



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 02.06.1999
COM(1999)267 final

99/ 0118 (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 Côte d'Ivoire, Jamaica, the Republic of Kenya, the Republic of Madagascar, the Republic of Malawi, the Republic of Mauritius, the Republic of Surinam, Saint Christopher and Nevis, the Kingdom of Swaziland, the United Republic of Tanzania, the Republic of Trinidad and Tobago, the Republic of Uganda, the Republic of Zambia and the Republic of Zimbabwe and, on the other hand, the Republic of India on the guaranteed prices for cane sugar for the 1998/1999 delivery period

(presented by the Commission)

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 1998/1999 delivery period, the Commission has negotiated guaranteed prices with the ACP States and the Republic of India pursuant to Article 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 23.11.1998.
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 1999 budget.

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THE COUNCIL OF THE EUROPEAN UNION,

having regard to the Treaty establishing the European Community, and in particular Article 133, in conjunction with the first sentence of Article 300(2), thereof,

having regard to the proposal from the Commission,

- (1) whereas implementation of Protocol 8 on ACP Sugar annexed to the Fourth ACP-EEC Convention¹ and of the Agreement between the European Economic Community and the Republic of India on cane sugar² is carried out, in accordance with Article 1(2) of each, within the framework of the management of the common organisation of the sugar market;
- (2) whereas it is appropriate to approve the Agreements in the form of an Exchange of Letters between the 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 1998/1999 delivery period,

HAS DECIDED AS FOLLOWS:

¹ OJ L 229, 17.8.1991, p. 216.

² OJ L 190, 22.7.1985, p. 35.

Article 1

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 Côte d'Ivoire, Jamaica, the Republic of Kenya, the Republic of Madagascar, the Republic of Malawi, the Republic of Mauritius, the Republic of Surinam, Saint Christopher and Nevis, the Kingdom of Swaziland, the United Republic of Tanzania, the Republic of Trinidad and Tobago, the Republic of Uganda, the Republic of Zambia and the Republic of Zimbabwe and, on the other hand, the Republic of India on the guaranteed prices for cane sugar for the 1998/1999 delivery period are hereby approved on behalf of the Community.

The text of the Agreements is attached to this Decision.

Article 2

The President of the Council is hereby authorised 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
The President

ANNEX

Text No I

AGREEMENT IN THE FORM OF AN EXCHANGE OF LETTERS

BETWEEN THE EUROPEAN COMMUNITY AND BARBADOS, BELIZE, THE REPUBLIC OF THE CONGO, FIJI, THE COOPERATIVE REPUBLIC OF GUYANA, THE REPUBLIC OF CÔTE D'IVOIRE, JAMAICA, THE REPUBLIC OF KENYA, THE REPUBLIC OF MADAGASCAR, THE REPUBLIC OF MALAWI, THE REPUBLIC OF MAURITIUS, THE REPUBLIC OF SURINAM, SAINT CHRISTOPHER AND NEVIS, THE KINGDOM OF SWAZILAND, THE UNITED REPUBLIC OF TANZANIA, THE REPUBLIC OF TRINIDAD AND TOBAGO, THE REPUBLIC OF UGANDA, THE REPUBLIC OF ZAMBIA AND THE REPUBLIC OF ZIMBABWE ON THE GUARANTEED PRICES FOR CANE SUGAR FOR THE 1998/1999 DELIVERY PERIOD

A. Letter No 1

Brussels,

Sir,

The representatives of the ACP States referred to in Protocol 8 on ACP sugar annexed to the Fourth ACP-EEC Convention and of the Commission, acting 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 1998 to 30 June 1999, 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: EUR 52,37 per 100 kilograms,
- (b) for white sugar: EUR 64,65 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 the Governments of the above mentioned ACP States and the Community.

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

On behalf of the Council
of the European Union

B. Letter No 2

Brussels,

Sir,

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

"The representatives of the ACP States referred to in Protocol 8 on ACP sugar annexed to the Fourth ACP-EEC Convention and of the Commission, acting 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 1998 to 30 June 1999, 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: EUR 52,37 per 100 kilograms,
- (b) for white sugar: EUR 64,65 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 the Governments of the above mentioned ACP States and the Community."

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
of the ACP States
referred to in Protocol 8

Text No II

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 THE 1998/1999 DELIVERY PERIOD

A. Letter No 1

Brussels,

Sir,

The Representatives of India and of the Commission, acting 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 Economic Community and the Republic of India on cane sugar, on the following:

For the delivery period 1 July 1998 to 30 June 1999, 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: EUR 52,37 per 100 kilograms,
- (b) for white sugar: EUR 64,65 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.

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

On behalf of the Council
of the European Union

B. Letter No 2

Brussels,

Sir,

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

The Representatives of India and of the Commission, acting 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 Economic Community and the Republic of India on cane sugar, on the following:

For the delivery period 1 July 1998 to 30 June 1999, 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: EUR 52,37 per 100 kilograms,
- (b) for white sugar: EUR 64,65 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."

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

FINANCIAL STATEMENT					
1. BUDGET HEADING: B1-11		APPROPRIATIONS: EUR 1 937 million			
2. TITLE: 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, the ACP States and, on the other hand, the Republic of India on the guaranteed prices for cane sugar for the 1998/1999 delivery period.					
3. LEGAL BASIS: Article 133 of the Treaty					
4. AIMS: 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 1998/1999 delivery period.					
5. FINANCIAL IMPLICATIONS		PERIOD OF 12 MONTHS (EUR million)	CURRENT FINANCIAL YEAR (1999) (EUR million)	FOLLOWING FINANCIAL YEAR (2000) (EUR million)	
5.0 EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTION) - NATIONAL AUTHORITIES - OTHER		672	672		
5.1 REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL					
		2001	2002	2003	2004
5.0.1 ESTIMATED EXPENDITURE		-	-	-	-
5.1.1 ESTIMATED REVENUE					
5.2 METHOD OF CALCULATION:					
1.3 million t x EUR 490/t (refunds)		=	EUR 637	million (B)	
1.2 million t x EUR 29.2/t (refining aid)		=	<u>EUR 35.04</u>	million (B)	
			EUR 672.04	million (B)	
6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS 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 WILL A SUPPLEMENTARY BUDGET BE NECESSARY?					YES / NO
6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY?					YES / NO
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, will be taken into account in the 1999 budget.					