u>
1. Total of A quotas	9 136		146
2. Total of B quotas	2 098		37
3. Total A production	9 036		146
4. Total B production	2 079		37
5. Total A + B production	11 115		183
6. Community consumption	9 500		183
7. Surplus A + B production (5.- 6.)		1 615	
II. Export refunds :			
8. Hypotheses (ECU/ql)	: 30.00	: 20.00	: 10.00
9. Total refunds (7. x 8.)	MECU : 484.5	: 323.0	: 161.5
10. Amount of the basic production levy :	:	:	:
a) Sugar: (max.2.5% interv.price) Ecu/ql	: 1.08	: 1.08	: 1.08
b) Isoglucose: (max.=(10.a x0.4)) Ecu/ql	: 0.48	: 0.43	: 0.43
11. Receipts from the basic production levy:	:	:	:
a) Sugar (5.x10.a)	MECU : 120.0	: 120.0	: 120.0
b) Isoglucose (5.x10a.)	MECU : 0.8	: 0.8	: 0.8
TOTAL	MECU : 352.3	: 311.2	: 155.6
12. Refunds not covered by levies (9.-11.)	MECU : 363.7	: 202.2	: 40.7
13. Amount of B levy :	:	:	:
a) Sugar : (max.37.5% intervention price)	Ecu/ql : 16.23	: 9.66	: 1.94
b) Isoglucose (max=(13.a x0.4))	Ecu/ql : 6.49	: 3.87	: 0.78
14. Receipts from B levy :	:	:	:
a) Sugar (4.x13.a)	MECU : 337.4	: 200.8	: 40.4
b) Isoglucose (4.x13.b)	MECU : 2.2	: 1.4	: 0.3
TOTAL	MECU : 339.6	: 202.2	: 40.7
15. Refunds remaining uncovered by levies (12.-14.) carried forward to 1982/83 pursuant to the second subparagraph of Article 28(2)	: 23.8	: 0	: 0

ANNEX I

TABLE 3 (continued)

B. Expenditure arising from the exportation of a quantity corresponding to preferential imports

1. Preferential imports (1 000 t white value)	1 289		
2. Export refunds, ECU/ql	30.00	20.00	10.00
3. Total refunds, (1.x2.) MECU	386.7	257.8	128.9

C. Expenditure and receipts linked to the intervention function (in MECU)

1. Storage reimbursements:			
- A + B beet sugar, 10 745 X 6.05 months x 4.6 ECU/t			299.0
- C sugar (Art.26(1), third subparagraph)			p.m.
2. Storage levy:			
(299.0 - 10 745 = 27.83 ECU/t x 10 745)			299.0
3. Transport aids to the FOD			
(300 000 x (10.7 + 28.2 ECU))			11.7
4. Production refund for chemical industry			
(100 000 x 34.46 ECU/t)			3.4
5. Denaturing premium			p.m.

Comments

a) Expenditure

Despite the reduction in the total of A and B quotas, a better allocation of B quotas will lead to a better use of them. This, in turn, will lead to a slight increase in the production of B sugar and thus in the quantities to be exported. So, over 12 months, there would be an increase in the foreseeable expenditure on refunds of about 27 MEUA.

On the other hand, there would be a reduction in expenditure linked to intervention over 12 months of about 16 MEUA mainly because of a reduction in storage reimbursements as a result of excluding cane sugar (ACP and FOD) from these reimbursements.

It is not at present possible to calculate the expenditure which would be incurred by Community membership of the International Sugar Agreement.

In all, expenditure over 12 months would increase by about 11 MEUA.

b) Receipts

The new regime would lead to a foreseeable increase in production levies of about 70 MEUA since the cost of disposing of surplusses will be covered by producers' contributions, any balance being carried forward to the next marketing year.

The storage levies, however, will fall by about 16 MEUA over 12 months corresponding to the reduction in storage expenditure.

The increase in levies in the course of a marketing year would therefore be about 54 MEUA.

c) Overall, the new system would lead to a net saving of about 43 MEUA over 12 months.

Taking levies into account, the total expenditure in a marketing year would be of the order of 285 MEUA almost all of which would represent the cost of the refunds necessary to export a quantity equal to imports of preferential sugar.

The annexed table gives details of the calculations based on the current and proposed systems.

ANNEX II

(in MEUA)

		Proposal by	Status-quo	Difference
		the Commission		
a	b	c	d = b - c	
: Refunds	a)	330 (1)	271.8 (6)	+ 27
	b)	266 (2)	266 (2)	-
: Total Refunds		596	569	+ 27
: Intervention				
: Denaturing		p.m.	p.m.	-
: Chemical Industry		4 (3)	4 (3)	-
: Storage reimbursement				
: EX- : - EEC		308 (4)	301 (7)	+ 7
: PEN- : - ACP and FOD		-	23 (8)	- 23
: DI- : Public stocks		3	3	-
: TURE : FOD sugar :				
: - differential amount		-	7 (9)	- 7
: - refining subsidy		-	5 (9)	- 5
: - transport subsidy		12 (5)	-	+ 12
: Total Interventions		327	343	- 16
: GRAND TOTAL		923	912	+ 11
: Production levies		330	260 (10)	+ 70
: RE- : Storage levies :				
: CEIPTS : - EEC		308	301 (8)	+ 7) -16
: - ACP and FOD		-	23	-23)
: TOTAL		638	584	+ 54

(1) surplus A + B production : 1.615³ mio t x 200 Ecu/t. x 1.022

(2) exportation of quantities corresponding to preferential imports :
1.3 mio t x 200 Ecu/t x 1.022.

(3) 100.000 x 34.46 Ecu/t x 1.048.

(4) 10.745 mio t x 6.05 months x 4.6 Ecu/t/month x 1.028.

(5) 0.3 mio t x 38.90 Ecu/t x 1.000.

(6) surplus A + B production : 1.481 mio t x 200 Ecu/t. x 1.022.

(7) 10.611 mio t x 6 months x 4.6 Ecu/t/month x 1.028.

(8) ACP : 1.3 mio t x 2 months x 4.6 Ecu/t/month x 1.028.

FOD : 0,370 mio t x 6 months x 4.6 Ecu/t/month x 1.028.

(9) differential amount : 0.3 mio t x 22.5 Ecu/t x 1.000.

refining subsidy : 0.3 mio t x 15 Ecu/T x 1.000.

(10) levies sugar : 1.945 mio t x 129.8 Ecu/t x 1.022.

isoglucose : 40.216 t x 40% x 129.8 Ecu/t x 1.022.

FINANCIAL STATEMENT

Date : 19.9.1980

1. BUDGET HEADING : Chapter 64 - Expenditure
Chapter 11 - Receipts

APPROBIATIONS : 696.5 MEUA
504.9 MEUA

2. TITLE : Proposed Council Regulation on the common organisation of the market in sugars

3. LEGAL BASIS : Art. 43 of the Treaty

4. AIMS OF PROJECT : Definition of the future policy for sugar and isoglucose with effect from 1 July 1981

5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR (1980)	FOLLOWING FINANCIAL YEAR (1981)
5.0 EXPENDITURE			
- CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)	+ 27	(existing regime)	P.M. (1)
- interventions	- 16		
- OTHER	+ 11		
5.1 RECEIPTS			
- OWN RESOURCES OF THE EC Prod.Levy	+ 70		
storage levy	- 16		
WARRANTS Total	+ 54		
	1982	1983	
5.0.1 ESTIMATED EXPENDITURE	+ 11	+ 11	
5.1.1 ESTIMATED RECEIPTS	+ 54	+ 54	

5.2 METHOD OF CALCULATION

- see the attached comments and table
- the calculations are based on the assumption of average quantities and world prices over the 5-year period. Thus they differ from those used for the appropriations in 1980 and 1981 mainly because of the current conjunctural situation

6.0 CAN THE PROJECT BE FINANCED FROM APPROBIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET ?

YES/NO

~~6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET ?~~

YES/NO

~~6.2 IS A SUPPLEMENTARY BUDGET BE NECESSARY ?~~

YES/NO

6.3 WILL FUTURE BUDGET APPROBIATIONS BE NECESSARY ?

YES/NO

OBSERVATIONS :

(1) taking account of the fact that the crop is harvested in the autumn, the effect of the new regime on 1981 will be slight

Proposal for a
COUNCIL REGULATION (EEC)
on the common organization of the market
in sugar

PROPOSAL FOR A COUNCIL REGULATION (EEC)
on the common organization of the market in sugar

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
and in particular Articles 42 and 43 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Having regard to the opinion of the Economic and Social Committee,

Whereas the basic provisions concerning the common organization of the
markets in sugar and isoglucose have been amended many times since their
adoption; whereas these provisions must again be thoroughly amended to
take account, in particular, of the forthcoming expiry of the quota
provisions for sugar and isoglucose; whereas, therefore, it is essential
to redraft the basic provisions concerning these two sectors;

Whereas the operation and development of the common market in agricultural
products must be accompanied by the establishment of a common agricultural
policy to include, in particular, a common organization of the agricultural
markets which may take various forms depending on the product concerned;
whereas isoglucose is a direct substitute for liquid sugar obtained from
sugar beet or sugar cane; whereas, therefore, the markets in sugar and
isoglucose are closely linked; whereas the situation in the Community in
respect of sweeteners is characterized by structural surpluses and any
Community decision relating to one of these products inevitably has
repercussions on the other; whereas it is therefore appropriate to have a
common organization of the sugar and isoglucose sectors which, nevertheless,
takes account of production features specific to one or the other sector;

Whereas, to ensure that the necessary guarantees in respect of employment and standards of living are maintained for Community growers of sugar beet and sugar cane, provision should be made for measures to stabilize the market in sugar and for this purpose an intervention price for white sugar, and an intervention price for raw sugar, should be fixed annually; whereas the above objective could be attained by providing for buying-in by the intervention agencies at intervention prices; whereas, moreover, a compensation system for storage costs for sugar produced from beet of Community origin could serve the same purpose; whereas these price guarantees given for sugar also benefit sugar syrups and isoglucose syrups, the prices of which are based on those of sugar; whereas the basic products from which isoglucose is produced already benefit from price guarantees and intervention arrangements in the framework of the common organization of the market in cereals;

Whereas it is necessary that these regulatory measures should provide guarantees which are fair both to manufacturers and to producers of the basic product; whereas it is therefore appropriate to fix a basic price for beet to serve as a point of reference, and in addition a minimum price for A beet intended for processing into A sugar and a minimum price for B beet intended for processing into B sugar which manufacturers shall be obliged to pay when purchasing beet; whereas in respect of the rules of competition it is also appropriate to provide Community outline provisions governing the contractual relations between buyers and sellers of beet, and to adopt similar provisions in respect of sugar cane;

Whereas the creation of Community markets for sugar and isoglucose involves the introduction of a common trading system at the external frontiers of the Community; whereas a trading system including import levies and export refunds serves to stabilize the Community market in preventing, in particular, price fluctuations on the world market from affecting prices

for these two products ruling within the Community; whereas, therefore, provision should be made for the charging of a levy on imports from third countries and for the payment of a refund on exports to such countries which as regards sugar would, in either case, cover the difference between prices ruling inside and outside the Community when world market prices are lower than the Community prices and as regards isoglucose would ensure a certain measure of protection for the Community industry which processes this product;

Whereas, in addition to the above system and to the extent necessary for its proper working, provision should be made for regulating or, when the situation on the market so requires, prohibiting the use of inward processing arrangements;

Whereas, in the event of a shortage on the world market pushing up world market prices to a level higher than that of the Community prices, or in the event of difficulties in the normal supplies to the Community as a whole or to one of its regions, appropriate provisions should be laid down in order to avoid in good time a situation where regional surpluses are exported to third countries while an abnormal rise in Community prices makes it impossible to continue to guarantee supplies to consumers at reasonable prices; whereas, moreover, provisions should be laid down with a view to introducing a system whereby each manufacturer must hold a minimum stock, which is one of the most effective ways to achieve these objectives;

Whereas, in order to help guarantee supplies to the Community as a whole or to one of its regions, it seems advisable to lay down provisions to adopt, on certain conditions, appropriate intervention measures;

Whereas it must be made possible for the competent authorities to keep a constant watch on movements in trade with third countries in order to enable them to assess trends thereof and, where appropriate, to apply such measures provided for in this Regulation as may prove necessary; whereas,

to this end, provision should be made for a system of import and export licences the issue of which is conditional upon the lodging of a deposit as a guarantee that the operation for which the licence is being requested will be carried out;

Whereas the levy system makes it possible to dispense with all other protective measures at the external frontiers of the Community; whereas, however, the common prices and levy machinery may in exceptional circumstances prove defective; whereas in such cases, so as not to leave the Community market without defence against disturbances which may arise therefrom after the import barriers which existed previously have been removed, the Community should be enabled swiftly to take all necessary measures;

Whereas the reasons which up to now have led the Community to retain a production quota system for sugar and isoglucose remain valid; whereas, however, changes should be made in that system to take account of recent developments in production and to provide the Community with the instruments necessary to ensure, in a fair yet efficient way, that the producers themselves meet in full the cost of disposing of the surpluses of Community production over consumption; whereas, however, such a system should apply for a limited period only and should be regarded as transitional;

Whereas the other basic provisions relating to price and marketing guarantees differentiated on the basis of quotas, the provisions in respect of delivery contracts for beet and the rules of the carry-forward system should be reviewed;

Whereas provisions should be made for the obligatory storage of the whole or part of the sugar produced outside the A and B quotas for the period necessary to fulfil obligations which would be placed on the Community if it joined the International Sugar Agreement;

Whereas in order to increase the outlets for sugar and isoglucose on the Community's internal market provision should be made to allow, on conditions to be laid down, for all sugar and isoglucose intended for the manufacture of products other than food products to be regarded as having been produced outside the quota system;

Whereas Protocol No. 3 on ACP sugar annexed to the ACP-EEC Convention of Lomé signed on 28 February 1975 provides for a system of preferential imports of cane sugar into the Community; whereas Council Decision 75/614/EEC⁽¹⁾, as amended by Decision

(1) OJ No L 268, 17.10.1975, p. 43

75/615/EEC ⁽¹⁾, extended the said system to imports of cane sugar originating in the overseas countries and territories; whereas the Agreement between the European Economic Community and the Republic of India on cane sugar ⁽²⁾, established a similar system for certain quantities of cane sugar originating in that country;

Whereas, pursuant to Article 1 of the said Protocol, to Article 1 of Decision 75/614/EEC, and to Article 1 of the Agreement with India, the implementation of these systems of preferential imports must be carried out within the framework of the common organization of the market in sugar;

Whereas the preferential nature of these systems requires that the import levies provided for in the framework of the common organization of the market in sugar should not apply to imports made under these systems;

Whereas it is necessary to create the means for ensuring that raw cane sugar imported under the said preferential systems can be refined under the most equitable conditions of competition;

Whereas the common organization of the market in sugar must take appropriate account of the objectives set out in Article 39 and 110 of the Treaty;

Whereas in order to facilitate implementation of the provisions of this Regulation, a procedure should be provided for establishing close co-operation between Member States and the Commission within a Management Committee for Sugar,

Whereas the establishment of a Community market in sugar in question would be jeopardized by the granting of certain aids; whereas, therefore, the provisions of the Treaty which allow the assessment of aids granted by the Member States and the prohibition of those which are incompatible with the common market should be made to apply to sugars; whereas, however, the production of beet and sugar in Italy and that of cane and sugar in the French overseas departments continue to experience difficulties, particularly in the application of modern production techniques or for structural reasons; whereas these crops and their

(1) OJ No L 268, 17.10.1975, p.45

(2) OJ No L 190, 23. 7.1975, n. 36

associated manufacturing industries are important for these regions and even essential as regards the economy of the French overseas departments; whereas it is therefore appropriate to authorise the Member States concerned, for a final period, to grant national aids to these sectors on certain conditions and on a decreasing scale which reduces to zero for the last marketing year covered by this Regulation;

Whereas the transition to the system established by this Regulation must be effected as smoothly as possible; whereas, to this end, certain transitional measures may prove necessary and the same need may arise at each change-over from one marketing year to the next; whereas, therefore, provision should be made for the possibility of adopting appropriate measures;

Whereas Community membership of the International Sugar Agreement might require special measures to allow the obligations arising therefrom to be fulfilled; whereas for this purpose provision should be made for the necessary measures to be adopted within the framework of this Regulation;

Whereas, pursuant to Articles 2 and 3 of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy⁽¹⁾, as last amended by Regulation (EEC) No 929/79⁽²⁾, the expenses incurred by the Member States in meeting obligations arising from the application of this Regulation devolve upon the Community;

Whereas Council Regulation (EEC) No 3330/74 of 19 December 1974 on the common organization of the market in sugar⁽³⁾, as last amended by Regulation (EEC) No 1396/78⁽⁴⁾, and Council Regulation (EEC) No 1111/77 of 17 May 1977 laying down common provisions for isoglucose⁽⁵⁾, as last amended by Regulation (EEC) No 1293/79⁽⁶⁾, should be repealed,

(1) OJ No L 84, 28. 4. 1970, p. 12
(2) OJ No L 117, 12. 5. 1979, p. 1
(3) OJ No L 359, 31. 12. 1974, p. 1
(4) OJ No L 170, 27. 6. 1978, p. 1
(5) OJ No L 134, 28. 5. 1977, p. 4
(6) OJ No L 162, 30. 6. 1979, p. 10

HAS ADOPTED THIS REGULATION :

Article 1

1. The common organization of the markets in the sugars sector established by this Regulation shall cover the following products:

CCT Heading No	Description
(a) 17.01	Beet sugar and cane sugar in solid form
(b) 12.04	Sugar beet, whole or sliced, fresh, dried or powdered; sugar cane
(c) 17.03	Molasses
(d) 17.02	Other sugars in solid form (but not including lactose, glucose, maltodextrine or isoglucose); sugar syrups C, D II, E and F II : not containing added flavouring or colouring matter (and not containing lactose, glucose, maltodextrine or isoglucose); artificial honey, whether or not mixed with natural honey; caramel
21.07 F IV	Flavoured or coloured sugar syrups (other than lactose, glucose, maltodextrine and isoglucose syrups)
(e) 23.03 B I	Beet pulp, cane bagasse and other by-products of sugar manufacture
(f) 17.02 D I	Isoglucose
(g) 21.07 F III	Flavoured or coloured isoglucose syrups

2. For the purposes of this Regulation :

- (a) 'white sugars' means sugars not flavoured or coloured and containing, in the dry state, 99.5% or more by weight of sucrose as determined by the polarimetric method;
- (b) 'raw sugars' means sugars not flavoured or coloured and containing, in the dry state, less than 99.5% by weight of sucrose as determined by the polarimetric method;
- (c) 'isoglucose' means the syrup which is obtained from glucose syrups and has a content by weight, in the dry state, of at least 10% fructose, and contains oligosaccharides and polysaccharides.

Article 2

The marketing year for all the products listed in Article 1 shall begin on 1 July and shall expire on 30 June of the following year.

TITLE I

Prices

Article 3

1. An intervention price for white sugar and an intervention price for raw sugar shall be fixed each year.

The intervention price for raw sugar shall be based on the intervention price for white sugar taking account of fixed values representing the processing margin and the yield.

2. The intervention prices referred to in paragraph 1 shall apply to unpacked sugar, ex-factory, loaded on to a means of transport chosen by the purchaser.

They shall be valid for white sugar and for raw sugar of a specified standard quality.

3. The intervention price for white sugar shall be fixed each year, before the start of the marketing year in question, in accordance with the procedure laid down in Article 43(2) of the Treaty.

In accordance with the same procedure the Council shall specify the standard quality for which this price is valid.

4. The Council, acting by a qualified majority on a proposal from the Commission, shall fix each year, before the start of the marketing year in question, the intervention price for raw sugar.

In accordance with the same procedure the Council shall specify the standard quality for which this price is valid.

Article 4

1. A basic price for beet shall be fixed each year. It shall be valid for a specified delivery stage and a specified standard quality.
2. The basic price for beet referred to in paragraph 1 shall be fixed taking account of the intervention price for white sugar and of fixed values representing:
 - the processing margin,
 - the yield,
 - undertakings' receipts from sales of molasses,
 - where appropriate, the costs incurred in delivering beet to undertakings.
3. The basic price for beet shall be fixed in accordance with the procedure laid down in Article 43(2) of the Treaty at the same time as the intervention price for white sugar.

In accordance with the same procedure the Council shall specify the delivery stage and the standard quality for beet.

Article 5

1. There shall be fixed each year before the start of the marketing year in question a minimum price for A beet and a minimum price for B beet.

These prices shall be valid for the same delivery stage and standard quality as specified for the basic price for beet.

2. The minimum price for A beet shall be equal to 97.5% of the basic price for beet.

The minimum price for B beet shall be equal to 60% of the basic price for beet.

3. For the purposes of this Regulation A beet and B beet mean all beet processed into A sugar and B sugar respectively, as defined in Article 24.

4. The Council, acting by a qualified majority on a proposal from the Commission, shall fix the minimum prices for beet.

Article 6

1. Subject to Article 32 and the provisions adopted pursuant to Article 27, sugar manufacturers buying beet:

(a) suitable for processing into sugar, and

(b) intended for processing into sugar,

shall be required to pay at least a minimum price adjusted by price increases or reductions to allow for differences from the standard quality.

2. The minimum price referred to in paragraph 1 shall correspond to:
 - (a) the minimum price for A beet, in the case of beet to be processed into A sugar;
 - (b) the minimum price for B beet, in the case of beet to be processed into B sugar.

3. Detailed rules for the application of this Article and the price increases and reductions shall be adopted in accordance with the procedure laid down in Article 41.

Article 7

1. Agreements within the trade, and contracts concluded between buyers and sellers of beet, must conform to outline provisions to be determined, in particular as regards the conditions governing the purchase, delivery and acceptance of beet and the payment for beet.
2. The conditions for purchasing sugar cane shall be governed by agreements within the trade between sugar cane producers and sugar manufacturers.
3. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt general rules for the application of this Article and, to the extent necessary, the procedures and provisions to be followed where neither agreements within the trade, nor contracts referred to in Article 30, exist.
4. If necessary, detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 41.

Article 8

1. Storage costs in respect of:
 - white sugar,
 - raw sugar,
 - syrups obtained prior to the crystallizing stage,manufactured from beet harvested in the Community shall be reimbursed at a flat rate by the Member States.

The reimbursement for other syrups manufactured from beet harvested in the Community may be provided for.

The Member States shall charge a levy on each manufacturer of the sugars or syrups eligible for the reimbursement of storage costs.

The amount of the reimbursement shall be the same for the whole Community. The same rule shall apply to the levy.

2. Paragraph 1 shall not apply to flavoured or coloured sugars falling within heading No 17.01 or to flavoured or coloured syrups falling within subheading 21.07 F IV of the Common Customs Tariff.
3. The amount of the reimbursement shall be fixed each year in accordance with the procedure laid down in Article 43(2) of the Treaty at the same time as the intervention price for white sugar.
4. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt general rules for the application of this Article.
5. The amount of the levy shall be fixed annually according to the procedure laid down in Article 41. Other detailed rules for the application of this Article and, where appropriate, for granting the reimbursement in respect of the syrups referred to in the second subparagraph of paragraph 1 and the determination of the syrups to which such reimbursement shall apply, shall be adopted according to the same procedure.

Article 9

1. Throughout the marketing year intervention agencies designated by sugar-producing Member States shall be required, on conditions to be determined in accordance with paragraphs 5 and 6, to buy in any white and raw sugar offered to them which has been manufactured from beet and cane harvested in the Community in so far as there exist prior storage contracts between the offerors and the said agencies for the sugar in question.

If the quality of the sugar differs from the standard quality for which the intervention price was fixed, then this price shall be adjusted by means of increases or reductions.

2. It may be decided to grant premiums for sugar in free circulation in the Community which is rendered unfit for human consumption.
3. It may be decided to grant production refunds on the products listed in Article 1(1)(a) and on the syrups listed in Article 1(1)(d) and (f) which are in free circulation in the Community and which are used in the manufacture of certain products of the chemical industry.
4. Appropriate measures shall be taken in order to permit the sugars produced in the French overseas departments to be marketed in the European regions of the Community.
5. The Council, acting by a qualified majority on a proposal from the Commission, shall determine the general rules for the application of the preceding paragraphs and the products of the chemical industry referred to in paragraph 3.
6. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 41 and shall deal in particular with:
 - the minimum quality and quantity requirements on intervention,
 - the price increases and reductions applicable on intervention,
 - the procedures and conditions for taking-over by intervention agencies,
 - the conditions for granting denaturing premiums and the amounts of such premiums,
 - the conditions for granting production refunds and the amounts of such refunds.

Article 10

1. In order to help guarantee supplies to the Community as a whole or to one of its regions the Council, acting by a qualified majority on a proposal from the Commission, shall determine the conditions on which special intervention measures may be taken where Article 18 is applied.

Such measures shall not, however, result in Community sugar manufacturers being obliged to sell sugar to intervention agencies.

2. The nature and application of such intervention measures shall be decided upon in accordance with the procedure laid down in Article 41.

Article 11

1. The price at which intervention agencies may sell sugar shall be higher than the intervention price.

It may be decided, however, that intervention agencies may sell sugar at a price equal to or less than the intervention price if the sugar is intended:

- for animal feeding,

or

- for export, either in the natural state or after processing into the products listed in Annex II to the Treaty or into the products listed in Annex I to this Regulation.

2. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt general rules for the sale of products which have been the subject of intervention measures.
3. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 41.

Article 12

1. In order to ensure normal supplies to the Community as a whole or to one of its regions there shall be a standing obligation to maintain minimum stocks of the products to which Article 8 applies.

This minimum stock shall, on a fixed date, be equal to a percentage of the A quota of each sugar-producing undertaking or to the same percentage of its production of A sugar where this is less than its A quota.

The fixed percentage may be reduced.

2. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt general rules for the application of this Article and in particular shall fix the date and the percentage referred to in the second subparagraph of paragraph 1.
3. Detailed rules for the application of this Article and, in particular, the reduced percentage shall be adopted in accordance with the procedure laid down in Article 41.

TITLE II

Trade with third countries

Article 13

1. All imports into and exports out of the Community of the products listed in Article 1(1)(a), (b), (c), (d), (f) and (g) shall be conditional upon the presentation of an import licence or an export licence issued by the Member States to any applicant irrespective of the place of his establishment in the Community.

Where a levy or a refund is fixed in advance the advance fixing shall be noted on the licence which shall serve as a supporting document for such advance fixing.

The licence shall be valid throughout the Community.

The issue of a licence shall be conditional upon the lodging of a deposit which will guarantee that importation or exportation will be effected during the period of validity of the licence and which will be forfeit in whole or in part if the transaction is not effected, or is only partially effected, within that period.

2. The system provided for in this Article may be extended to the products listed in Article 1(1)(e) in accordance with the procedure laid down in Article 41. The period of validity of licences and other detailed rules for the application of this Article, which may in particular lay down a time limit for the issue of licences, shall be adopted in accordance with the same procedure.

Article 14

1. A Community threshold price shall be fixed each year for each of the following products: white sugar, raw sugar and molasses.
2. The threshold price for white sugar shall be equal to the intervention price multiplied by the coefficient 1.05, plus the costs, calculated at a flat rate, of transport from the Community area having the largest surplus to the most distant deficit area in the Community, plus an amount which takes into account the levy referred to in Article 8 for the marketing year in question. The threshold price shall apply to the same standard quality as the intervention price for white sugar.
3. The threshold price for raw sugar shall be derived from that for white sugar, taking account of a standard processing margin and a standard yield. The threshold price shall apply to the same standard quality as the intervention price for raw sugar.
4. The threshold price for molasses shall be fixed so that the receipts from sales of molasses can reach the level of undertakings' receipts taken into account pursuant to Article 4 when the basic price for beet is being fixed. It shall apply to a standard quality.
5. The Council, acting by a qualified majority on a proposal from the Commission, shall fix each year before the start of the marketing year in question the threshold prices for the products referred to in paragraph 1.
6. The standard quality of molasses shall be specified in accordance with the procedure laid down in Article 41.

Article 15

1. A cif price for a Community frontier crossing point shall be calculated for each of the following products: white sugar, raw sugar, and molasses. It shall be calculated on the basis of the most favourable purchasing opportunities for each product on the world market based on quotations or prices on that market as adjusted for any differences from the standard quality to which the threshold price applies.
2. Where free quotations on the world market are not a factor determining the offer price and where that price is less than world market prices, a special cif price calculated on the basis of the offer price and applicable solely to the imports in question shall be substituted for the cif price.
3. The Council, acting by a qualified majority on a proposal from the Commission, shall determine the frontier crossing point concerned.
4. Detailed rules for calculating the cif prices shall be adopted in accordance with the procedure laid down in Article 41. The adjustments referred to in paragraph 1 shall be fixed in accordance with the same procedure.

Article 16

1. A levy shall be charged on imports of the products listed in Article 1(1)(a), (b), (c), (d), (f) and (g).
2. The levies on white sugar, raw sugar and molasses shall be equal to the threshold price minus the cif price.
3. The levy on raw sugar shall be adjusted, if necessary, according to the yield. The levy on raw sugar imported for purposes other than refining shall be the levy on white sugar if the latter is higher than the levy on raw sugar. If the levy on white sugar is higher than the levy on raw sugar then raw sugar imported for refining shall be subject to customs control or to an administrative control offering equivalent guarantees.

4. The levy on the products listed in Article 1(1)(b) shall be calculated as a flat rate on the basis of the sucrose content of each of these products and the levy on white sugar.

For purposes other than the manufacture of sugar, partial exemption from the import levy may be allowed as a temporary measure in special cases in accordance with the procedure laid down in Article 41.

5. The levy on the products listed in Article 1(1)(d) shall be calculated, where appropriate, as a flat rate on the basis of the sucrose content (including other sugars expressed as sucrose) of the product concerned and the levy on white sugar.

The levies applicable to maple sugar and to maple syrup falling within heading No 17.02 of the Common Customs Tariff shall, however, be limited to the amount resulting from the application of the duty bound within GATT.

6. The levy on the products listed in Article 1(1)(f) and (g) shall comprise a variable element and a fixed element. The variable element, per 100 kilograms of dry matter, shall be equal to one hundred times the basic import levy fixed pursuant to paragraph 5 and shall be applicable as from the first of each month.

The fixed element, per 100 kilograms of dry matter, shall be equal to one-tenth of the fixed element established pursuant to point B of Article 14(1) of Council Regulation (EEC) No 2727/75 of 29 October 1975 on the common organization of the market for cereals (1) for the fixing of the import levy on the products falling within subheading 17.02 B II of the Common Customs Tariff.

7. Detailed rules for the application of this Article, in particular the margin within which the variations in the factors used for calculating the levy do not require any adjustment of the levy, shall be adopted in accordance with the procedure laid down in Article 41.
8. The levies referred to in this Article shall be fixed by the Commission.

(1) OJ No L 281, 1.11.1975, p. 1

Article 17

1. The levy to be charged shall be that applicable on the day of importation.
2. The levy may, however, be fixed in advance for imports of the products listed in Article 1(1)(a) and (c).

In that event, the levy applicable on the day on which the application for the licence is lodged, adjusted on the basis of the threshold price in force on the day of importation, shall be applied to imports to be effected during the period of validity of the licence provided that the person concerned so requests when applying for the licence, and in any case before 13.00 hours. Any premium to be added to the levy may be fixed at the same time as the levy.

3. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt, general rules for the application of this Article; it shall, in particular, determine the conditions on which advance fixing can take place and the rules for fixing premiums.
4. Where the conditions referred to in paragraph 3 are fulfilled, a decision to apply the system provided for in paragraph 2 shall be taken in accordance with the procedure laid down in Article 41. Where these conditions are no longer fulfilled, the decision shall be revoked in accordance with the same procedure.

It may be decided in accordance with the same procedure that the system provided for in paragraph 2 shall apply in whole or in part to each of the products listed in Article 1(1)(d), (f) and (g).

5. Detailed rules for advance fixing of the levy shall be adopted in accordance with the procedure laid down in Article 41.
6. Premiums shall be fixed by the Commission.

7. Where an examination of the market situation shows that there are difficulties due to the application of the provisions concerning the advance fixing of the levy, or that such difficulties could arise, a decision may be taken in accordance with the procedure laid down in Article 41 to suspend the application of these provisions for the period strictly necessary.

In cases of extreme urgency the Commission may, after examining the situation, decide on the basis of all the information available to it to suspend advance fixing for a maximum of three working days.

Applications for licences accompanied by applications for advance fixing, lodged during the period of suspension shall be rejected.

Article 18

1. When the world market price exceeds the Community's intervention price provision may be made for charging a levy on exports of the sugar in question. This levy must be introduced when the cif price for white sugar or raw sugar is higher than the corresponding threshold price.

Save as otherwise provided by the Council in accordance with the procedure laid down in paragraph 3, the levy to be charged shall be that applicable on the day of exportation.

2. When the cif price for white sugar or raw sugar is higher than the corresponding threshold price, it may be decided to grant a subsidy for imports of the product in question.
3. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt general rules for the application of paragraphs 1 and 2.
4. For the products listed in Article 1(1)(b), (c), (d), (f) and (g), provisions corresponding to those of paragraph 1 and to the rules for its application may be adopted in accordance with the procedure laid down in Article 41.

5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 41.
6. The levies resulting from the application of this Article shall be fixed by the Commission.

Article 19

1. To the extent necessary to enable the products listed in Article 1(1) (a), (c) and (d) to be exported in the natural state or in the form of goods listed in Annex I to this Regulation on the basis of quotations or prices on the world market for the products listed in Article 1(1)(a) and (c), the difference between those quotations or prices and prices within the Community may be covered by an export refund.

The refund for raw sugar shall not exceed the refund for white sugar.

2. A refund may be provided for the products listed in Article 1(1)(f) and (g) which are exported in the natural state or in the form of goods listed in Annex I to this Regulation.

The level of such refund, per 100 kilograms of dry matter, shall be determined taking into account, in particular, the following:

- (a) the refund applicable to the export of products falling within subheading 17.02 B II a) of the Common Customs Tariff;
- (b) the economic aspects of the exports in question.

The refund to be applied shall be that valid on the day on which the export takes place. Advance fixing of the refund may, however, be decided upon in accordance with the procedure laid down in Article 41.

3. When the refund is being fixed, particular account shall be taken of the need to establish a balance between the use of Community basic products in the manufacture of processed goods for export to third countries and the use of the products of such countries brought in under inward processing arrangements.

The refund shall be the same for the whole of the Community. It may be varied according to destination.

The refund shall be granted at the request of the person concerned.

4. Refunds shall be fixed in accordance with the procedure laid down in Article 41:

(a) periodically

or

(b) by means of tenders.

If necessary, refunds which are fixed periodically may be modified in the interval by the Commission acting at the request of a Member State or on its own initiative.

5. When an examination of the market situation shows that there are difficulties due to the application of the provisions concerning the advance fixing of the refund, or that such difficulties could arise, a decision may be taken in accordance with the procedure laid down in Article 41 to suspend the application of these provisions for the period strictly necessary.

In a case of extreme urgency the Commission may, after examining the situation, decide on the basis of all the information available to it to suspend advance fixing for a maximum period of three working days. Applications for licences, accompanied by applications for advance fixing, lodged during the period of suspension shall be rejected.

6. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt general rules for the application of this Article.

7. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 41.

Article 20

To the extent necessary for the proper functioning of the common organization of the market in sugar, the Council, acting by a qualified majority on a proposal from the Commission, may prohibit, totally or partially, the use of inward processing arrangements in respect of:

- the products listed in Article 1(1)(a) and (d), and, in special cases,
- the products listed in Article 1(1) which are intended for the manufacture of the goods listed in Annex I.

Article 21

1. The general rules for the interpretation of the Common Customs Tariff and the special rules for its application shall apply to the tariff classification of the products covered by this Regulation; the tariff nomenclature resulting from the application of this Regulation shall be incorporated in the Common Customs Tariff.

2. Save as otherwise provided in this Regulation or where derogation therefrom is decided upon by the Council acting by a qualified majority on a proposal from the Commission, the following shall be prohibited:
 - the levying of any customs duty on the products listed in Article 1(1)(a) to (d), (f) and (g),
 - the levying of any charge having an effect equivalent to a customs duty,
 - the application of any quantitative restriction or any measure having an equivalent effect.

The restriction of import and export licences to a specified category of those entitled to receive them shall be one of the measures considered as having an effect equivalent to a quantitative restriction.

Article 22

1. If by reason of imports or exports the Community market in one or more of the products listed in Article 1(1) experiences, or is threatened with, serious disturbances likely to endanger the objectives set out in Article 39 of the Treaty, appropriate measures may be applied in trade with third countries until such disturbance or threat of disturbance has ceased to exist.

The Council, acting by a qualified majority on a proposal from the Commission, shall adopt detailed rules for the application of this paragraph and shall define the cases in which, and the limits within which, the Member States may take protective measures.

2. If the situation referred to in paragraph 1 arises the Commission shall, at the request of a Member State or on its own initiative, decide upon the necessary measures which shall then be communicated to the Member States and shall be immediately applicable.

If the Commission receives a request from a Member State it shall take a decision thereon within 24 hours of receipt of the request.

3. The measures decided upon by the Commission may be referred to the Council by any Member State within a period of three working days following the day on which they were communicated. The Council shall meet without delay. Acting by a qualified majority it may either amend or repeal the measures in question.

TITLE III

Quotas

Article 23

respect of

1. Articles 24 to 32 shall apply in/the marketing years 1981/82 to 1985/86.
2. The Council, acting in accordance with the procedure laid down in Article 43(2) of the Treaty, shall adopt before 1 November 1985 the arrangements to be applied with effect from 1 July 1986.

Article 24

To each undertaking which, during the period 1 July 1980 to 30 June 1981 utilized its basic quota as defined in Regulation (EEC) No 3330/74, there shall be allocated an A quota and a B quota.

For the purposes of this Regulation:

- (a) 'A sugar' and 'A isoglucose' mean any quantity of sugar or isoglucose the production of which is attributable to a specific marketing year and which is produced by the undertaking concerned within its A quota;
- (b) 'B sugar' and 'B isoglucose' mean any quantity of sugar or isoglucose the production of which is attributable to a specific marketing year and which is produced by the undertaking concerned outside its A quota but within the sum of its A and B quotas;
- (c) 'C sugar' and 'C isoglucose' mean any quantity of sugar or isoglucose the production of which is attributable to a specific marketing year and which is produced by the undertaking concerned outside the sum of its A and B quotas.

Article 25

1. The A quota of each sugar-producing undertaking and isoglucose-producing undertaking shall be equal to its basic quota in the period 1 July 1980 to 30 June 1981.

2. The B quota of each sugar-producing undertaking shall be established on the basis of its production of sugar between its basic and maximum quotas, recorded as such pursuant to Regulation (EEC) No 3330/74, in each of the marketing years 1975/76 to 1979/80.

The B quota of the undertaking shall be equal to the average of the three highest such annual productions, recorded as in the preceding subparagraph, in the above-mentioned marketing years.

The B quota may not, however, be less than 5% of the A quota.

3. The B quota of each isoglucose-producing undertaking shall be equal to 23.0 % of its A quota as established in accordance with paragraph 1.

The B quota may not, however, be less than the actual production of B quota isoglucose during the period 1 July 1979 to 30 June 1980.

4. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt general rules for the possible modification of quotas.
5. Not later than 1 January 1984 the Council shall, on the basis of a report by the Commission, examine the supply situation on the world market and if necessary shall,
in accordance with the procedure laid down in Article 43(2) of the Treaty, revise the B quotas referred to in paragraphs 2 and 3.
6. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 41.

Article 26

1. Subject to paragraphs 2 and 3, C sugar which is not carried forward pursuant to Article 27 and C isoglucose may not be disposed of on the Community's internal market and must be exported in the natural state before 1 January following the end of the marketing year in question.

Articles 8, 9, 18 and 19 shall not apply to this sugar or Articles 18 and 19 to this isoglucose.

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Nevertheless, to the extent necessary to fulfil obligations which would be placed on the Community by membership of the International Sugar Agreement it may be decided that all or part of the production of the C sugar in question shall be stored in advance of the period during which it must be exported. In that event Article 8(1), with the exception of the third subparagraph thereof, shall apply to the sugar in question during the period of obligatory storage.

2. Where the period of obligatory storage extends beyond the end of the marketing year in which the sugar in question was produced, a specific period for its exportation may be laid down and the possibility of carrying forward, referred to in Article 27, shall apply on conditions to be determined.
3. Exceptionally, and to the extent necessary to guarantee the Community's sugar supplies, it may be decided that Article 18 shall apply. In that event it shall be decided at the same time that the entire quantity of the C sugar in question may finally be disposed of on the internal market without the amount laid down in paragraph 4 being levied.
4. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 41.

These rules shall provide in particular for the levying of a charge on the C sugar and C isoglucose referred to in paragraph 1 in respect of which proof of its export in the natural state within the prescribed period was not furnished at a date to be determined.

Article 27

1. Each undertaking shall be free to decide to carry forward the whole or part of its production outside its A quota to the next marketing year to be treated as part of that year's production. That decision shall be irrevocable.

2. Each undertaking which takes the decision to carry forward referred to in paragraph 1 shall:
 - inform the Member State concerned, before 1 February, of the quantity being carried forward,
 - and
 - undertake to store this quantity during the period 1 February to 31 January of the following year; for this period storage costs shall be reimbursed under the provisions of Article 8.

For undertakings situated in the French departments of Guadeloupe and Martinique, however, ^{the date} /1 February in the first indent of the first subparagraph shall be replaced by 1 May, and the period 1 February to 31 January in the second indent of the same subparagraph shall be replaced by the period 1 May to 30 April of the following year.

If an undertaking's definitive production in the marketing year concerned was less than the estimate made when the decision to carry forward was taken then the quantity carried forward may, before 1 August of the next marketing year, be adjusted retroactively.

3. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 41.

These rules shall provide in particular for a charge to be levied on any sugar comprising the quantity referred to in the second indent of paragraph 2 which is disposed of during the prescribed period of storage.

Article 28

1. Before the end of each marketing year there shall be recorded:
 - estimates of the production of A and B sugar and of A and B isoglucose attributable to the marketing year in question,
 - estimates of the quantities of sugar and isoglucose disposed of for consumption within the Community during the marketing year in question,
 - an estimate of the average refund granted for the export of the surplus of the production referred to in the first indent over the consumption referred to in the second indent,

- the sum of the export refunds calculated on the basis of the data referred to in the preceding indents; this sum shall be reduced by the estimated sum of the export levies, if any, charged during the marketing year in question.

2. The sum referred to in the last indent of paragraph 1 shall be divided by the estimated total production of A and B sugar and A and B isoglucose attributable to the marketing year in question. An amount equal to this quotient shall be charged on manufacturers as a basic production levy on their production of A and B sugar and A and B isoglucose.

This levy shall not, however, exceed:

- on the sugar in question, an amount equal to 2.5% of the intervention price for white sugar,
- and
- on the B isoglucose in question, the share of the basic production levy borne by sugar manufacturers.

3. When the maximum permitted basic production levy does not fully cover the sum of the export refunds referred to in the last indent of paragraph 1, the uncovered balance shall be divided by the estimated production of B sugar and B isoglucose attributable to the marketing year in question. An amount equal to this quotient shall be charged on manufacturers as a levy on their production of B sugar and B isoglucose.

This levy shall not, however, exceed:

- on B sugar, an amount equal to 37.5% of the intervention price for white sugar,
- and
- on B isoglucose, the share of the levy on B sugar borne by sugar manufacturers.

4. The levies shall be imposed by the Member States.

5. Detailed rules for the application of this Article, and the amounts of the levies, shall be adopted in accordance with the procedure laid down in Article 41.

Article 29

1. If in respect of the 1980/81 marketing year the total losses referred to in Article 27 of Regulation (EEC) No 3330/74:

(a) are not fully covered by the receipts from the production levy then the uncovered balance shall be added to the sum of the export refunds referred to in the last indent of Article 28(1) of this Regulation in respect of the 1981/82 marketing year.

For the purpose of calculating this balance and notwithstanding the first subparagraph of Article 27(2) of Regulation (EEC) No 3330/74, the guaranteed quantity shall be considered as equal to human consumption in the Community (as constituted before the accession of Greece) during the 1980/81 marketing year expressed as a quantity of white sugar;

(b) as calculated taking account of the second subparagraph of (a), are less than the receipts from the production levy as charged then an amount equal to this difference shall be deducted from the sum of the export refunds referred to in the first subparagraph of (a).

2. For the purpose of applying Article 28 the estimated quantities referred to in the first and second indents of paragraph 1 of that Article shall be adjusted in respect of each of the marketing years 1982/83 to 1985/86 by the difference recorded in respect of the immediately preceding marketing year between the estimated quantities and the corresponding quantities as finally established.

In addition, the sums of the export refunds referred to in the fourth indent of Article 28(1) shall be adjusted so that subject to paragraph 1 and taking account of export levies they correspond cumulatively to the result of multiplying the total quantities taken into account by the weighted average of all the export refunds granted since 1 July 1981.

3. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 41.

Article 30

1. In contracts for the delivery of beet for the manufacture of sugar, beet shall be differentiated according to whether the quantities of sugar to be manufactured from it are:
 - (a) A sugar,
 - (b) B sugar,
 - (c) sugar other than A and B sugars.

In respect of each undertaking, sugar manufacturers shall inform the Member State in which the undertaking concerned produces sugar of the following:

- the quantities of beet referred to under (a) for which pre-sowing contracts were signed and the sugar content on which these contracts were based, and
- the corresponding estimated yield.

The Member States may require additional information.

2. Notwithstanding Article 6(2)(b) and Article 32, any sugar manufacturer who has not signed pre-sowing delivery contracts for a quantity of beet equal to the A quota at the minimum price for A beet shall be required to pay this minimum price for all beet processed into sugar by the undertaking concerned.

Nevertheless, for a given marketing year the provisions of the preceding subparagraph shall not apply to the manufacturer concerned if before sowing began in that marketing year the beet sellers representing at least 60% of the total quantity of beet bought by that manufacturer during the preceding marketing year so requested the Member State on whose territory the undertaking concerned is situated. The Member State shall so inform the Commission without delay.

3. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt general rules for the application of this Article.

4. Detailed rules for the application of this Article, and, if necessary, the criteria to be observed by manufacturers when dividing between beet sellers the beet quantities to be covered by pre-sowing contracts within the meaning of paragraph 1, shall be adopted in accordance with the procedure laid down in Article 41.

Article 31

1. It may be decided that sugar and isoglucose intended for the manufacture of products other than food products shall not be considered as production within the meaning of this Title. In that case the conditions subject to which Articles 8, 9, 18 and 19 shall apply to this sugar or Articles 18 and 19 to this isoglucose may be decided upon.
2. The Council, acting by a qualified majority on a proposal from the Commission, shall determine the general rules for the application of paragraph 1 and the products and conditions referred to in that paragraph.
3. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 41.

Article 32

1. Sugar manufacturers may buy beet intended for the production by the undertaking concerned of C sugar or of the sugar referred to in Article 31 at a price lower than the minimum prices for beet referred to in Article 5(1).
2. Nevertheless, in respect of the quantity of purchased beet corresponding to the quantity of sugar:
 - disposed of on the internal market pursuant to Article 26(3),
 - or
 - carried forward to the following marketing year pursuant to Article 27,

the sugar manufacturers concerned shall adjust the purchase price so that it is at least equal to the minimum price for A beet.

3. If necessary, detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 41.

TITLE IV

Preferential imports

Article 33

Articles 34 to 37 shall apply to cane sugar, raw or white, hereinafter referred to as 'preferential sugar', which falls within heading No 17.01 of the Common Customs Tariff, which originates in the States, countries and territories listed in Annex II, and which is imported into the Community pursuant to:

- (a) Protocol No 3 on ACP sugar annexed to the ACP-EEC Convention of Lomé, signed on 28 February 1975;
- (b) Council Decision 75/614/EEC of 25 February 1975 on imports of cane sugar originating in the overseas countries and territories (OCT); and
- (c) the Agreement of 15 July 1975 between the European Economic Community and the Republic of India on cane sugar.

Article 34

Where the quality of preferential sugar purchased by intervention agencies or by other agents appointed by the Community differs from the standard quality the guaranteed prices shall be adjusted by means of price increases and reductions.

Article 35

1. The levy provided for in Article 16 shall not apply to imports of preferential sugar.
2. The prohibitions referred to in Article 21(2) shall not be derogated from in any circumstances in respect of preferential sugar.

Article 36

1. Where there is a difference between, on the one hand, the raw sugar refining margin taken into account in the determination of the intervention and threshold price for raw sugar and, on the other hand, the margin necessary for the refining of raw preferential sugar, a differential charge fixed for the marketing year in question shall be made on the latter sugar when it is put into free circulation.
2. By way of derogation from paragraph 1 :
 - (a) the charge shall not be made on :
 - raw preferential sugar which is not intended for refining and which falls within subheading 17.01 B. II of the Common Customs Tariff, or
 - raw preferential sugar, other than that referred to in the first indent, which is intended for refining in a refinery and which is subject to the lodging of a deposit equal to the differential charge;
 - (b) provision may be made for the non-application of the whole of the charge, or part of the charge, to any raw preferential sugar which is imported into regions of the Community to be determined and which is refined in a unit other than a refinery.
3. For the purposes of this Article "refinery" means a production unit whose sole activity consists of refining either raw sugar or syrups produced prior to the crystallizing stage.

Article 37

1. The Council, acting by a qualified majority on a proposal from the Commission, shall :
 - (a) adopt general rules for the application of this Title and, in particular, those for the implementation of the texts referred to in Article 33 ;
 - (b) fix the differential charge referred to in Article 36(1) and the conditions for the application of Article 36(2)(b).
2. Detailed rules for the application of this Title shall be adopted in accordance with the procedure laid down in Article 41.

TITLE V
General provisions

Article 38

Provisions necessary to prevent the market in sugar being disturbed as a result of an alteration in price levels at the changeover from one marketing year to the next may be adopted in accordance with the procedure laid down in Article 41.

Article 39

The Member States and the Commission shall communicate to each other the information necessary to implement this Regulation.

Rules for communicating and distributing this information shall be adopted in accordance with the procedure laid down in Article 41.

Article 40

1. A Management Committee for Sugar (hereinafter referred to as 'the Committee') shall be established, consisting of representatives of the Member States and presided over by a representative of the Commission.
2. Within the Committee the votes of the Member States shall be weighted in accordance with Article 148(2) of the Treaty. The chairman shall not vote.

Article 41

1. When the procedure laid down in this Article is to be followed, the chairman shall refer the matter to the Committee either on his own initiative or at the request of the representative of a Member State.
2. The representative of the Commission shall submit a draft of the measures to be taken. The Committee shall deliver its opinion on such measures within a time limit to be set by the chairman according to the urgency of the questions under consideration. An opinion shall be adopted by a majority of 45 votes.
3. The Commission shall adopt measures which shall apply immediately. Nevertheless, if these measures are not in accordance with the opinion of the Committee, they shall forthwith be communicated to the Council by the Commission. In that event the Commission may defer application of the measures which it has adopted for not more than one month from the date of such communication.

The Council, acting by a qualified majority, may take a different decision within one month.

Article 42

The Committee may consider any other question referred to it by its chairman either on his own initiative or at the request of the representative of a Member State.

Article 43

Goods listed in Article 1(1) which are manufactured or obtained from products to which Articles 9(2) and 10(1) of the Treaty do not apply shall not be admitted to free circulation within the Community.

Article 44

Save as otherwise provided in this Regulation, Articles 92, 93 and 94 of the Treaty shall apply to the production of, and trade in, the products listed in Article 1(1).

Article 45

This Regulation shall be applied so that, at the same time, account is taken of the objectives set out in Articles 39 and 110 of the Treaty.

Article 46

1. During the marketing years 1981/82 to 1984/85 the Italian Republic and the French Republic shall be authorized to grant adaptation aids on the conditions laid down in paragraphs 2 and 3 to sugar beet producers, sugar cane producers and sugar producers who benefitted during the 1980/81 marketing year from the aid authorization given by Article 3 of Regulation (EEC) No 1592/80.

2. In Italy such aid may be granted only in respect of a maximum quantity of 1 400 000 tonnes of white sugar.

In respect of the 1981/82 marketing year the total amount of aid for beet producers and sugar producers shall not exceed 8,18 ECU per 100 kilograms of white sugar.

In respect of each of the other marketing years concerned the maximum total amount of aid shall be equal to the maximum total amount applicable in respect of the immediately preceding marketing year reduced by 2.05 ECU.

3. In France such aid may be granted only in respect of a maximum quantity of 466 000 tonnes of white sugar produced in the French overseas departments.

In respect of the 1981/82 marketing year the total amount of aid for cane producers and sugar producers shall not exceed 4.83 ECU per 100 kilograms of white sugar.

In respect of each of the other marketing years concerned the maximum total amount of aid shall be equal to the maximum total amount applicable in respect of the immediately preceding marketing year reduced by 1.21 ECU.

Article 47

Should special measures be necessary for the implementation within the framework of this Regulation of obligations which would arise from Community membership of the International Sugar Organization, the Council, acting by a qualified majority on a proposal from the Commission, shall adopt such measures, which may derogate from the provisions of this Regulation:

Article 48

Should transitional measures be necessary to facilitate transition to the system established by this Regulation, in particular if the introduction of the new system on the date provided for would give rise to substantial difficulties, such measures shall be adopted in accordance with the procedure laid down in Article 47. They shall be applicable until 30 June 1982 at the latest.

Article 49

1. This Regulation shall enter into force on

1981.

2. It shall apply with effect from 1 July 1981 with the exception of Articles 47 and 48, which shall apply immediately upon the entry into force of this Regulation, and of Articles 7, 24, 25 and 30 which shall apply with effect from the same date for production in the 1981/82 marketing year.

3. Regulations (EEC) No 3330/74 and (EEC) No 1111/77 shall be repealed with effect from 1 July 1981.

4. Citations and references to Regulations (EEC) No 3330/74 and (EEC) No 1111/77 contained in the acts adopted in implementation of those Regulations must be understood as references to this Regulation.

Citations and references to Articles of the said Regulations are to be read in conjunction with the table of equivalence given in Annex III to this Regulation.

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

Done at Brussels,

For the Council

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ANNEX I

CCT heading No	Description
13.03	Vegetable saps and extracts; pectic substances, and pectates, agar-agar and other mucilages and thickeners, derived from vegetable products: C. Agar-agar and other mucilages and thickeners, derived from vegetable products: ex III. Other: - Carrageenan
17.04	Sugar confectionery, not containing cocoa: B. Chewing gum C. White chocolate D. Other
18.06	Chocolate and other food preparations containing cocoa
19.02	Malt extract; preparations of flour, starch or malt extract, of a kind used as infant food or for dietetic or culinary purposes, containing less than 50% by weight of cocoa: B. Other
19.05	Prepared foods obtained by the swelling or roasting of cereals or cereal products (puffed rice, corn flakes and similar products)
19.08	Pastry, biscuits, cakes and other fine bakers' wares, whether or not containing cocoa in any proportion
ex 21.02	Extracts, essences or concentrates, of coffee, tea or maté and preparations with a basis of those extracts, essences or concentrates
21.04	Sauces; mixed condiments and mixed seasonings

CCT Heading No	Description
ex 21.07	Food preparations not elsewhere specified or included with the exception of flavoured or coloured sugar syrups, falling within subheading 21.07 F
22.02	Lemonade, flavoured spa waters and flavoured aerated waters, and other non-alcoholic beverages, not including fruit and vegetable juices falling within heading No 20.07
22.06	Vermouth, and other wines of fresh grapes flavoured with aromatic extracts
22.09	Undenatured spirits of an actual alcoholic strength by volume of 80% or more; liqueurs and other spirituous beverages; compound alcoholic preparations (known as 'concentrated extracts') for the manufacture of beverages: C. Spirituous beverages: V. Other
29.04	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives: C. Polyhydric alcohols: II. D-Mannitol (mannitol) III. D-Glucitol (sorbitol)
29.15	Polycarboxylic acids and their anhydrides, halides, peroxides and peracids, and their halogenated, sulphonated, nitrated or nitrosated derivatives: A. Acyclic polycarboxylic acids: ex V. Other: - Itaconic acid and its salts and esters

CCT Heading No	Description
29.16	<p>Carboxylic acids with alcohol, phenol, aldehyde or ketone function and other single or complex oxygen-function carboxylic acids and their anhydrides, halides, peroxides and peracids, and their halogenated sulphonated, nitrated or nitrosated derivatives:</p> <p>A. Carboxylic acids with alcohol function:</p> <p> I. Lactic acid and its salts and esters</p> <p> IV. Citric acid and its salts and esters</p> <p>ex VIII. Other:</p> <p> - Glyceric acid, glycolic acid, saccharic acid, isosaccharic acid, heptasaccharic acid, their salts and esters</p>
29.35	<p>Heterocyclic compounds; nucleic acids:</p> <p>ex Q. Other:</p> <p> - Intermediate products from the chemical transformation of penicillin into antibiotics falling within subheading 29.44 A or C</p>
29.38	<p>Provitamins and vitamins, natural or reproduced by synthesis (including natural concentrates), derivatives thereof used primarily as vitamins, and intermixtures of the foregoing, whether or not in any solvent:</p> <p>B. Vitamins, unmixed, whether or not in aqueous solution:</p> <p> ex II. Vitamin B₁₂</p> <p> IV. Vitamin C</p>

CCT Heading No	Description
29.43	Sugars, chemically pure, other than sucrose, glucose and lactose; sugar ethers and sugar esters, and their salts, other than products of heading Nos 29.39, 29.41 and 29.42: ex B. Other: - Levulose and its salts and esters
29.44	Antibiotics: A. Penicillins C. Other antibiotics
30.03	Medicaments (including veterinary medicaments): A. Not put up in forms or in packings of a kind sold by retail: II. Other: a) Containing penicillin, streptomycin or their derivatives: 1. Containing penicillin, or its derivatives ex b) Containing antibiotics or derivatives thereof with the exception of those falling under a)
38.19	Chemical products and preparations of the chemical or allied industries (including those consisting of mixtures of natural products), not elsewhere specified or included; residual products of the chemical or allied industries, not elsewhere specified or included:

CCT Heading No	Description
38.19 contd.	Q. Foundry core binders based on synthetic resins T. D-Glucitol (sorbitol), other than that falling within subheading 29.04 C III ex U. Other: - Cracking products of D-glucitol (sorbitol)
39.06	Other high polymers, artificial resins and artificial plastic materials, including alginic acid, its salts and esters; linoxyn: ex B. Other: - Dextrans - Heteropolysaccharides

ANNEX II

States, countries and territories referred to in Article 33

Barbados

Belize

Fiji

Guyana

India

Jamaica

Kenya

Madagascar

Malawi

Mauritius

People's Republic of the Congo

St Kitts-Nevis-Anguilla

Surinam

Swaziland

Tanzania

Trinidad and Tobago

Uganda

ANNEX III

Table of equivalence

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Article 20	Article 20
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Article 24(3)	Article 25(4)
Article 24(4)	Article 25(6)
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Article 26(2), subparagraph 2	Article 26(3)
Article 26(3)	Article 26(4)

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