

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(81) 197 final

Brussels, 24 April 1981

Recommendation for a

COUNCIL DECISION

authorizing the Commission to open negotiations with the ACP States referred to in Protocol No 7 annexed to the Second ACP-EEC Convention of Lomé and with the Republic of India concerning the guaranteed prices for cane sugar to apply in the 1981/82 delivery period

(submitted to the Council by the Commission)

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EXPLANATORY NOTE

1. Protocol No 7 on ACP sugar annexed to the Second ACP-EEC Convention of Lomé and the Agreement with India on cane sugar place an obligation on the Community to purchase and import - at guaranteed prices - cane sugar which the exporting countries concerned cannot commercially market in the Community at prices equivalent to or in excess of the guaranteed prices. The Protocol and the Agreement also require that the guaranteed prices shall be negotiated annually.
2. The current guaranteed prices apply until 30 June 1981. The attached recommendation for a Council Decision accordingly seeks authority for the Commission to negotiate, on behalf of the Community, the guaranteed prices to be applied in the 1981/82 delivery period which begins on 1 July 1981.
3. The Council's attention is drawn to the following:
During last year's negotiations
 - (a) it was agreed that although retroactivity was not provided for in respect of the 1980/81 prices this did not prejudice the position of the ACP States and India in relation to any future negotiation in accordance with Article 4 (2) of the above-mentioned Protocol and Agreement;
 - (b) The ACP States and India explained that ocean freight charges had risen by almost 60 % since last year, thus constituting an important factor, and requested that the Community should give serious consideration to the possibility of alleviating the effect of these charges. The Community, while reiterating that Article 5 (4) of the Protocol and the Agreement set the guaranteed price at the cif stage, recognized the concern of the supplying States at the increasing levels of freight rates and undertook to consider the requests of the ACP States and India. Subsequently the ACP States furnished a note on the subject which was circulated to the Council (Doc 4649/81).

Financial implications

4. This recommendation for a Decision does not involve implications other than those already taken into account in the agricultural prices proposals (Doc. COM (81)50 final Volume II of 3.3.1981).

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the recommendation from the Commission,

Whereas the Second ACP-EEC Convention of Lomé entered into force on 1 January 1981;

Whereas an agreement on cane sugar between the European Economic Community and the Republic of India (1), hereinafter referred to as the "Agreement", entered into force on 18 July 1975;

Whereas Protocol No 7 on ACP sugar annexed to the said Convention, hereinafter referred to as the "Protocol", and the Agreement provide that the guaranteed prices for the quantities of cane sugar concerned shall be negotiated annually,

HAS DECIDED AS FOLLOWS:

Sole Article

1. The Commission is hereby authorized to open negotiations with the ACP states referred to in the Protocol and with the Republic of India on the guaranteed prices referred to in the Protocol and the Agreement to apply in the 1981/82 delivery period.
2. The Commission shall conduct these negotiations in consultation with representatives of the Member States and in conformity with the following guideline:
 - The guaranteed prices cif free out should be negotiated in such a way that the returns guaranteed to the ACP States and to the Republic of India for their raw cane sugar deliveries to the Community are comparable with the guaranteed net return to the Community producers of raw beet sugar.

The prices thus negotiated shall not apply before the start of the delivery period which begins on 1 July 1981.

Done at Brussels,

For the Council

(1) OJ No L 190, 23.7.1975, p. 35