

COMMISSION OF THE EUROPEAN COMMUNITIES

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REPORT FROM THE COMMISSION

STABEX

1992 application year

Report prepared by the Commission in application
of Article 194 (4) of the Fourth ACP-EEC Convention

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Article 194 (4) of the Fourth ACP-EEC Convention provides that :

"If, after the reduction referred to in paragraph 2, the total amount of the transfers which may give rise to a payment exceeds the amount of the available resources, the Council of Ministers shall evaluate the situation on the basis of a Commission report on the probable development of the system and shall examine the steps to be taken to remedy the situation within the terms of the Convention."

This is the Commission report in reference.

1. FINANCIAL SITUATION

- 1.1. After the processing of requests and taking account of the Consultations proposed in application of Article 203, the total amount of transfer bases comes to an order of magnitude of 849 million ecus.
- 1.2. Application of Article 194 (2) reduces the figure for the transfers which may give rise to a payment to an amount of roughly 764 million ecus.
- 1.3. The resources available for the 1991 application year are made up of the following elements (in ecus) :

1.3.1.	1992 annual instalment, reduced by 25 % arising from the automatic advance use from 1991 for the 1990 exercise,	225,000,000 ECU
1.3.2.	automatic advance use of 25 % of the instalment for the year of application 1993 (Art. 194 (1))	75,000,000 ECU
1.3.3.	approximate amount, at 30.6.1993, of interest made available in application of Article 192	30,000,000 ECU
	Total	<u>330,000,000 ECU</u>

The difference between the amount mentioned at paragraph 1.2 and the total given at paragraph 1.3 is in the order of magnitude of 434 million ecus.

2. PROBABLE EVOLUTION OF THE SYSTEM

The pressures to which the Stabex system has been subject during 1992 have once again been severe, but slightly less pronounced than for the previous application year. They have been generated principally by two products, coffee and cocoa. The rules for the calculation of reference levels, on the one hand, and the forecasts currently available concerning the world prices of the principal products covered by the system, on the other, lead to the conclusion that the tendency towards an improvement of the financial situation of the system, which has already become apparent, will persist and become more pronounced in the years to come.

3. STEPS TO BE TAKEN

- 3.1. At its session of 17 and 18 May 1993, the ACP-EEC Council of Ministers decided to delegate to the ACP-EEC Committee of Ambassadors the power to evaluate the situation and to take the appropriate decision (Article 194 (4)).
- 3.2. The Commission wishes, therefore, that the deliberations of the Committee of Ambassadors take place as quickly as possible, in order that the signature of the transfer agreements relating to the 1992 exercise should, in accordance with the objectives of the system, be signed as soon as possible. The Commission will not fail to play its part in arriving at this result.