

COMMISSION OF THE EUROPEAN COMMUNITIES

C(94)1678 final

Brussels, 18.10.1994

Recommendation for a

COUNCIL DECISION

to authorise the

Commission to negotiate the guaranteed prices

applicable in the 1994/1995 delivery period to cane sugar

originating in the ACP states referred to in Protocol 8

annexed to the Fourth ACP-EEC Convention and in India

(presented by the Commission)

1. Protocol 8 on ACP sugar annexed to the Fourth ACP-EEC Convention⁽¹⁾, and the Agreement between the European Economic Community and the Republic of India⁽²⁾, contain the Community's undertaking to purchase and import, at guaranteed prices, cane sugar which the exporting countries concerned cannot market commercially in the Community at prices equivalent to or higher than the guaranteed prices.
2. The present guaranteed prices (1993/1994) apply until 30 June 1994. The Commission considers that the guaranteed prices for the 1994/1995 delivery period should be negotiated in such a way that, with effect from 1 July 1994 at the earliest, the ACP States and India receive prices for their deliveries to the Community of white or raw cane sugar cif free out which are comparable with the prices guaranteed to Community producers of sugar.
3. There are no financial implications other than those already taken into account within the framework of the 1994 budget and the 1995 preliminary draft budget (see fiche financière).
4. In view of the above, the Commission considers that it would be appropriate for the Community to open negotiations with the countries concerned as soon as possible, on the basis of the attached negotiating directives.

CONCLUSIONS

5. The Commission recommends that the Council authorise it to negotiate the guaranteed prices applicable in the 1994/1995 delivery period to cane sugar originating in the ACP states referred to in Protocol 8 annexed to the fourth ACP-EEC Convention and in India in consultation with a special committee appointed by the Council to assist it in this matter.

(1) JO No. L 299, 17.8. 1991, p.1

(2) JO No. L 190, 22.07. 1975, p.35

GUIDELINES FOR NEGOTIATIONS

The guaranteed prices, cif free out, for the white and raw sugar deliveries of the ACP States and the Republic of India to apply for the 1994/1995 delivery period shall be negotiated by The Commission, pursuant to Articles 5(4) of Protocol 8 on ACP sugar annexed to the Fourth ACP-EEC Convention of Lome and Article 5(4) of the agreement between the European Economic Community and the republic of India on cane sugar in such a way that these guaranteed prices for white and raw cane sugar do not exceed the Community's corresponding intervention prices applying in 1994/1995. The prices thus negotiated shall apply at the earliest from the start of the 1994/1995 delivery period on 1 July 1994.

FINANCIAL STATEMENT



1. BUDGET HEADING: 11

APPROPRIATIONS: ECU 2.099 million

2. TITLE:

Recommendation for a Decision of the Council to authorize the Commission to negotiate the guaranteed prices applicable in the 1994/95 delivery period to cane sugar originating in the ACP States referred to in Protocol 8 annexed to the Fourth EEC-ACP Convention and in India.

3. LEGAL BASIS: Article 113 of the EEC Treaty

4. AIMS OF PROJECT:

To guarantee cif prices for the ACP States and the Republic of India for their deliveries of white sugar and raw cane sugar to the Community which are comparable with the prices guaranteed to sugar producers in the Community for the 1994/95 delivery period.

5. FINANCIAL IMPLICATIONS	Period of 12 months	Current Financial Year	Following Financial Year	
	ECU million	1994 ECU million	1995	1995
			1995	1995
			ECU million	ECU million
5.0 EXPENDITURE				
- CHARGED TO THE EC BUDGET	654	-	603	
- (REFUNDS/INTERVENTION)				
- NATIONAL ADMINISTRATION				
- OTHER				
5.1 REVENUE				
	1996	1997	1998	1999
5.0.1 ESTIMATED EXPENDITURE	51	-	-	-
5.1.1 ESTIMATED REVENUE				

5.2 METHOD OF CALCULATION:

1,3 million t x ECU 405/t (refunds) x 1,207 (DT) = ECU 635,5 million (B)
 1,3 million t x ECU 10,8/t (refining aid) x 1,207 (DT) = ECU 16,9 million (B)
 1,1 million t x ECU 4,5/t (aid to UK) x 25% x 1,207 (DT) = ECU 1,5 million (B)

ECU 653,9 million (B)

In 1995: ECU 635,5 million x 0,92 (export coefficient) + (16,9 + 1,5) Mio ECU = ECU 603,1 million (B)
 In 1996: ECU 635,5 million x 0,08 (export coefficient) = ECU 50,8 million (B)

6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET? YES

6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET? XXXXXX

6.2 IS A SUPPLEMENTARY BUDGET NECESSARY? NO

6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY? YES

OBSERVATIONS:

This is an implementing regulation under Protocol 8 annexed to the Fourth Lomé Convention. Accordingly, it has no new financial impact compared with the previous situation. The cost of re-exporting equivalent quantities of Community sugar and of aid for the refining of raw sugar, estimated at ECU 654 million, will be taken into account in the 1995 preliminary draft budget. Furthermore, the lowering of the level of the refining aid from ECU 5.8/t to ECU 10.8/t results in a saving of 1.3 million tonnes x (10.8 - 5.8) ECU/t x 1,207 (DT) = ECU 7,8 million (B) the cost first estimated in the 1995 PDB.

