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*(Acts whose publication is obligatory)*

## COUNCIL REGULATION (EEC) No 1771/90

**of 26 June 1990**

**amending Regulation (EEC) No 1010/86 laying down general rules for the production refund on certain sugar products used in the chemical industry**

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1785/81 of 30 June 1981 on the common organization of the markets in the sugar sector (1), as last amended by Regulation (EEC) No 1069/89 (2), and in particular Article 9 (5) thereof,

Having regard to the proposal from the Commission,

Whereas, under Article 9 (3) of Regulation (EEC) No 1785/81, it may be decided to grant production refunds on sugar, unprocessed isoglucose and syrups covered by that Regulation which are used in the manufacture of certain products of the chemical industry;

Whereas Regulation (EEC) No 1010/86 (3), as last amended by Regulation (EEC) No 1438/90 (4), lays down the general rules for the system applicable from 1 July 1986 to sugar sector products used for the manufacture of chemical products; whereas the system aims to promote, on the one hand, the development of the use of sugar sector products by the chemical industry and, on the other, the development of biotechnology on the basis of these basic products, by aligning the price products on the prices of the world market in sugar; whereas, with this in view, the system provides for a transitional period of four marketing years in order to apply in a progressive manner the principle whereby the production refunds should be established by reference to the world and Community sugar prices, account being taken of a standard amout of ECU 7 per 100 kilograms, to be added to the world market price for sugar, corresponding to the forwarding costs for the export of Community sugar inclusive of a flat rate element intended in particular to avoid the sale of sale at a price lower than the world market price which, by nature, is very volatile;

Whereas the experience gained from the operation of the said arrangements during the four marketing years of the transitional period demonstrates the necessity for, on the one hand, finally placing the Community chemical industry that is the consumer of the sugar sector products under conditions comparable to those valid for the chemical industry that obtains its supplies from the world sugar market and, on the other hand, opening up the non-food outlets even further to the Community industry producing those sugar sector products; whereas, in order to do this, the system must be pursued by applying in full from now on the exclusive reference to the world and Community markets for sugar; whereas the pursuance of the arrangements must no longer be subject to a time limit in order to permit the industries in question, through increased certainty as to the law, to make the long term investments which are often heavy, particularly those for new products;

Whereas, in view of the establishment from now on the production refund by reference to the sugar market alone, it is no longer necessary to refer to the cereals marketing year as defined in Article 2 of Regulation (EEC) No 2727/75 (5), as last amended by Regulation (EEC) No 201/90 (6),

HAS ADOPTED THIS REGULATION:

*Article 1*

Regulation (EEC) No 1010/86 is hereby amended as follows:

1. Article 1 (3) is deleted.

(1) OJ No L 177, 1. 7. 1981, p. 4.
(2) OJ No L 114, 27. 4. 1989, p. 1.
(3) OJ No L 94, 9. 4. 1986, p. 9.
(4) OJ No L 138, 31. 5. 1990, p. 12.
(5) OJ No L 281, 1. 11. 1975, p. 1.
(6) OJ No L 22, 27. 1. 1990, p. 7.

2. The following new Article 4a is inserted :

*'Article 4a*

1. As from the 1990/91 marketing year, the amount of the production refund per 100 kilograms of white sugar shall be fixed taking into account the world market price for white sugar plus a standard amount of ECU 7 per 100 kilograms of white sugar and the price of Community sugar.

2. For the purpose of implementing paragraph1, the following definitions shall apply :

(a) world market price for sugar : the price of Community sugar less the average of the export refunds for white sugar recorded during the reference period in question after deduction of a standard amount of ECU 7 per 100 kilograms ;

(b) price of Community sugar : the intervention price for white sugar plus the storage levy.'

*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 Luxembourg, 26 June 1990.

*For the Council*

*The President*

M. O'KENNEDY