



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 21.03.1997
COM(97) 114 final

97/ 0109 (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 Suriname,
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 1996/97 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 1996/97 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 22.9.1996.
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 1997 budget.

Proposal for a

COUNCIL DECISION (EC) N. _____

of

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 Suriname, 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 1996/97 delivery period

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 113, in conjunction with the first sentence of Article 228(2), 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 Economic 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 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 1996/97 delivery period,

HAS DECIDED AS FOLLOWS:

⁽¹⁾ OJ No L 229, 17.8.1991, p. 216.

⁽²⁾ OJ No L 190, 22.7.1975, 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 Suriname, 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 1996/97 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 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

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 SURINAME,
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 1996/97 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 1996 to 30 June 1997, 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 52,37 per 100 kilograms;
- (b) for white sugar: ECU 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 abovementioned 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 1996 to 30 June 1997, 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 52,37 per 100 kilograms;
- (b) for white sugar: ECU 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 abovementioned 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**

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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 1996/97 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 1996 to 30 June 1997, 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 52,37 per 100 kilograms;
- (b) for white sugar: ECU 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 1996 to 30 June 1997, 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 52,37 per 100 kilograms;
- (b) for white sugar: ECU 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

APPROPRIATIONS:
ECU 1.833,5 million

1. BUDGET HEADING: 11

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 1996/97 delivery period.

3. LEGAL BASIS: Article 113 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 1996/97 delivery period.

5. FINANCIAL IMPLICATIONS:	PERIOD OF 12 MONTHS (ECU million)	CURRENT FINANCIAL YEAR (97) (ECU million)	FOLLOWING FINANCIAL YEAR (98) (ECU million)
5.0. EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTION) - NATIONAL AUTHORITIES - OTHER	648,4	616,0	32,4
5.1. REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL			
	1999	2000	2001
5.0.1. ESTIMATED EXPENDITURE	-	-	-
5.1.1. ESTIMATED REVENUE			2002

5.2. METHOD OF CALCULATION:
 1,3 million t x ECU 470/t (refunds) x 1,009 (DT) = ECU 616,5 million (B)
 1,3 million t x ECU 24,2/t (refining aid) x 1,014 (DT) = ECU 31,9 million (B)

 ECU 648,4 million (B)
 95% of the expenditure is to be charged to the 1997 financial year and 5% to the 1998 financial year.

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? YES/NO

6.2. WILL A SUPPLEMENTARY BUDGET BE NECESSARY? NO

6.3. WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY? 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, will be taken into account in the 1997 budget.

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DOCUMENTS

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