

COMMISSION OF THE EUROPEAN COMMUNITIES

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COM(83) 39 final

Brussels, 21st January 1983

PROPOSAL FOR A COUNCIL REGULATION (EEC)

amending Regulation (EEC) No 878/77 on the exchange
rates to be applied in agriculture in Greece

(presented by the Commission to the Council)

COM(83) 39 final

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2. The second part is a list of dates.

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6. The sixth part is a list of phrases.

7. The seventh part is a list of sentences.

8. The eighth part is a list of paragraphs.

9. The ninth part is a list of pages.

10. The tenth part is a list of chapters.

EXPLANATORY MEMORANDUM

- I. The Greek Government announced on 9 January 1983 that it was devaluing the drachma by 15.5% against the US dollar. As a result of this devaluation, which took effect on 10 January, monetary compensatory amounts at -23.3 were introduced with effect from 13 January; the MCA applying in Greece had previously been -1.7.
- II. In a telex sent on 14 January, the Greek Government requested the Commission to forward a proposal to the Council designed to align the "green" representative rate of the drachma on the spot market rates. The telex specified that the new rate should be phased in as follows:
- immediately with respect to fresh fruit and vegetables, wine, milk and milk products, beef and veal, pigmeat, sheepmeat and fishery products;
 - at the start of the 1983/84 marketing year in sectors with a defined marketing year, except for :
 - for the tobacco sector, where the new rate should take effect on 1 January 1984;
 - from 4 April 1983 in all other cases.
- III. In view of the considerable impact on price levels for agricultural products which would result from a complete devaluation of the representative rate of the drachma (an increase of 24.8%), the Commission has been unable to accept the Greek Government's request. Instead, it proposes a devaluation of the "green" drachma by 7.0 %.
- As to when the new rate should come into effect, the Commission would like to remind the Council of its proposals in connection with the devaluation of the "green" rates of the French and Belgian francs (COM(82)591 of 14 September 1982); in the explanatory memorandum, it set out the guidelines it intended to follow in such cases. On the basis of the principles enunciated there, the Commission proposes in the present case that the new representative rate for the drachma take effect in all sectors immediately, except olive oil (from start of 1983/84 marketing year, to avoid differential treatment of producers).
- IV. The financial implications of this proposal are set out in an annex

Member State	Market rate 19.1.1983 (1 ECU =)	Representative rate			Monetary gap (*) (without neutral margin)		MCA to be applied	Effect on prices (%)
		former (1 ECU =)	new (1 ECU =)	devaluation (%)	before devaluation	after devaluation		
Greece	80,8016	66,5526	71,5619	7,000	- 21,419	- 12,9	- 11,4	+ 7,527

(*) The MCAs of - 22.1 valid from 24.1.1983 are based on the reference period from 12 to 18.1.1983.

Proposal for a

COUNCIL REGULATION (EEC)

amending Regulation (EEC) No 878/77 on the exchange rates to be applied in agriculture in Greece

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 the representative rates currently applicable were fixed by Regulation (EEC) No 878/77⁽³⁾, as last amended by Regulation (EEC) No 3437/82⁽⁴⁾; whereas a new representative rate closer to present economic circumstances should be fixed for the Greek drachma;

Whereas the rate must be adjusted with proper regard to its effect, in particular on prices, and to the situation in the Member State concerned;

Whereas Council Regulation (EEC) No 337/79 of 5 February 1979 on the common organization of the market in wine⁽⁵⁾, as last amended by Regulation (EEC) No 2144/82⁽⁶⁾, provides for certain distillation operations and aid; whereas the date of application of

these new rates applying in this context may differ from the other date of application of the new rates in the wine sector;

Whereas, in order to avoid differing treatment of interdependent products, provision should be made for the new rates to apply in the cereals (with the exception of durum wheat) and the eggs and poultrymeat, ovalbumin and lactalbumin sectors with effect from the same date;

Whereas the Monetary Committee will be consulted; whereas, as this is an urgent matter, the measures envisaged should be adopted in accordance with the conditions laid down in Article 3 (2) of Regulation No 129,

HAS ADOPTED THIS REGULATION:

Article 1

Annex V to Regulation (EEC) No 878/77 shall be replaced by Annex V hereto.

Article 2

This Regulation shall enter into force on 31 January 1983.

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

Done at 1983.

For the Council

⁽¹⁾ OJ No 106, 30. 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 362, 23. 12. 1982, p. 1.

⁽⁵⁾ OJ No L 54, 3. 2. 1979, p. 1.

⁽⁶⁾ OJ No L 227, 3. 8. 1982, p. 1.

ANNEX V

Greece

1. 1 ECU = 71.5619 Greek drachmas.

This rate shall apply from:

- 1 November 1983 in the olive oil sector;
- 31 January 1983 in all other sectors; other dates may, however, be fixed for the amounts specified in Articles 10, 11, 12a, 14, 14a, 15, 39, 40 and 41 of Regulation (EEC) No 337/79.

2. The following rate shall apply until the dates specified in 1 above:

1 ECU = 66.5526 Greek drachmas.

FINANCIAL STATEMENT

Date : 20 January 1983

1. BUDGET HEADING : Titles 1 and 2 APPROPRIATIONS : 14 087 mill.ECU
1983

2. TITLE : Council Regulation amending Reg. 878/77 with regard to the exchange rates applying in agriculture in Greece

3. LEGAL BASIS : Council Reg. 129

4. AIMS OF PROJECT : Devaluation of the representative rate for the Greek drachma by 7 % with effect from 1 November 1983 in the olive oil sector and 31 January 1983 in all other sectors

million ECU

5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR (1983)	FOLLOWING FINANCIAL YEAR ()
5.0 EXPENDITURE			
- CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)		- 78	
- NATIONAL CONTRIBUTION			
- OTHER			
5.1 RECEIPTS			
- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)		- 14	
- NATIONAL			
5.0.1 ESTIMATED EXPENDITURE
5.1.1 ESTIMATED RECEIPTS

5.2 METHOD OF CALCULATION

see Annex attached

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

YES ~~NO~~
XX

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

YES ~~NO~~
XXXXX

6.2 WILL A SUPPLEMENTARY BUDGET BE NECESSARY ?

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

YES ~~NO~~
XXXXX

6.3 WILL THE PROJECT BE FINANCED BY APPROPRIATIONS BE NECESSARY ?

YES ~~NO~~
XX

OBSERVATIONS :

ANNEX

I. Adjustment to the Greek drachma: current position and levels of revenue and expenditure in the agrimonetary field

1. The 1983 budget makes no provision for MCAs in connection with the drachma, the differential between market and representative rates being put at parity.
2. An MCA of -1.7 was introduced for the drachma on 3 January 1983; following the devaluation of the Greek currency on 9 January, MCAs went to -23.3 as from 13 January.

The result in terms of agrimonetary expenditure in 1983 is set out below (Table I).

Table I

million ECU	
	1983
<u>Expenditure</u>	
MCAs	+ 63
MCAs deductible from refunds	- 20
Dual rate effect on common organisations of market	-157
TOTAL	-114
<u>Revenue</u>	
Dual rate and MCAs: effect on levies	- 20
Dual rate effect on sugar levies	- 3
TOTAL	- 23

3. The proposed Regulation devalues the representative rate for the drachma by 7 % with effect from 1 November 1983 in the olive sector and 31 January 1983 in all other sectors, changing the figures for agrimonetary revenue and expenditure given under 2 above to the figures given in Table II.

Table II

million ECU	
1983	
<u>Expenditure</u>	
MCAs	+ 35
MCAs deductible from refunds	- 12
Dual rate effect on common organisations of market	-101
TOTAL	- 78
<u>Revenue</u>	
Dual rate and MCAs: effect on levies	- 12
Dual rate effect on sugar levies	- 2
TOTAL	- 14

II. Conclusions

1. As against the budget drawn up for 1983, which did not make provision for agrimonetary revenue or expenditure in connection with the drachma, the result of recent changes in that currency and the proposed devaluation of its representative rate will be:
 - a reduction of 78 million ECU in expenditure;
 - a reduction of 14 million ECU in own resources revenue.

2. The cost of the proposed devaluation of the representative rate for the drachma can thus be estimated as below (Table III).

Table III (Table II minus Table I)

million ECU	
1983	
<u>Expenditure</u>	
MCAs	- 28
MCAs deductible from refunds	+ 8
Dual rate effect on common organisations of market	+ 56
TOTAL	+ 36
Dual rate and MCAs: effect on levies	+ 8
Dual rate effect on sugar levies	+ 1
TOTAL	+ 9

