

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(94) 426 final
Brussels, 18.10.1994

94/0237 (ACC)

Proposal for a

COUNCIL DECISION

on the conclusion of the Agreements in the form of an exchange of letters between the European Community and, on the one hand, Barbados, Belize, the Republic of the Congo, Fiji, the Cooperative Republic of Guyana, the Republic of the Ivory Coast, Jamaica, the Republic of Kenya, the Republic of Madagascar, the Republic of Malawi, Mauritius, the Republic of Surinam, St. Christopher and Nevis, the Kingdom of Swaziland, the United Republic of Tanzania, Trinidad and Tobago, the Republic of Uganda, the Republic of Zimbabwe and, on the other hand, the Republic of India on the guaranteed prices for cane sugar for the 1993/94 delivery period

(presented by the Commission)

[REDACTED]

EXPLANATORY MEMORANDUM

1. Protocol No 8 on ACP sugar annexed to the Fourth ACP-EEC Convention and the agreement on sugar between the European Community and the Republic of India provide for a Community undertaking to purchase and import at guaranteed prices cane sugar which the exporting countries concerned cannot market in the Community at prices equivalent to or higher than the guaranteed prices.
2. For the 1993/94 delivery period, the Commission has negotiated guaranteed prices with the ACP States and the Republic of India pursuant to Articles 5(4) of Protocol No 8 on ACP sugar and the agreement with India on cane sugar as well as in conformity with the guidelines for negotiations given by the Council on 19.7.1993.
3. The Commission therefore proposes that the Council adopt the proposal for a decision on the conclusion of the agreements in the form of an exchange of letters as set out in Annex 1.
4. Financial impact: These proposals have no financial impact other than that taken into account within the framework of the 1993 budget and the 1994 preliminary draft budget (see financial statement accompanying the recommendation for a Council decision authorizing the Commission to negotiate the guaranteed prices for 1993/94).

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 113 thereof,

Having regard to the proposal from the Commission,


Whereas implementation of Protocol 8 on ACP Sugar annexed to the Fourth ACP-EEC Convention⁽¹⁾ and of the Agreement between the European Community and the Republic of India on cane sugar⁽²⁾ is carried out, in accordance with Article 1(2) of each, within the framework of the management of the common organization of the sugar market,

Whereas it is appropriate to approve the Agreements in the form of exchange of letters between the European Community and, on the one hand, the States referred to in the Protocol and, on the other hand, the Republic of India on the guaranteed prices for cane sugar for the 1993/94 delivery period,

HAS DECIDED AS FOLLOWS:

(1) OJ No L 299, 17.8.1991, p. 1.

(2) OJ No L 190, 22.7.1975, p. 35. - 3 -


Article 1

The Agreements in the form of exchange of letters between the European Community and, on the one hand, Barbados, Belize, the Republic of the Congo, Fiji, the Cooperative Republic of Guyana, the Republic of the Ivory Coast, Jamaica, the Republic of Kenya, the Republic of Madagascar, the Republic of Malawi, Mauritius, the Republic of Surinam, St. Christopher and Nevis, the Kingdom of Swaziland, the United Republic of Tanzania, Trinidad and Tobago, the Republic of Uganda, the Republic of Zimbabwe and, on the other hand, the Republic of India on the guaranteed prices for cane sugar for the 1993/94 delivery period are hereby approved on behalf of the Community.

The text of the Agreement is attached to this Decision.

Article 2

The President of the Council is hereby authorized to designate the person empowered to sign the Agreements referred to in Article 1 in order to bind the Community.

Article 3

This Decision will be published in the Official Journal of the European Communities.

Done at Brussels,

For the Council

AGREEMENT

in the form of exchange of letters between the European Community and, on the one hand, Barbados, Belize, the Republic of the Congo, Fiji, the Cooperative Republic of Guyana, the Republic of the Ivory Coast, Jamaica, the Republic of Kenya, the Republic of Madagascar, the Republic of Malawi, Mauritius, the Republic of Surinam, St. Christopher and Nevis, the Kingdom of Swaziland, the United Republic of Tanzania, Trinidad and Tobago, the Republic of Uganda, the Republic of Zimbabwe and, on the other hand, the Republic of India on the guaranteed prices for cane sugar for the 1993/94 delivery period.

Letter No 1

1. The representatives of the ACP States referred to in Protocol 8 on ACP sugar annexed to the Fourth ACP-EEC Convention of Lomé and of the Commission on behalf of the European Community, have agreed, pursuant to the provisions of the said Protocol, on the following:

For the delivery period 1 July 1993 to 30 June 1994, the guaranteed prices referred to in Article 5(4) of the Protocol shall, for the purpose of intervention within the terms of Article 6 of the Protocol, be:

- | | |
|---------------------|------------------------------|
| (a) for raw sugar | ECU 43,37 per 100 kilograms; |
| (b) for white sugar | ECU 53,54 per 100 kilograms. |

2. These prices shall refer to sugar of standard quality as defined in Community legislation, unpacked, cif, free out of European ports of the Community. The introduction of these prices in no way prejudices the respective positions of the Contracting Parties in respect of the principles appertaining to the determination of the guaranteed prices.

I should be obliged if you would acknowledge receipt of this letter and confirm that this letter and your reply constitute an Agreement between the Governments of the abovementioned ACP States and the Community.

Please accept, Sir, the assurance of my highest consideration.

For the Council
of the European Union

Letter No 2

Sir,

I have the honour to acknowledge receipt of your letter of today which reads as follows:

"....."

I have the honour to confirm the agreement of the Governments of the ACP States referred to in this letter with the foregoing.

Please accept, Sir, the assurance of my highest consideration.

For the Governments

AGREEMENT

in the form of an exchange of letters between the European Community and the Republic of India on the guaranteed prices for cane sugar for 1993/94

Letter No 1

Brussels,

Sir,

1. The Representatives of India and of the Commission, on behalf of the European Community, have agreed within the framework of the negotiations provided for in Article 5(4) of the Agreement between the European Community and the Republic of India on cane sugar, on the following:

- for the period 1 July 1993 to 30 June 1994 the guaranteed prices referred to in Article 5(4) of the Agreement shall, for the purpose of intervention within the terms of Article 6 of the Agreement, be:
 - (a) for raw sugar ECU 43,37 per 100 kilograms;
 - (b) for white sugar ECU 53,54 per 100 kilograms.

These prices shall refer to sugar of standard quality as defined in Community legislation, unpacked, cif, free out of European ports of the Community. The introduction of these prices in no way prejudices the respective positions of the Contracting Parties in respect of the principles appertaining to the determination of the guaranteed prices.

I should be obliged if you would acknowledge receipt of this letter and confirm that this letter and your reply constitute an Agreement between your Government and the Community.

Yours faithfully,

For the Council of the
European Union

Sir,

I have the honour to acknowledge receipt of your letter of today which reads as follows:

"....."

I have the honour to confirm the agreement of my Government with the foregoing.

Please accept, Sir, the assurance of my highest consideration.

For the Government of
the Republic of India

FINANCIAL STATEMENT

DATE: [REDACTED]

1. BUDGET HEADING: 11

APPROPRIATIONS: ECU 2.088 million

2. TITLE:

Recommendation for a Decision of the Council to authorize the Commission to negotiate the guaranteed prices applicable in the 1993/94 delivery period to cane sugar originating in the ACP States referred to in Protocol 8 annexed to the Fourth EEC-ACP Convention and in India.

3. LEGAL BASIS: Article 113 of the Treaty

4. AIMS OF PROJECT:

To guarantee cif prices for the ACP States and the Republic of India for their deliveries of white sugar and raw cane sugar to the Community which are comparable with the prices guaranteed to sugar producers in the Community for the 1993/94 delivery period.

5. FINANCIAL IMPLICATIONS	Period of 12 months	Current Financial Year	Following Financial Year	
	ECU million	1993 ECU million	1994	1998
5.0 EXPENDITURE				
- CHARGED TO THE EC BUDGET				
- (REFUNDS/INTERVENTION)				
- NATIONAL ADMINISTRATION				
- OTHER	670	-		617
5.1 REVENUE				
	1995	1996	1997	1998
5.0.1 ESTIMATED EXPENDITURE	53	-	-	-
5.1.1 ESTIMATED REVENUE				

5.2 METHOD OF CALCULATION:

1,3 million t x ECU 420/t (refunds) x 1,207 (DT) = ECU 659 million (B)
 1,3 million t x ECU 5,8/t (refining aid) x 1,207 (DT) = ECU 9,1 million (B)
 1,1 million t x ECU 4,5/t (aid to UK) x 25% x 1,207 (DT) = ECU 1,5 million (B)

 ECU 669,6 million (B)

In 1994: ECU 659 million x 0,92 (export coefficient) + (9,1 + 1,5) Mio ECU = ECU 616,9 million (B)

In 1996: ECU 659 million x 0,08 (export coefficient) = ECU 52,7 million (B)

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

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

6.2 IS A SUPPLEMENTARY BUDGET NECESSARY? NO

6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY? (1994) YES

OBSERVATIONS:

This is an implementing regulation under Protocol 8 annexed to the Fourth Lomé Convention. Accordingly, it has no new financial impact compared with the previous situation. The cost of re-exporting equivalent quantities of Community sugar and of aid for the refining of raw sugar, estimated at ECU 670 million, will be taken into account in the 1994 preliminary draft budget. Furthermore, the lowering of the level of the refining aid from ECU 15.8/t to ECU 5.8/t results in a saving of 1.3 million tonnes x (15.8 - 5.8) ECU/t x 1,207 (DR) = ECU 15,7 million (B), the cost first estimated in the 1994 PDB.

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