

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(75) 291 final.

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Brussels, 12 June 1975

RECOMMENDATION FOR A DECISION OF THE COUNCIL
on the conclusion of the Agreement between the
European Economic Community and the Republic
of India concerning cane sugar

(submitted to the Council by the Commission)

COM(75) 291 final.

EXPLANATORY MEMORANDUM

1. In the Joint Declaration of Intent, appended to the Final Act of the Treaty of Accession, on the development of trade relations with Ceylon, India, Malaysia, Pakistan and Singapore, it was stated that the settlement of the question of exports of sugar from India to the Community after the expiry of the Commonwealth Sugar Agreement on 31 December 1974 involved taking into account of the provisions which might be adopted as regards imports of sugar from the independent Commonwealth countries listed in Protocol No. 22, i.e. those Commonwealth countries which are now signatories to the ACP/EEC Convention of Lomé.
2. The provisions adopted in respect of cane sugar originating in the African, Caribbean and Pacific States which are signatories to the said Convention are contained in Protocol No. 3 appended to the Convention.
3. On 17 December 1974 the Council approved a directive for an agreement to be negotiated with India. This laid down that these negotiations should be conducted having full regard to those then in progress with the ACP States and would concern a maximum annual quantity of 25.000 metric tons (1) of cane sugar which the Community would guarantee to purchase at a given price. The agreement was to be for an indefinite period, but could, after a period of five years, be denounced by either party subject to two years' notice.
4. A draft agreement was conveyed to the Indian authorities at the beginning of 1975. This is identical in substance with the text of the Protocol on sugar appended to the Lomé Convention, though it does contain purely formal adaptations to the case of India.

The competent department was informed at the end of May 1975 that the Government of India was prepared to subscribe to the conditions proposed by the Community. After some hesitation on the Indian side, the quantity of sugar to be delivered by India for the period ending 31 July 1975 (cf. Article 3.3 of the Agreement) was finally settled at 22.000 metric tons.

The two sides are now agreed on the text appended herewith.

(1) This quantity is the same as India's quota in the former Commonwealth Sugar Agreement.

5. In order to enable the parties to implement the clause on deliveries to be made during the period ending 30 July 1975, it is stipulated that the Agreement shall enter into force on the date of signature. It appears absolutely essential therefore that it should be signed with the minimum of delay and, for this purpose, every effort should be made to accelerate to the utmost the procedures for examination and approval of the proposed text. Considering, however, that it closely follows that of the Protocol on Sugar appended to the Lomé Convention, basically, the present text should pose no problems.

RECOMMENDATION FOR A DECISION

OF THE COUNCIL

conclusion of the Agreement between the European
Economic Community and the Republic of India

concerning cane sugar

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
and in particular Article 113 thereof;

Having regard to the Recommendation from the Commission;

Whereas the ACP/EEC Convention of Lomé was signed on 28 February 1975; whereas
the Protocol on ACP cane sugar forms an integral part of the aforesaid Convention;
whereas, pending the entry into force of the Convention, the Community and the
ACP States named in the Protocol have pledged themselves, by means of agreements
in the form of exchanges of letters dated 28 February 1975, to apply as from the
same date the arrangements laid down in the aforesaid Protocol;

Whereas, in the Joint Declaration of Intent on the development of trade relations
with Ceylon, India, Malaysia, Pakistan and Singapore, appended to the Final Act
of the Treaty concerning the accession of the Kingdom of Denmark, Ireland,
the Kingdom of Norway and the United Kingdom of Great Britain and Northern
Ireland to the European Economic Community and to the European Atomic Energy
Community, it is stated that the question of exports of sugar from India to the
Community after the expiry of the Commonwealth Sugar Agreement on 31 December
1974 must be settled by the Community taking account in particular of the
provisions which may be adopted as regards imports of sugar from the independent
Commonwealth countries listed in Protocol No 22 on relations between the European
Economic Community and the Associated African and Malagasy States and also the
independent developing Commonwealth countries situated in Africa, the Indian
Ocean, the Pacific Ocean and the Caribbean;

.../...

Whereas the Agreement on cane sugar negotiated between the European Economic Community and the Republic of India should therefore be concluded,

HAS DECIDED AS FOLLOWS:

Article 1

The Agreement between the European Economic Community and the Republic of India concerning cane sugar is hereby concluded on behalf of the Community.

The text of the Agreement is appended hereto.

Article 2

The President of the Council is hereby authorized to designate the person empowered to sign the Agreement and to confer upon him the powers required in order to bind the Community.

Done at Brussels, this

For the Council

The President

AGREEMENT

between the European Economic Community and
the Republic of India concerning cane sugar

THE COUNCIL OF THE EUROPEAN COMMUNITIES

of the one part, and

THE GOVERNMENT OF THE REPUBLIC OF INDIA,

of the other part,

DESIROUS of ensuring the maintenance on a sound and equitable basis of the existing trade in sugar between the Republic of India and the European Economic Community, hereinafter referred to as "the Community",

NOTING the Joint Declaration of Intent on the development of trade relations with Ceylon, India, Malaysia, Pakistan and Singapore, annexed to the Final Act of the Treaty of Accession of the Kingdom of Denmark, Ireland, the Kingdom of Norway and the United Kingdom of Great Britain and Northern Ireland to the European Economic Community and the European Atomic Energy Community, and in particular its provisions regarding exports of sugar from India to the Community,

HAVING REGARD to the Commercial Cooperation Agreement between the European Economic Community and the Republic of India,

HAVE DECIDED, in a spirit of mutual cooperation, to conclude this Agreement:

.../...

Article 1

1. The Community undertakes for an indefinite period to purchase and import, at guaranteed prices, a specific quantity of cane sugar, raw or white, which originates in India and which that country undertakes to deliver to it.
2. The implementation of this Agreement is carried out within the framework of the management of the common organisation of the sugar market and in accordance with the Community's existing rules of origin adapted for India.

Article 2

1. Without prejudice to Article 7, no change in the provisions of this Agreement may enter into force until a period of five years has elapsed from the date on which the Agreement enters into force. Thereafter, such changes as may be agreed upon will come into force at a time to be agreed.
2. The conditions for implementing the guarantee referred to in Article 1 shall be re-examined before the end of the seventh year of their application.

Article 3

1. The quantity of cane sugar referred to in Article 1, expressed in metric tons of white sugar, hereinafter referred to as "agreed quantity", for delivery in each delivery period, commencing 1 August 1975, referred to in Article 4, shall be 25.000.
2. Subject to Article 7, this quantity cannot be reduced without the consent of the Government of India.
3. Nevertheless, in respect of the period up to 31 July 1975 the agreed quantity, expressed in metric tons of white sugar, shall be 22.000.

Article 4

1. In the period from 1 August 1975 to 30 June 1976 inclusive and thereafter in each twelve-month period, from 1 July to 30 June inclusive, hereinafter referred to as the "delivery period", India undertakes to deliver the quantity referred to in Article 3(1), subject always to any adjustments resulting from the application of Article 7. A similar undertaking shall apply equally to the quantity referred to in Article 3(3) in respect of the period up to 30 July 1975, which shall also be regarded as a delivery period.
2. The quantity to be delivered up to 30 July 1975, referred to in Article 3(3), shall include supply en route from port of shipment.
3. Deliveries of Indian cane sugar in any delivery period may benefit from the guaranteed prices applicable in the subsequent delivery period.

Article 5

1. White or raw cane sugar shall be marketed on the Community market at prices freely negotiated between buyers and sellers.
2. The Community shall not intervene if and when a Member State allows selling prices within its borders to exceed the Community's threshold price.
3. The Community undertakes to purchase, at the guaranteed price, quantities of white or raw sugar, within the agreed quantity, which cannot be marketed in the Community at a price equivalent to or in excess of the guaranteed price.
4. The guaranteed price, expressed in units of account, shall refer to unpacked sugar, CIF European ports of the Community, and shall be fixed in respect of standard quality sugar. It shall be negotiated annually, within the price range obtaining in the Community, taking into account all relevant economic factors, and shall be decided at the latest by 1 May immediately preceding the delivery period to which it will apply.

5. For the period from 1975 to 30 June 1976
the guaranteed prices shall be as follows:
- (a) for raw sugar : 25.53 units of account per
100 kilogrammes.
 - (b) for white sugar : 31.72 units of account per
100 kilogrammes.

Article 6

Purchase at the guaranteed price, referred to in Article 5(3) shall be assured through the medium of the intervention agencies or of other agents appointed by the Community.

Article 7

1. If, during any delivery period, India fails to deliver the agreed quantity in full for reasons of force majeure, the Commission of the European Communities shall, at the request of India, allow the necessary additional period for delivery.

2. If, during any delivery period, India fails to deliver the agreed quantity in full for reasons other than force majeure, that quantity shall be reduced in respect of each subsequent delivery period by the undelivered quantity.

Article 8

1. At the request of India, or of the Community, consultations relating to all measures necessary for the application of this Agreement shall take place within a Joint Committee hereby established. The Committee shall be composed of representatives of the Contracting Parties.

2. The periodical reviews provided for under this Agreement shall take place within the agreed institutional framework.

Article 9

This Agreement shall apply to the territories where the Treaty establishing the European Economic Community applies, on the conditions established in the said Treaty, and to the territories to which the Constitution of the Republic of India applies.

Article 10

This Agreement shall enter into force on

Article 11

After a period of five years from the date on which the Agreement enters into force, it may be denounced by the Community, or India, after giving to the other Party two years notice in writing to that effect.

Article 12

This Agreement is drawn up in two copies in the Danish, Dutch, English, French, German and Italian languages each of these texts being equally authentic.