COUNCIL REGULATION (EEC) No 2250/88

of 19 July 1988

amending Regulation (EEC) No 1785/81 on the common organization of the markets in the sugar sector

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 42 and 43 thereof,

Having regard to the proposal from the Commission (1),

Having regard to the opinion of the European Parliament (2),

Having regard to the opinion of the Economic and Social Committee (3),

Whereas under the terms of Protocol 7 on ACP sugar annexed to the Third ACP-EEC Convention (4) and of the Agreement between the European Economic Community and the Republic of India on cane sugar (5), the Community has undertaken to purchase and import at guaranteed prices specific quantities of cane sugar, raw or white, which originate in certain ACP States and the Republic of India and which they undertake to deliver to it; whereas the provisions referred to stipulate that they are to be implemented within the framework of the management of the market organization concerned which is laid down in Council Regulation (EEC) No 1785/81 (6), as last amended by Regulation (EEC) No 1107/88 (7); whereas those provisions further stipulate that, after negotiation, annual guaranteed prices are to be fixed at which the Community undertakes to purchase, within agreed quantities, quantities of the said sugars which cannot be marketed in the Community at a price equivalent to or in excess of the guaranteed price;

Whereas the guaranteed prices for preferential raw sugar have not, since the 1985/86 marketing year, enabled the Community sugar refining industry to pay the suppliers in question the said price without any undue adverse effect on their margins; whereas that adverse effect has since been offset by Community compensation granted under a temporary scheme the period of validity of which has been renewed; whereas it is now advisable to introduce a similar but more suitable scheme, whereby adjustment aid is paid by the Community for the refining of preferential raw sugar in the Community;

Whereas, in order to preserve a balance between the price of preferential raw cane sugar and that of raw cane sugar from the French overseas departments at the stage where those products enter the refinery, raw cane sugar from those departments and, when it is processed into white sugar in refineries in the Community, raw sugar obtained from beet harvested in the Community qualify for an additional Community subsidy which is identical to that paid in respect of preferential raw sugar; whereas it is advisable that this Regulation includes such provisions;

Whereas a provision should be introduced whereby the amount of the adjustment aid for the sugars in question can, where appropriate, be altered in order to maintain the said balance when changes occur in the storage levy and/or prices;

Whereas Article 27 of Regulation (EEC) No 1785/81 fixes, for the European regions of the Community, the date of 1 February of each marketing year as the deadline for decisions of undertakings producing sugar to carry forward production; whereas the production of some undertakings producing beet sugar in Spain is generally completed only well after that date and the production of sugar cane in that Member State only takes place practically at the end of the marketing year; whereas, therefore, in this case, in particular to avoid discrimination, appropriate deadlines should be set for decisions to carry over; whereas such deadlines must be made applicable to the 1987/88 marketing year to prevent the quantities of sugar concerned which cannot be carried over from having to be exported to third countries without refunds by the Spanish undertakings concerned;

Whereas in view, on the one hand, of the special situation of the United Kingdom's market in white sugar and of its raw sugar refining industry which relies entirely on supplies of preferential raw sugar and, on the other, the abovementioned commitments by virtue of which the Community is very much dependent on the existence of a viable refining industry in the United Kingdom, which must comply with the guaranteed prices fixed by the Community, it is advisable to introduce arrangements whereby the United Kingdom may, to the extent which is

(1) OJ No C 139, 30. 5. 1988, p. 16.
(2) OJ No C 167, 27. 6. 1988.
(3) OJ No C 175, 4. 7. 1988, p. 33.
(4) OJ No L 86, 31. 3. 1986, p. 164.
(5) OJ No L 190, 23. 7. 1975, p. 35.
(6) OJ No L 177, 1. 7. 1981, p. 4.
(7) OJ No L 110, 29. 4. 1988, p. 20.

felt to be necessary, grant national flat-rate adjustment and to its refiners of preferential raw sugar and whereby part of the aid, namely that corresponding to the obligations which the Community places on the said refiners, would be chargeable to the Community;

Whereas it is advisable that these measures be introduced for a certain period only, namely until the end of the period of validity of the production-quota system, to allow their impact to be assessed, and whereas they should apply as from the 1987/88 marketing year, in which the existence of the problems of the preferential raw sugar refining margin was recognized;

Whereas the production of sugar cane and raw cane sugar in the French overseas departments always encounters difficulties that are peculiar to the crop, environmental and operating conditions of this sector; whereas, these crops represent an essential component of the economy of the Research and Overseas Department; whereas, moreover, Italy is carrying out a restructuring of the sugar beet sector and sugar production by means of restructuring plans under Articles 92 to 94 of the Treaty; whereas, under these circumstances, the Member States concerned should be authorized to continue to grant, for the 1988/89 marketing year, national aid in accordance with the arrangements in force since the 1986/87 marketing year,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 1785/81 is hereby amended as follows:

1. The following paragraph is inserted into Article 9:

'4b. From the 1987/88 until 1990/91 marketing year, adjustment aid shall, as an intervention measure, be granted to the Community's preferential raw cane sugar refining undustry.

The aid referred to in the first subparagraph shall be granted only in respect of the quantities eligible under Article 33 which are refined into white sugar at the refineries referred to in the third subparagraph of paragraph 4. The aid for the white sugar in question shall be 0,08 ECU per 100 kilograms, expressed as white sugar.

Throughout the marketing years specified in the first subparagraph, additional aid of 0,08 ECU per 100 kilograms, expressed as white sugar shall be granted for the refining, in the refineries referred to in the third subparagraph of paragraph 4, of raw cane sugar produced in the French overseas departments, in order to restore the price balance between that sugar and preferential sugar. The aid shall also be granted in respect of raw sugar obtained from beet harvested in the Community in cases where the provisions of the second subparagraph of paragraph 4 are applied.

The amount of the adjustment aid and of the additional aid referred to above may be altered in respect of a given marketing year in the light of the amount of the storage levy fixed for that year and/or to take account of a change in refiners' margins which results from the price review for that marketing year.'.

2. The following indent is added to Article 9(6) after the sixth indent:

'— the alterations referred to in the fourth subparagraph of paragraph 4b.'.

3. The following text is inserted as a second subparagraph in Article 27(2) after the first subparagraph:

'As regards the undertakings established in Spain the date of 1 February referred to in the first indent of the first subparagraph is replaced by:

— 15 April, in the case of beet sugar production,

— 20 June, in the case of cane sugar production.'.

4. In Article 46(1), (2) and (5) the terms 'the 1986/87 and the 1987/88 marketing years' is replaced by the term 'the 1988/89 marketing year'.

5. The following paragraph is added to Article 46:

'6. From the 1987/88 to 1990/91 marketing year the United Kingdom may, to the extent which it feels necessary, grant adjustment aid for the refining of preferential raw cane sugar.

The aid referred to in the first subparagraph may be granted only in respect of the quantities eligible under Article 33 which are refined into white sugar in the United Kingdom. The aid granted for the sugar thus produced shall not exceed 0,50 ECU per 100 kilograms, expressed as white sugar.

The Community shall, as an intervention measure, reimburse the United Kingdom 25 % of the aid granted in respect of each marketing year.'.

Article 2

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Communities*.

It shall apply, with the exception of point 4, from the beginning of the 1987/88 marketing year.

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

Done at Brussels, 19 July 1988.

For the Council

The President

Y. POTTAKIS