

COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMUNICATION FROM THE COMMISSION
TO THE COUNCIL
concerning urgent food aid in cereals
for Pakistan

Communication from the Commission to the Council concerning
proposed food aid in cereals for Pakistan

1. Introduction

The purpose of this document is to draw the attention of the Council to an urgent request for food aid in cereals made by Pakistan.

The Commission wishes to emphasize the urgency of this request in view of the existing acute shortage which will not be alleviated until the next harvest towards the end of the year.

2. Cereals situation

It is the policy of the Pakistan Government to achieve self-sufficiency in wheat production as soon as possible, and an ambitious target (8.5 million tons) was fixed for 1974-75, involving an increase in production of approximately 13 % over that for the previous year.

Unfortunately however a long spell of drought, particularly at the time of sowing, caused river flows during 1974-75 to be the worst for 35 years. The situation was aggravated by the Tarbela Dam mishap. The result was an overall fall in the production of wheat to an estimated 6.7 million tons. Consumption during 1974-75 has had to be restricted because of the low domestic output and because of the reduced availability of wheat from abroad. As a result many consumers have gone short; and the shortage is particularly acute at this present time prior to the beginning of the 1975 harvest.

3. Economic and Financial situation

Pakistan is one of the countries most seriously affected by the current world economic situation. Its estimated balance of payments in 1974 was a deficit of US \$ 155 million, approximately 8.6 % of the value of its projected imports. Per capita income in 1971 was only US \$ 130.

4. Actions proposed

The Community's approved Cereals Food Aid Programme for 1974-75 provides, inter alia, for a Community allocation of 20 000 metric tons to Pakistan.

The Commission proposes :

- (i) that in addition to the 20 000 metric tons of cereals Pakistan be supplied by the Community with a further 4 000 tons drawn from the unassigned reserve of 21 099 tons in the 1974-75 Programme; for delivery on the normal FOB terms adopted by the Community for the 1974-75 Programme;
- (ii) that every effort be made to decide on this additional grant on an urgent basis, in order to effect delivery before the end of October 1975.