

COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 26 April 1974

PROPOSAL FOR A
REGULATION (EEC) OF THE COUNCIL

on a tax to be charged on exports of certain sugar products
based on cereals, rice and milk in the event of supply
difficulties with regard to sugar

(submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

Article 16 of the basic sugar Regulation provides for a charge of a special export levy when you have the risk that the sugar supply in the entire Community or in an area of the Community cannot be secured at a price level, which does not exceed the threshold price. In November 1973 the situation on the world market and on the internal market of the Community necessitated the establishment of this special export levy on white sugar and raw sugar. Since then the world market price concerning sugar has gone up so that this price has reached a level at about the double of the Community price.

The internal sugar market of the Community, being in a state of total equilibrium considering the internal production, imports from some Commonwealth countries and the predicted consumption, has recently been characterized by a sensible price increase.

The basic sugar regulation does not provide for the possibility to expand the application of a levy on sugar exports to processed sugar products based on milk or other agricultural products. What the sugar products based on cereal or rice concern it is particularly a question of certain mixtures of glucose and sucrose which can give rise to abuse in order to avoid the special levy on sugar exports.

With regard to all the economical factors on the internal and external sugar market and in particular the favourable position of the sugar products in the Community, it proves necessary to provide for the possibility to establish an export tax to avoid an increasing export of sugar products based on cereal, rice and milk.

The proposed provision allows the use of a tax on exports of these different products according to the procedures of the Management Committee for "cereal", "rice" and "milk".

DRAFT OF PROPOSAL OF
REGULATION (EEC) OF THE COUNCIL

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
Having regard to Council Regulation (EEC) No 120/67¹⁾ of 13 June 1967,
on the common organization of the market in cereals, as last amended by
Regulation (EEC) No/74²⁾, and in particular Article 18 (2) thereof;

Having regard to Council Regulation (EEC) No 359/67³⁾ of 25 July 1967, on
the common organization of the market in rice, as last amended by Regulation
(EEC) No/74⁴⁾, and in particular Article 20 (2) thereof;

Having regard to Council Regulation (EEC) No 804/68⁵⁾ of 27 June 1968 on
the common organization of the market in milk and milk products, as last
amended by Regulation (EEC) No 662/74⁶⁾, and in particular Article 19 (2)
thereof;

Having regard to the proposal from the Commission;

Whereas pursuant to the
second subparagraph of Article 16 (1) of Council Regulation No 1009/67/EEC⁷⁾
of 18 December 1967 on the common organization of the market in sugar, as
last amended by Regulation (EEC) No/74⁸⁾, provision may be made for
a special levy to be charged on exports of sugar in the event of supply
difficulties within the Community with regard to sugar;

Whereas from experience gained in applying this measure it has been clear
that its effectiveness may be endangered in cases where sugar is exported
in the form of certain products based on cereals, rice or milk; whereas
this danger exist in particular for certain mixtures of sugar and these
products based on cereals and rice ^{and} so for certain milk products, particularly
as skimmed milk powder and condensed milk, when these mixtures or milk products
have a relatively high sugar content; whereas provision should therefore

1) OJ Nr. 117, 19.6.1967, p.2269/67

2) OJ Nr.

3) OJ Nr. 174, 31.7.1967, p.1

4) OJ Nr.

5) OJ Nr. L 148, 28.6.1968, p.13

6) OJ Nr. L 85, 29.3.1974, S.51

7) OJ Nr. 308, 18.12.1967, S.1

8) OJ Nr.

be made^{for} a charge to be levied on exports of the products in question, calculated on the basis of the special levy on sugar when this levy is exceeding a certain amount; whereas^{it} is desirable for applying this measure to take in account, as the case may be, the charge on export levied pursuant the Regulation No 120/67/EEC, No 359/67/EEC and (EEC) No 804/68;

Whereas this additional measure must be adopted by derogating from the rules provided for respectively in paragraph 2 of Articles 18, 20 and 19 of Regulations No 120/67/EEC, No 359/67/EEC and (EEC) No 804/68.

HAS ADOPTED THIS REGULATION:

Article 1

1. Where a special levy exceeding 5 units of account per 100 kilogrammes is charged on exports of sugar, the charging of a tax on exports of products containing sugar referred to in Article 1 of Regulations No 120/67/EEC, No 359/67/EEC and No 804/68 may be decided in accordance with the procedure laid down in paragraph 3.
2. The amount of the export tax shall be fixed in relation to the sugar content of the sugar product based on cereals, rice or milk concerned, to the special levy applying to white sugar and, should the case happen, to the charge on export of the same products pursuant respectively to Regulations No 120/67/EEC, No 359/67/EEC and (EEC) No 804/68.
3. Detailed rules for the application of this article shall be adopted in accordance with the procedure laid down in Article 26 of Regulation No 120/67/EEC or, as the case may be, in the corresponding article of Regulation No 359/67/EEC and (EEC) No 804/68.

Article 2

This regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council