

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(80) 626 final

Brussels, 28th October 1980

COMMISSION REPORT TO THE COUNCIL
ON THE OPERATION DURING THE YEAR OF APPLICATION 1979 OF THE SYSTEM
FOR STABILIZING EXPORT EARNINGS SET UP BY THE DECISION
ON THE ASSOCIATION OF THE OCT WITH THE EEC

COM(80) 626 final

1. Article 29 of the Internal Agreement on the financing and administration of Community aid requires the Commission to prepare an annual comprehensive report on the operation of the system for stabilizing export earnings as regards the ACP States and the overseas countries and territories.
2. The Commission presents simultaneously to the Council the fifth comprehensive report on the operation during 1979 of the system set up by the Lomé Convention for stabilizing export earnings.
3. This comprehensive report is concerned with the application for the year 1979 of the system for stabilizing export earnings set up by the Council Decision of 29 June 1976 on the association of the overseas countries and territories with the European Economic Community. It deals with :
 - (i) general developments since the fourth report was drawn up;
 - (ii) the results of the fifth year of application of the system;
 - (iii) the effect of the transfers on the economic development of the recipient countries, and on the development of external trade.

I. GENERAL DEVELOPMENTS

4. Three former OCT have acceded to the Lomé Convention : St Lucia on 28 June 1979, Kiribati on 30 October 1979 and St Vincent on 27 December 1979.
5. However, pursuant to Article 1 (5) of the Internal Agreement on the financing and administration of Community aid, those ACP States which are former OCT, that have become independent and have acceded to the Lomé Convention under Article 89 continue in the future to be covered by the fund for stabilizing the export earnings of the OCT, provided for in Article 1 (3) (c) of that Agreement.
6. The machinery for cooperation with the countries and territories as described in the reports for the years 1975 to 1978 continued to function satisfactorily.
7. In accordance with Article 22 of the Decision, information on the utilization of the resources transferred during 1979 will be presented to the Council at a later date.
8. Reference should also be made to the exchange of views between the Member States and the Commission which, as in 1978, enabled answers to be given to requests for information, and proved very useful and fruitful.

II. FIFTH YEAR OF APPLICATION OF THE SYSTEM

9. The Commission has received two requests for transfers for the year of application 1979 from the OCT appropriation. These requests were received from two OCT, which have become ACP States through accession to the Lomé Convention under Article 89, namely the Islamic Republic of the Comoros, and Dominica.
10. In September 1979, Dominica received an advance payment of 2,480,000 EUA on the 1979 transfer, due to the total destruction of the country's potential banana exports, following hurricane David in August 1979.

11. The two applications for 1979 were eligible since the dependence and fluctuation thresholds provided for by the Decision on the association of the OCT with the EEC had been exceeded under the conditions set.
12. Examination of the trend of total exports from the countries and territories concerned did not show any significant change, and consequently there was no need for consultations within the meaning of Article 21 (4) of the Decision.
13. The overall results for the latest year of application of the Decision are as follows :

| <u>OCT</u> | <u>Product</u> | <u>Amount of transfer in EUA</u> |
|------------|----------------|----------------------------------|
| - | - | - |
| <u>ACP</u> | <u>Product</u> | <u>Amount of transfer in EUA</u> |
| Comoros | Cloves | 431,155 |
| Dominica | Bananas | 2,892,944 |
| | | <u>3,324,099</u> |

14. Both countries concerned received non-repayable transfers. Thus, for 1979, 100 % of the transfers were therefore made in the form of grants.
15. The transfers cover two products : bananas (87 %) and cloves (13 %).
16. These transfers compensated for falls in earnings resulting from local circumstances.
17. With regard to the reconstitution of the resources, the Commission, in accordance with Article 23 (3) of the Decision, and the practical arrangements embodied in the exchange of letters which takes place on the occasion of each transfer, carried out the necessary investigations in connection with the transfers made for the years 1975 to 1978 in favour of OCT which had undertaken to contribute to the reconstitution of the system's resources.

Investigations showed that in the case of Kiribati, the conditions laid down in the Decision had been met. The Commission has notified the responsible authorities of Kiribati of its findings.
18. In 1977, the authorities of Kiribati and the Anglo-French Condominium of the New Hebrides were informed that the conditions for reconstitution had been fulfilled. Kiribati was expected to reconstitute 174,972 EUA with respect to the 1976 transfer. Pending a decision on their application for a change of status under Article 23 § 6 of the Decision, the Kiribati authorities have not made the contribution available to the fund.
19. The New Hebrides was required to reconstitute 1,103,499 EUA with respect to the 1975 transfer and 327,364 EUA with respect to the 1976 transfer. The British authorities have reconstituted 50 % of the total 1,430,863 EUA requested. The French authorities have informed the Commission Services, that they will make available their contribution in the near future.

20. In accordance with Article 20 (3) of the Decision, the unexpended balance at December 1980 for the year of application 1979, will be as follows :

| | |
|-----------------|---------------------|
| 4,000,000 EUA | 1979 allocation |
| + 9,413,120 EUA | 1978 carry over |
| + - | repayment received |
| + - | expected repayments |
| - 3,324,099 EUA | 1979 transfers |
| <hr/> | |
| 10,089,021 EUA | |
| <hr/> | |

III. EFFECT OF THE TRANSFERS ON THE ECONOMIC DEVELOPMENT OF THE RECIPIENT COUNTRIES AND ON THE DEVELOPMENT OF EXTERNAL TRADE

21. Article 29 of the Internal Agreement on the financing and administration of Community aid stipulates that the Commission's annual report shall indicate in particular the effect of the system on the economic development of the recipient countries and on the development of external trade.
22. The same article stipulates also that the Commission shall forward to the Member States the reports, which it receives. The 1979 transfers in favour of the OCT were carried out in July of 1980. At the present time, none of the recipient countries has as yet provided the Commission with information relating to the economic effect of the transfers received. Details will be passed to the Council, when they become available.
23. The Commission will at a later date forward to the Member States the specialized forms, which describe the use of resources transferred to Belize, Comoros, Djibouti and Tuvalu for the years of application 1977 and 1978. These reports may be the subject of further exploitation.

AGGREGATE TRANSFERS FOR 1975, 1976, 1977, 1978 AND 1979

1. Breakdown by OCT (in EUA)

| O.C.T. | Product | Amount 1975 | Amount 1976 | Amount 1977 | Amount 1978 | Amount 1979 | Totals |
|------------------------|---------------------------------|--------------------|------------------|-------------------------------|-------------------|------------------|---------------------------------|
| Belize | Sawn wood | 139,650 | - | 202,714 | - | - | 342,364 |
| Comoros (1)(2) | Copra Cloves Ylang-ylang | 298,304 | 286,508 | 367,784 552,547 170,596 | 39,253 180,299 | 431,155 | 991,849 1,164,001 170,596 |
| | | | | 1,090,927 | 219,552 | | 2,326,446 |
| Djibouti (1)(2) | Raw hides, skins and leather | 256,894 | 265,328 | 169,629 | - | - | 691,851 |
| Dominica (1)(2) | Bananas | | | | | 2,892,944 | 2,892,944 |
| Kiribati (2) | Copra | 1,200,321 | 1,083,098 | - | - | - | 2,283,419 |
| New Hebrides | Copra | 1,103,499 | 327,364 | - | - | - | 1,430,863 |
| Solomon Islands (1)(2) | Copra Wood in the rough | 138,502 761,245 | 1,273,640 - | - - | - - | - - | 1,412,142 761,245 |
| | | 899,747 | | | | | 2,173,387 |
| Tuvalu (1)(2) | Copra | 61,541 | 64,417 | - | 48,771 | - | 174,729 |
| TOTAL | | 3,959,956 | 3,300,355 | 1,463,270 | 268,323 | 3,324,099 | 12,316,003 |

(1) OCT mentioned at article 23 § 3 of the Decision.

(2) OCT which have become independent during the "life" of the Decision but continue to benefit from the fund for stabilizing the export earnings of the OCT provided for in article 1 (3)(c) of the Internal Agreement on the financing and administration of Community Aid.

2. Breakdown by product

| Product | 1975 | | 1976 | | 1977 | | 1978 | | 1979 | | Total | |
|------------------------------|------------------|---------------|------------------|---------------|------------------|---------------|----------------|---------------|------------------|---------------|-------------------|---------------|
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| Bananas | - | - | - | - | - | - | - | - | 2,892,944 | 87.0 | 2,892,944 | 23.4 |
| Cloves | - | - | - | - | 552,547 | 37.8 | 180,299 | 67.2 | 431,155 | 13.0 | 1,164,001 | 9.5 |
| Copra | 2,802,167 | 70.76 | 3,035,027 | 92.0 | 367,784 | 25.1 | 88,024 | 32.8 | - | - | 6,293,002 | 51.1 |
| Raw hides, skins and leather | 256,894 | 6.49 | 265,328 | 8.0 | 169,629 | 11.6 | - | - | - | - | 691,851 | 5.6 |
| Sawn wood | 139,650 | 3.53 | - | - | 202,714 | 13.8 | - | - | - | - | 342,364 | 2.8 |
| Wood in the rough | 761,245 | 19.22 | - | - | - | - | - | - | - | - | 761,245 | 6.2 |
| Ylang-ylang | - | - | - | - | 170,596 | 11.7 | - | - | - | - | 170,596 | 1.4 |
| TOTAL | 3,959,956 | 100.00 | 3,300,355 | 100.00 | 1,463,270 | 100.00 | 268,323 | 100.00 | 3,324,099 | 100.00 | 12,316,003 | 100.00 |

| Products | 1975 | % | 1976 | % | 1977 | % | 1978 | % | 1979 | % | Total | % |
|------------------------------------|------------------|---------------|------------------|---------------|------------------|---------------|----------------|---------------|------------------|---------------|-------------------|---------------|
| suffering from economic situation | 1,316,443 | 33.24 | 551,836 | 16.72 | 202,714 | 13.85 | 48,771 | 18.2 | - | - | 2,119,764 | 17.2 |
| suffering from local circumstances | 2,643,513 | 66.76 | 2,748,519 | 83.28 | 1,260,556 | 86.15 | 219,552 | 81.8 | 3,324,099 | 100.00 | 10,196,239 | 82.8 |
| TOTAL | 3,959,956 | 100.00 | 3,300,355 | 100.00 | 1,463,270 | 100.00 | 268,323 | 100.00 | 3,324,099 | 100.00 | 12,316,003 | 100.00 |

3. Nature of transfers

| | 1975 | % | 1976 | % | 1977 | % | 1978 | % | 1979 | % | Total | % |
|--------------|------------------|---------------|------------------|---------------|------------------|---------------|----------------|---------------|------------------|---------------|-------------------|---------------|
| Grants | 1,516,486 | 38.30 | 1,889,893 | 57.26 | 1,260,556 | 86.15 | 268,323 | 100.00 | 3,324,099 | 100.00 | 8,259,357 | 67.06 |
| Loans | 2,443,470 | 61.70 | 1,410,462 | 42.74 | 202,714 | 13.85 | - | - | - | - | 4,056,646 | 32.94 |
| TOTAL | 3,959,956 | 100.00 | 3,300,355 | 100.00 | 1,463,270 | 100.00 | 268,323 | 100.00 | 3,324,099 | 100.00 | 12,316,003 | 100.00 |

4. Utilization of annual instalments

| | 1975 | % | 1976 | % | 1977 | % | 1978 | % | 1979 | % | Total | % |
|-------------------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|------------|-------|
| Disbursements | 3,959,956 | 99.00 | 3,300,355 | 82.51 | 1,463,270 | 36.58 | 268,323 | 6.70 | 3,324,099 | 83.10 | 12,316,003 | 61.58 |
| Reconstitution | - | - | 61,133 | 1.53 | - | - | 715,432 | 17.90 | - | - | 776,565 | 3.88 |
| Balance | 40,044 | 1.00 | 760,778 | 19.02 | 2,536,730 | 63.42 | 4,447,109 | 111.20 | 675,901 | 16.90 | 8,460,562 | 42.30 |
| Annual instalment | 4,000,000 | 100.00 | 4,000,000 | 100.00 | 4,000,000 | 100.00 | 4,000,000 | - | 4,000,000 | 100.00 | 20,000,000 | - |

5. Reconstitution of the resources made available to the system
(situation after the year of examination 1979)

| | 1975 | 1976 | 1977 | 1978 | 1979 | Total |
|-------------------------------------------------------|------------------|------------------|------------------|----------------|----------|------------------|
| 1. <u>Original transfer</u> | | | | | | |
| Belize (sawn wood) | 139,650 | - | 202,714 | - | - | 342,364 |
| Kiribati (copra) | 1,200,321 | 1,083,098 | - | - | - | 2,283,419 |
| New Hebrides (copra) | 1,103,499 | 327,364 | - | - | - | 1,430,863 |
| TOTAL | 2,443,470 | 1,410,462 | 202,714 | - | - | 4,056,646 |
| 2. <u>Recorded amounts to be reconstituted</u> | | | | | | |
| Belize - 1975 transfer | - | 61,133 | - | - | - | 61,133 |
| - 1977 transfer | - | - | - | - | - | - |
| Kiribati - 1975 transfer | - | - | 245,021 | 283,219 | - | 528,240 |
| - 1976 transfer | - | - | 174,972 | 209,816 | - | 384,788 |
| New Hebrides - 1975 transfer | - | - | 1,103,499 | - | - | 1,103,499 |
| - 1976 transfer | - | - | 327,364 | - | - | 327,364 |
| TOTAL | - | 61,133 | 1,850,856 | 493,035 | - | 2,405,024 |

6. Financial situation 1975-1979

| | 1975 | 1976 | 1977 | 1978 | 1979 |
|----------------------------------------------------------|-----------|-----------|-----------|-----------|------------|
| Annual Instalment | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 |
| % Amount foreseen to be drawn during the proceeding year | 0 | 0 | 0 | 0 | 0 |
| Instalment Available | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 |
| + Amount carried over from proceeding year | - | 40,044 | 800,822 | 5,188,408 | 9,413,120 |
| + Reconstitution | - | 61,133 | 1,850,856 | 493,035 | - |
| + Amount foreseen to be drawn from the next instalment | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 4,000,000 | 4,101,177 | 6,651,678 | 9,681,443 | 13,413,120 |
| % Transfers | 3,959,956 | 3,300,355 | 1,463,270 | 268,323 | 3,324,099 |
| Remaining sum to be carried over the following year | 40,044 | 800,822 | 5,188,408 | 9,413,120 | 10,089,021 |

Brussels

18/6/1980

SB/cv

VIII/D/3/13.484

A.O. DAVIES Esq.
Acting Secretary for Finance
Ministry of Finance
P.O. Box 67
Bairiki
Tarawa
The Republic of Kiribati

Dear Mr. Davies,

The Lomé Convention, in Article 21, provides that those ACP States subject to its terms, of which the Republic of Kiribati is one, are to contribute to the reconstitution of the resources made available to the system of stabilization of export earnings (1).

The figures you have supplied concerning the export of copra by the Republic of Kiribati during the period 1976 to 1979, indicate that for certain years the conditions for a contribution by the Republic of Kiribati to the reconstitution of the resources of the system of stabilization of export earnings have been fulfilled. The present reconstitution situation is summarized below :

(1) The reconstitution situation for the years of examination prior to the independence of the Gilbert Islands in July 1979, is in accordance with the Council Decision on the association of the overseas countries and territories with the EEC.

| | |
|----------------------------------------------|-----------------------------------------------------|
| 1. <u>Amount of transfer for 1975</u> | 1,200,321 EUA |
| <u>Years of examination</u> | <u>Amounts to be reconstituted</u> |
| 1976 | conditions not fulfilled (ref. annex 1) |
| 1977 | 245,021 EUA (ref. annex 2) |
| 1978 | 283,219 EUA (ref. annex 3) |
| 1979 | conditions not fulfilled (ref. annex 4) |
| Total | 528,240 EUA |
| | |
| 2. <u>Amount of transfer for 1976</u> | 1,083,098 EUA |
| <u>Years of examination -</u> | <u>Amounts to be reconstituted</u> |
| 1977 | 174,977 EUA (ref. Mr. Meyer's letter dated 25.4.78) |
| 1978 | 209,816 EUA (ref. annex 5) |
| 1979 | conditions not fulfilled (ref. annex 6) |
| Total | 384,783 EUA. |

The amounts of these contributions have been determined, as shown in the attached statistical annexes, and amount to 528,240 EUA with respect to the 1975 transfer and 209,816 EUA with respect to the 1976 transfer.

A sum of 174,972 EUA for the year of examination 1977, and relating to the 1976 transfer, was officially requested in Mr. Meyer's letter of 25 April 1978 addressed to the Permanent Representative of the United Kingdom to the European Communities in Brussels. Reminder letters have been sent out, but as yet no contribution has been forthcoming.

A period of two months following the receipt of this letter is allowed to enable the Republic of Kiribati to make the amounts available to the system.

The transfer agreement provides in Article 3 paragraph 2 that contributions to the reconstitution shall be effected in the same currencies in which the transfer was paid, and in the same proportion as indicated in Article 2 paragraph 1 of the same agreement.

In the light of the above, the Republic of Kiribati will be expected to pay into the account of the European Development Fund N° 41.027.000 at the Bank of England, Threadneedle Street, London E.C. 2R/8AH, a total amount in Pounds Sterling equivalent to 913,028 EUA, at the rate of exchange in force on the day prior to the day on which the operation is carried out by the financial body acting for the authorities of the Republic of Kiribati.

Yours faithfully,

Klaus Meyer

Encl.

Visa : Contrôle Financier

Copies : Mr. J. COLES, UK Permanent Representation
Mr. J. ZUIDBERG, EEC Delegate, Port-Moresby
Miss Willems, Directorate B
Financial Control
Directorate D
Division 3
Miss Batten

Subject : Transfer Agreement n° IV/75/GI of 23/7/1979
between the Republic of Kiribati (formerly the Gilbert Islands)
and the EEC

Examination of the conditions for the reconstitution mentioned in paragraph 3 of Article 23 of the Council Decision, on the association of the overseas countries and territories with the European Economic Community on the basis of statistics relating to the year 1976.

Reference period : 1971 - 1974

Product : Copra

Reference quantity/tonnes : 7,330

Reference unit value
(in national currency/tonne) : 213.108

Quantity/tonnes : 5,634

Value (in 1,000 national currency) : 956.3

Unit value (in national currency/tonne) : 169.741

Conclusion :

The conditions of reconstitution are not fulfilled as the actual quantity exported to the Community during 1976 is lower than the quantity of reference and the 1976 unit value is lower than the unit value of reference.

CALCULATION OF THE AMOUNT OF THE CONTRIBUTION TO THE RECONSTITUTION OF THE RESOURCES MADE AVAILABLE TO THE STABEX SYSTEM

(Art. 23 of the Council Decision on the association of the overseas countries and territories with the European Economic Community)

OCT : The Republic of Kiribati (formerly the Gilbert Islands)
Product : Copra Transfer Agreement N° IV/75/GI of 23/7/1979
Reference period : 1971 - 1974 Period of application : 1977
Basis of crosschecking : OCT statistics

I. Examination of the conditions leading to the reconstitution of resources

1. Statistics concerning the period of reference

| Quantities exported, tonnes | Values exported 1.000 Aust. \$ | Unit Value, Aust. \$ /tonne | Exchange rate, 1 EUA = 1 Aust. \$ | Values exported 1.000 EUA | Unit value, EUA/tonne |
|-----------------------------|--------------------------------|-----------------------------|-----------------------------------|---------------------------|-----------------------|
| 8,133.0 | 1,114.4 | 137.022 | 0.92357 | 1,206.6 | 148.359 |
| 3,479.0 | 328.9 | 94.541 | 0.94067 | 349.6 | 100.504 |
| 6,442.0 | 1,329.8 | 206.434 | 0.86361 | 1,539.8 | 239.036 |
| 11,267.0 | 4,669.4 | 414.436 | 0.82662 | 5,648.8 | 501.362 |

These figures lead to the following averages :

| | | | | | |
|----------|---------|---------|--|---------|---------|
| 7,330.25 | 1,860.6 | 213.108 | | 2,186.2 | 247.315 |
|----------|---------|---------|--|---------|---------|

2. ACP/XXX statistics concerning the period of application

| Quantities, tonnes | Values, 1.000 fob | Unit value, Aust. \$ /tonne, fob | Exchange rate, 1 EUA = 1 Aust. \$ | Values, 1.000 EUA, fob | Unit value, EUA/tonne, fob |
|--------------------|-------------------|----------------------------------|-----------------------------------|------------------------|----------------------------|
| 8,385.00 | 2,422.1 | 288.865 | 1,02893 | 2,354.0 | 280.741 |

3. Article 23 § 3 of the Council Decision states that each OCT contributes to the reconstitution when it is determined that
- the unit value of exports is higher than the reference unit value, and, simultaneously,
 - the quantity actually exported to the Community is at least equal to the reference quantity.

These conditions are fulfilled.

II. Calculation of the amount to be contributed to the reconstitution of resources

Article 23 § 3 of the Council Decision states that each recipient OCT shall pay back into the system, within the limit of transfers it has received, an amount equal to the reference quantity multiplied by the difference between the reference unit value and the actual unit value.

Amount : 7,330.25 tonnes X 33.426 EUA/tonne = 245,021 EUA

III. For information

Amount of transfer : 1,200,321 EUA, of which already paid : -
 Reconstitution as % of the transfer : 20.41 %
 as % of the outstanding balance :
 Currencies received on payment of transfer : 100 % in Pounds Sterling
 % in

CALCULATION OF THE AMOUNT OF THE CONTRIBUTION TO THE RECONSTITUTION OF THE RESOURCES MADE AVAILABLE TO THE STABEX SYSTEM
 (Art. 23 of the Council Decision on the association of the overseas countries and territories with the European Economic Community)

OCT : KIRIBATI (formerly the Gilbert Islands)
 Product : Copra Transfer Agreement N° IV/75/GI of 23/7/1979
 Reference period : 1971 - 1974 Period of application : 1978
 Basis of crosschecking : OCT statistics

I. Examination of the conditions leading to the reconstitution of resources

1. Statistics concerning the period of reference

| Quantities exported, tonnes | Values exported 1.000 Aust. \$ | Unit Value, Aust. \$ /tonne | Exchange rate, 1 EUA = 1 Aust. \$ | Values exported 1.000 EUA | Unit value, EUA/tonne |
|-----------------------------|--------------------------------|-----------------------------|-----------------------------------|---------------------------|-----------------------|
| 8,133.0 | 1,114.4 | 137.022 | 0.92357 | 1,206.6 | 148.359 |
| 3,479.0 | 328.9 | 94.541 | 0.94067 | 349.6 | 100.504 |
| 6,442.0 | 1,329.8 | 206.434 | 0.86361 | 1,539.8 | 239.036 |
| 11,267.0 | 4,669.4 | 414.436 | 0.82662 | 5,648.8 | 501.362 |

These figures lead to the following averages :

| | | | | | |
|----------|---------|---------|--|---------|---------|
| 7,330.25 | 1,860.6 | 213.108 | | 2,186.2 | 247.315 |
|----------|---------|---------|--|---------|---------|

2. ~~XXX/XXX~~ statistics concerning the period of application

| Quantities, tonnes | Values, 1.000 fob Aust. \$ | Unit value, Aust. \$ /tonne, fob | Exchange rate, 1 EUA = 1 Aust. \$ | Values, 1.000 EUA, fob | Unit value, EUA/tonne, fob |
|--------------------|----------------------------|----------------------------------|-----------------------------------|------------------------|----------------------------|
| 8,880.00 | 2,826.3 | 318.277 | 1.11304 | 2,539.3 | 285.952 |

3. Article 23 § 3 of the Council Decision states that each OCT contributes to the reconstitution when it is determined that
 - the unit value of exports is higher than the reference unit value, and, simultaneously,
 - the quantity actually exported to the Community is at least equal to the reference quantity.

These conditions are fulfilled.

II. Calculation of the amount to be contributed to the reconstitution of resources

Article 23 § 3 of the Council Decision states that each recipient OCT shall pay back into the system, within the limit of transfers it has received, an amount equal to the reference quantity multiplied by the difference between the reference unit value and the actual unit value.

| | | | | | |
|----------|----------|-----------------|-------------|---------|-----|
| Amount : | 7,330.25 | tonnes x 38.637 | EUA/tonne = | 285,219 | EUA |
|----------|----------|-----------------|-------------|---------|-----|

III. For information

Amount of transfer : 1,200,321 EUA, of which already repaid : - EUA
 Reconstitution as % of the transfer : 23.60 %
 as % of the outstanding balance :
 Currencies received on payment of transfer : 100 % in Pounds Sterling
 % in

Subject : Transfer Agreement N° IV/75/GI of 23/7/1979
between the Republic of Kiribati (formerly the Gilbert Islands)
and the EEC

Examination of the conditions for the reconstitution mentioned in paragraph 3 of Article 23 of the Council Decision on the association of the overseas countries and territories with the European Economic Community on the basis of statistics relating to the year 1979.

Reference period : 1971 - 1974

Product : Copra

Reference quantity, tonnes : 7,330

Reference unit value
(in national currency/tonne) : 213.108

Quantity/tonnes : 5,971

Value (in 1,000 national currency) : 3,557

Unit value
(in national currency/tonne) : 595.733

Conclusion :

The conditions of reconstitution are not fulfilled as the actual quantity exported to the Community during 1979 is lower than the quantity of reference, although the 1979 unit value is higher than the unit value of reference.

**CALCULATION OF THE AMOUNT OF THE CONTRIBUTION TO THE RECONSTITUTION
OF THE RESOURCES MADE AVAILABLE TO THE STABEX SYSTEM**

(Art. 23 of the Council Decision on the association of the overseas
countries and territories with the European Economic Community)

OCT : KIRIBATI (formerly the Gilbert Islands)
 Product : Copra Transfer Agreement N° II/76/GI of 28/7/1977
 Reference period : 1972 - 1975 Period of application : 1978
 Basis of crosschecking : OCT statistics

I. Examination of the conditions leading to the reconstitution of resources

1. Statistics concerning the period of reference

| Quantities exported, tonnes | Values exported 1,000 Aust. \$ | Unit Value, Aust. \$ /tonne | Exchange rate, 1 EUA = 1 Aust. \$ | Values exported 1,000 EUA | Unit value, EUA/tonne |
|-----------------------------------|-----------------------------------------|--------------------------------------|--------------------------------------------|---------------------------------|-----------------------------|
| 3,479.0 | 328.9 | 94.541 | 0.94067 | 349.6 | 100.504 |
| 6,442.0 | 1,329.8 | 206.434 | 0.86361 | 1,539.8 | 239.036 |
| 11,267.0 | 4,669.4 | 414.436 | 0.82662 | 5,648.8 | 501.362 |
| 5,558.0 | 933.6 | 167.983 | 0.94698 | 985.9 | 177.388 |

These figures lead to the following averages :

| | | | | | |
|---------|---------|---------|--|---------|---------|
| 6,686.5 | 1,815.4 | 220.849 | | 2,131.0 | 254.573 |
|---------|---------|---------|--|---------|---------|

OCT

2. ~~NOB/STX~~ statistics concerning the period of application 1978

| Quantities, tonnes | Values, 1,000 fob Aust. \$ | Unit value, Aust. \$ /tonne, fob | Exchange rate, 1 EUA = 1 Aust. \$ | Values, 1,000 EUA, fob | Unit value, EUA/tonne, fob |
|-----------------------|-------------------------------------|-------------------------------------------|--------------------------------------------|------------------------------|-------------------------------------|
| 8,880.00 | 2,826.3 | 318.277 | 1.11304 | 2,539.3 | 285.952 |

3. Article 23 § 3 of the Council Decision states that each OCT contributes to the reconstitution when it is determined that

- the unit value of exports is higher than the reference unit value, and, simultaneously,
- the quantity actually exported to the Community is at least equal to the reference quantity.

These conditions are fulfilled.

II. Calculation of the amount to be contributed to the reconstitution of resources

Article 23 § 3 of the Council Decision states that each recipient OCT shall pay back into the system, within the limit of transfers it has received, an amount equal to the reference quantity multiplied by the difference between the reference unit value and the actual unit value.

Amount : 6,686.500 tonnes X 31.379 EUA/tonne = 209,816 EUA

III. For information

Amount of transfer : 1,083,098 EUA

Reconstitution as % of the transfer : 19.37 %

as % of the outstanding balance :

Currencies received on payment of transfer : 100 % in Pounds Sterling
 % in

Subject : Transfer Agreement N° II/76/GI of 28/7/1977
between the Republic of Kiribati (formerly the Gilbert Islands)
and the EEC

Examination of the conditions for the reconstitution mentioned in paragraph 3 of Article 21 of the Lomé Convention on the basis of statistics relating to the year 1979.

Reference period : 1972 - 1975

Product : Copra

Reference quantity/tonnes : 6,686

Reference unit value
(in national currency/tonne) : 220.849

Quantity/tonnes : 5,971

Value (in 1,000 national currency) : 3,557

Unit value (in national currency/tonne) : 595.733

Conclusion :

The conditions of reconstitution are not fulfilled as the actual quantity exported to the Community during 1979 is lower than the quantity of reference, although the 1979 unit value is higher than the unit value of reference.