

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(81) 740 final

Brussels, 24th November 1981

PROPOSAL FOR A COUNCIL REGULATION (EEC)

amending, as regards the Italian lira, Regulation (EEC) No
878/77 on the exchange rates to be applied in agriculture

(presented by the Commission to the Council)

EXPLANATORY MEMORANDUM

1. With effect on 5 October 1981, central rates were altered within the European Monetary System.

The Italian lira was devalued by 3% against currencies which remained stable.

2. This proposal envisages a 2.5% alteration in the representative rate for the Italian lira at the Italian government's request.

This devaluation is to take effect at once in the milk and milk products, beef and veal, pigmeat and wine sectors.

In order to avoid fragmentation of green rates, which would mean that the agricultural rules were further from the actual monetary situation rather than closer, provision should be made for the new rate to apply in the other sectors also, but at the beginning of the marketing years.

3. The effects of this devaluation are shown in the following table :

Representative rate		Devaluation	Effect	
Old	New		on prices in national currency	on monetary compensatory amounts
100 lira = 0.0814996 Ecu 1 Ecu = 1227.00 lira	100 lira = 0.0794913 Ecu 1 Ecu = 1258.00	2.464 %	+ 2.526 %	- 2.6

Proposal for a
COUNCIL REGULATION (EEC) No

amending, as regards the Italian lira, Regulation (EEC) No 878/77 on the exchange rates to be applied in agriculture.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation No 129 on the value of the unit of account and the exchange rates to be applied for the purposes of the common agricultural policy (1), as last amended by Regulation (EEC) No 2543/73 (2), and in particular Article 3 thereof,

Having regard to the proposal from the Commission,

Whereas Council Regulation (EEC) No 878/77 of 26 April 1977 on the exchange rates to be applied in agriculture (3), as last amended by Regulation (EEC) No 2923/81 (4), fixed representative rates for, among others, the Italian lira; whereas it appears advisable to fix in respect of that currency a new representative rate more closely reflecting present economic reality;

Whereas it is necessary to provide for the immediate entry into effect of this new representative rate, while at the same time taking account of the special needs in some sectors;

Whereas the Monetary Committee will be consulted; whereas in view of the urgency involved, the measures envisaged should be adopted in accordance with the conditions laid down in Article 3(2) of Regulation No 129,

(1) OJ No 106, 20.10.1962, p. 2553/62

(2) OJ No L 263, 19. 9.1973, p. 1

(3) OJ No L 106, 29. 4.1977, p.27

(4) OJ No L 291, 12.10.1981, p.1

HAS ADOPTED THIS REGULATION;

Article 1

Annex VII to Regulation (EEC) No 878/77 is hereby replaced by the Annex to this Regulation.

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 Brussels,

For the Council
The President

ANNEX VII

ITALY

1. 1 ECU = 1,258.00 Italian lire.

This rate shall apply with effect from:

- 30 November 1981, for the milk and milk products, beef and veal, pigmeat and wine sectors; however for the wine sector, other dates may be fixed for distillation operations and for the aid referred to in Articles 14 and 14a of Regulation (EEC) No 337/79.
- 1 January 1982 for the Fishery products sector
- The beginning of the 1982/83 marketing year for the other products for which there exists a marketing year.
- 30 November 1981 in all other cases.

2. Until the dates given in point 1, the following rate shall apply:

- 1 ECU = 1,157.79 Italian lire for the fishery products sector
- 1 ECU = 1,227.00 Italian lire in all other cases.

FINANCIAL STATEMENT

Date : 19.11.1981

1. BUDGET HEADING : 1982 - Titles 1 and 2 and chapter 100 APPROPRIATIONS : 1982
13.919,3 m ECU

2. TITLE : Council Regulation amending as regards the Italian lira, Regulation (EEC) no 878/77 on the exchange rates to be applied in agriculture.

3. LEGAL BASIS : Council Reg. 129, as last amended by Reg. (EEC) no 2543/73

4. AIMS OF PROJECT : 2.6 point reduction in mcas applicable to the Italian lira by devaluing the representative rate for the Italian lira from 30.11.1981 in the milk and milk products, beef and veal, pigmeat and wine sectors, and from the beginning of the 1982/83 marketing year for the other sectors.

5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR (81)	FOLLOWING FINANCIAL YEAR (82)
5.0 EXPENDITURE			
- CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)	- 53	token entry	- 64
- NATIONAL ADMINISTRATION			
- OTHER			
5.1 RECEIPTS			
- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)	+ 35	token entry	+ 4
- NATIONAL			
	1983		
5.0.1 ESTIMATED EXPENDITURE	- 53		
5.1.1 ESTIMATED RECEIPTS	+ 35		

5.2 METHOD OF CALCULATION	1982	12 months
<u>Expenditure</u> (in ECU)		
• Effect on mca expenditure	- 83	- 104
• Variation in refunds as reduction in Mcas reduce refunds	+ 2	+ 4
• Effect of dual conversion rate	+ 17	+ 47
<u>Total effect on expenditure:</u>	- 64	- 53
<u>Receipts</u>		
• Effect of dual conversion rate on sugar levies	+ 1.5	+ 12
• Increase in levies following reduction in mcas	+ 2.5	+ 23
<u>Total effect on receipts</u>	+ 4 (1)	+ 35

6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET ? XX
YES/NO

6.1 ~~CAN THE PROJECT BE FINANCED BY TRANSACTIONS OF THE CURRENT BUDGET~~ XX
YES/NO

6.2 ~~CAN THE PROJECT BE FINANCED BY RECEIPTS~~ XX
YES/NO

6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY ? YES/NO

OBSERVATIONS : (1) It should be noted that this effect is assessed by comparison with the draft 1982 budget. The effect of the measure proper on receipts amounts to :

	1982	12 months
• Effect of dual conversion rate (m ECU) on sugar levies	+ 5	+ 12
• Increase in levies following reduction in mcas	+ 9	+ 23
<u>Total effect on receipts</u>	+ 14	+ 35

