

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(79) 294 final.

Brussels, 7 June 1979

Proposal for a
COUNCIL REGULATION (EEC)
amending Regulation (EEC) No 3331/74 on the allocation and
alteration of the basic quotas for sugar

(submitted to the Council by the Commission)

COM(79) 294 final.

EXPLANATORY MEMORANDUM

1. Due to the special conditions on the one hand in the departments of Guadeloupe and Martinique and on the other hand in the department of Réunion, the Council authorized by its Regulation (EEC) No 298/78 the French Republic to reduce, in respect of the 1977/78, 1978/79 and 1979/80 marketing years, the basic quotas of the sugar undertakings established in the French Overseas Departments by 10 % in addition to the normal "margin of manouvre" of 5 %.

After use of that authorization the production in Guadeloupe and Martinique is still far from the amount of basic quotas so adjusted. The reasons for this are the same as those forwarded in the beginning of 1978 i.e. difficult climatic conditions, decline of areas planted with sugar cane together with a reorientation of crops.

2. On the other hand, the sugar economy of Réunion continues to follow a trend different from that of the Antilles as it is characterized by a come-back of cane crops in areas previously in decline, by improvement of yields and consequently by a rising production. Moreover, almost no possibility exists as to diversification of crops and the only alternative crop for sale, that of the geranium, is faced with very poor prospects as it continues to decline and the market evolution is bad.
3. The Commission estimates that under these circumstances it is justified to propose the Council to authorize the French Republic to reallocate, in respect of the last marketing year under the present quota regime (1979/80) and within the limit of 25 000 tonnes of sugar expressed in white value, the basic quotas of sugar undertakings established in the French Overseas Departments by a further percentage of maximum 15 % by reference to their basic quota applicable for the sugar marketing year 1978/79. The 25 000 tonnes-limit within which possible transfer of quotas could be made between the French Antilles and Réunion guarantees quotas for the undertakings of the Antilles which correspond to their forecasted production 1979/80.

(1) OJ No. L 45, 16.2.1978, p. 1

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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 3330/74 of 19 December 1974 on the common organization of the market in sugar (1), as last amended by Regulation (EEC) No 1396/78 (2), and in particular Article 24 (3) thereof,

Having regard to the proposal from the Commission,

Whereas the arguments leading to the authorization to the French Republic under Regulation (EEC) No 3331/74 on the allocation and alteration of the basic quotas for sugar (3), as amended by Regulation (EEC) No 298/78 (4), to reduce, subject to a certain limit, the basic quotas allocated to undertakings established in the French Overseas Departments in favour of other sugar undertakings established in the same departments are still valid; whereas, even after that authorization has been applied, production in the departments of Martinique and Guadeloupe still remains well below the level of the basic quotas there adjusted, while at the same time in the department of Reunion areas with sugar cane could still be extended and the only alternative crop, the geranium, continues to decline;

Whereas, consequently, the French Republic should be authorized to make a further reduction of 15 % in the quotas allocated to the undertakings of the French Overseas Departments for the 1978/79 marketing year with a view to increasing those allocated to undertakings of Reunion for the 1979/80 marketing year;

HAS ADOPTED THIS REGULATION:

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- 1) OJ No L 359, 31.12.1974, p. 1
 - 2) OJ No L 170, 27.6.1978, p. 1
 - 3) OJ No L 359, 31.12.1974, p. 18
 - 4) OJ No L 45, 16.2.1978, p. 1

Article 1

In Article 2 (3) of Regulation (EEC) No 3331/74, a new subparagraph as follows is inserted after the first subparagraph:

"However, for the 1979/80 sugar marketing year, the French Republic may further to the abovementioned 10 % reduce the basic quota of the said undertakings by an amount not exceeding 15 % of the basic quota allocated to each of them for the 1978/79 sugar marketing year, and subject to a maximum of 25 000 tonnes of sugar, expressed in white value, for all the undertakings together."

Article 2

This Regulation shall enter into force on the day of 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 Luxembourg,

For the Council

FINANCIAL STATEMENT

Date : 18.5.1979

1. BUDGET HEADING : Chapter 11

APPROBIATIONS :

2. TITLE : Proposal for Council Regulation (EEC) amending Regulation (EEC) No 3331/74 on the allocation and alteration of the basic quotas for sugar

3. LEGAL BASIS : Article 24 (3) of Regulation (EEC) No 3330/74

4. AIMS OF PROJECT : To bring up the "margin of manoeuvre" allowing the French Republic to reallocate quotas of undertakings established in the French Overseas Departments

| 5. FINANCIAL IMPLICATIONS | PERIOD OF 12 MONTHS | CURRENT FINANCIAL YEAR (80) | FOLLOWING FINANCIAL YEAR (81) |
|---|---------------------|----------------------------------|------------------------------------|
| 5.0 EXPENDITURE | | | |
| - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) | _____ | _____ | _____ |
| - NATIONAL ADMINISTRATION | _____ | _____ | _____ |
| - OTHER | _____ | _____ | _____ |
| 5.1 RECEIPTS | | | |
| - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) | - 2,8 mEua | - 1,2 mEua | - 1,6 mEua |
| - NATIONAL | _____ | _____ | _____ |

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|-----------------------------|--|--|--|
| 5.0.1 ESTIMATED EXPENDITURE | | | |
| 5.1.1 ESTIMATED RECEIPTS | | | |

5.2 METHOD OF CALCULATION

Production levy 12,15 ECU/100 kg; quantity involved of 25.000 tonnes becoming "A"-sugar instead of "B"-sugar, 1979/80 sugar marketing year:

$$25.000 \times 121,5 = 3,04 \text{ mECU} = 2,8 \text{ mEua}$$

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

1) YES/NO

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

YES/NO

6.2 IS A SUPPLEMENTARY BUDGET BE NECESSARY ?

YES/NO

6.3 WILL FUTURE BUDGET APPROBIATIONS BE NECESSARY ?

NO

OBSERVATIONS :

1) This measure was not foreseen when the budget was established. However, the lower receipts needs no supplement to the budget.