

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(77) 133 final.

Brussels, 4 April 1977.

Proposal for a
COUNCIL REGULATION (EEC)

amending Regulation (EEC) No 557/76 as regards the exchange rate
to be applied, in the agricultural sector, for the Danish kroner

(submitted from the Commission to the Council)

COM(77) 133 final.

EXPLANATORY MEMORANDUM

Council Regulation (EEC) No 557/76 of 15 March 1976 on the exchange rates applicable in the agricultural sector (see OJ No L 67 of 15 March 1976, page 1) as last amended by Regulation (EEC) No 651/77 (OJ No L 82, 31.3.1977, p. 4) fixed a representative rate for the Danish kroner, which corresponded to the central rate for this currency.

On 1st April 1977 Denmark decided to change the central rate for their currency, devaluating by 3%.

Denmark asked the Commission to take the necessary measures to adjust the representative rate for the kroner, to avoid introducing monetary compensatory amounts (m.c.a.) for Denmark.

As the green rate and the central rate for the kroner have so far coincided, no m.c.a. was applicable to Denmark; furthermore that country was, because of this situation, the only Member State where the price level corresponded to the "common level".

It is proposed to meet the Danish request and alter the representative rate for the kroner, so that it is the same as the central rate.

The following table shows the effects of the proposed measure:

former rate	new rate	Effects		
		deval. in %	on prices in %	on m.c.a. in points
Dkr 1 = 0,126677 ua	Dkr 1 = 0,122877 ua	3	+3,093	0
1 u.a. = 7,89407 Dkr	1 u.a. = 8,13822 Dkr			

COUNCIL REGULATION (EEC) No

of

amending Regulation (EEC) No 557/76 as regards the exchange rate to be applied, in the agricultural sector, for the Danish kroner

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 purpose 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 557/76 of 15 March 1976 on the exchange rates to be applied in agriculture and repealing Regulation (EEC) No 475/75 (3), as last amended by Regulation (EEC) No 651/77 (4) fixed a representative rate for the Danish kroner; whereas the movement of this currency indicates the advisability of fixing a new representative rate which reflects more closely the real economic situation;

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

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

Done at Luxembourg,

For the Council
The President

HAS ADOPTED THIS REGULATION:

Article 1

In Article 2 (1) of Regulation (EEC) No 557/76, point (b) shall be replaced by the following:

(b) for the Danish kroner:

Dkr 1 = 0,122877 unit of account.

Article 2

The following paragraph shall be added to Article 2 of Regulation (EEC) No 557/76:

8. The representative rate for the Danish kroner as fixed by Regulation (EEC) No 651/77 shall be applicable from: 6 April 1977.

Article 3

This Regulation shall enter into force 6 April 1977

1/ = n° of present Regulation.

(1) OJ No 106, 30. 10. 1962, p. 2553/62.

(2) OJ No L 263, 19. 9. 1973, p. 1.

(3) OJ No L 67, 15. 3. 1976, p. 1.

(4) OJ No L 82 of 31. 3. 1977, p. 4

FINANCIAL STATEMENT

DATE : 4.4.1977

1. BUDGET LINE CONCERNED : 790

2. ACTION : Proposed Council Regulation, modifying Regulation 557/76 in so far as it relates to the rate of exchange to be applied in the agricultural sector for the Danish Crown.

3. LEGAL BASIS : Regulation No.129

4. OBJECTIVES : Alignment of the representative rate of the Danish Crown to the central rate of that currency.

5. FINANCIAL CONSEQUENCE	FOR THE MARKETING YEAR	CURRENT FINANCIAL YEAR (77)	FOLLOWING FINANCIAL YEAR (78)
5.0 EXPENDITURE -CHARGED TO THE EC BUDGET (RESOURCES/INTERVENTIONS) Effect of the double rate	(12 months) + 15 Mua	+ 10 Mua	+ 15 Mua
5.1 RECEIPTS -OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) SAVINGS/EC		negligible	

	YEAR78.....	YEAR79.....	YEAR80.....
5.0.1 PLURIANNUAL PATTERN OF EXPENDITURE	+ 15 Mua	+ 15 Mua	+ 15 Mua
5.1.1 PLURIANNUAL PATTERN OF RECEIPTS		negligible	

5.2 METHOD OF CALCULATION

The proposition will avoid the introduction of MCA's in trade with Denmark. By this means the financial effect is limited to an increase in the effect of the double rate of about 3 % on the volume of Danish expenditure in the name of EAGGF-Guarantee.
 Effect on 12 months : + 15 Mua
 Effect on the 1977 budget :(8/12) + 10 Mua

6.0 FINANCING POSSIBLE WITH CREDITS INSCRIBED IN RELEVANT CHAPTER OF CURRENT BUDGET ? ~~YES~~/NO

6.1 FINANCING POSSIBLE BY TRANSFER BETWEEN CHAPTERS OF CURRENT BUDGET ? ~~YES~~/NO

6.2 NECESSITY FOR A SUPPLEMENTARY BUDGET ? 1) YES/~~NO~~

6.3 CREDITS TO BE WRITTEN INTO FUTURE BUDGETS ? YES/~~NO~~

COMMENTS :

1) Amount to be recovered in the rectifying letter for titles 6 and 7 (Guarantee section of the EAGGF) in the supplementary budget.