COMMISSION REGULATION (EC) No 1092/2005

of 12 July 2005

suspending the system of advances of aid to compensate for loss of income from marketing in the banana sector in respect of 2005

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 404/93 of 13 February 1993 on the common organisation of the market in bananas [1], and in particular Article 14 thereof,

Whereas:

(1) Articles 4, 5 and 7 of Commission Regulation (EEC) No 1858/93 [2], lay down rules applicable to the submission of applications for advances under the aid scheme to compensate for loss of income from marketing in the banana sector provided for in Article 12 of Regulation (EEC) No 404/93.

(2) Prices in the Community production regions are much higher than those in the corresponding period in previous years, and remain at a relatively high level. If this situation continues, compensatory aid for 2005 will be fixed, in due course, at a level far below the amounts fixed in respect of previous years. As a result, producers will be required to reimburse a large proportion of the amounts received in the form of advances. A substantial reduction in the unit value of the advances fixed by Commission Regulation (EC) No 703/2005 of 4 May 2005 fixing the compensatory aid for bananas produced and marketed in the Community in 2004 and the unit value of the advances for 2005 [3] will not remedy the consequences of such a situation.

(3) In order to preserve the financial interests of the Community and to avoid the subsequent obligation on producers to repay advances, the application of rules on the submission of applications for advances and on the payment of such advances laid down by Regulation (EEC) No 1858/93 should be suspended. The payment of advances for bananas marketed after 30 April 2005 and the submission of new applications should accordingly be suspended.

(4) This Regulation should therefore apply from 1 July 2005.

(5) The measures provided for in this regulation are in accordance with the opinion of the Management Committee for Bananas,

HAS ADOPTED THIS REGULATION:

Article 1

The submission of applications for advances on the compensatory aid provided for in Articles 4, 5 and 7 of Regulation (EEC) No 1858/93 in respect of 2005 is hereby suspended.

Article 2

Notwithstanding Article 10 of Regulation (EEC) No 1858/93, no advances on the compensatory aid will be paid for bananas marketed after 30 April 2005.

Article 3

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

It shall apply from 1 July 2005.

[1] OJ L 47, 25.2.1993, p. 1. Regulation as last amended by the 2003 Act of Accession.
[2] OJ L 170, 13.7.1993, p. 5. Regulation as last amended by Regulation (EC) No 789/2005 (OJ L 132, 26.5.2005, p. 13).
[3] OJ L 118, 5.5.2005, p. 12.

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

Done at Brussels, 12 July 2005.

For the Commission
Mariann FISCHER BOEL
Member of the Commission