

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(82) 232 final

Brussels, 6 May 1982

COMMISSION FROM THE COMMISSION TO THE COUNCIL

concerning the request by the Republic of Vanuatu to benefit from the provisions of Article 46 § 3, within the system for the stabilization of export earnings instituted by the Second Lomé Convention

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concerning the request by the Republic of Vanuatu to benefit from the provisions of Article 46 § 3, within the system for the stabilization of export earnings instituted by the Second Lomé Convention.

- 1) By letter dated 26 March 1981, the ACP Group informed the Communities of a request by the Republic of Vanuatu to benefit from all-destinations coverage for its exports of those commodities eligible under Stabex.
- 2) In support of its request, the Government of Vanuatu likens its situation to that of neighbouring islands which benefit from all-destinations coverage.
- 3) Article 23 provides that the Stabex provisions shall operate to stabilize earnings "derived from the ACP states' exports to the Community ...".
- 4) Article 46 § 3 provides that "in the case of certain ACP States which do not send the bulk of their exports to the Community, the Council of Ministers may decide, by way of derogation from Articles 24 and 30, that the system shall apply to their exports of the products in question whatever their destination".
- 5) The provisions of Article 46 § 3 can therefore be seen as granting an important derogation to the general intent of the system, and should consequently be applied with restraint.
- 6) The attached table shows the trend of exports in the three major export commodities covered by Stabex during the period 1977 to 1981. It can be seen that on average the following proportions of total exports in each commodity have been sent to the Community :

- copra	89 %
- cocoa beans	90 %
- coconut oil	100 %

7) On the basis of the evidence provided by this table, the bulk of Vanuatu's exports are already covered by the normal provisions governing Stabex.

IN CONCLUSION

It is proposed that at the meeting of the Council of Ministers ACP/EEC the Council of the European Communities adopt the position that it is inappropriate to grant the benefits of the provisions of Article 46 § 3 to the Republic of Vanuatu.

VANUATU Exports to (in t)	1977			1978			1979			1980			1981		
	EEC	all dest.	% of total to EEC	EEC	all dest.	% of total to EEC	EEC	all dest.	% of total to EEC	EEC	all dest.	% of total to EEC	EEC	all dest.	% of total to EEC
Copra	35,932	43,881	82	31,867	44,879	71	39,320	39,820	100	26,432	26,733	99	46,563	47,563	99
Cocoa	846	846	100	995	1,096	91	483	556	87	576	723	80	803	878	91
Coconut oil	-	-	-	1,788	1,788	100	2,491	2,491	100	1,312*	1,312	100	-	-	-

* Oil mill ceased production since April 1980; destroyed by fire. Not expected to resume production in next 3 - 4 years.