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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 9.10.2008
COM(2008) 622 final

2008/0189 (ACC)

Proposal for a

COUNCIL DECISION

on the conclusion of an Agreement in the form of Exchange of Letters between the European Community and Barbados, Belize, the Republic of Congo, the Republic of Côte d'Ivoire, the Republic of the Fiji Islands, the Republic of Guyana, Jamaica, the Republic of Kenya, the Republic of Madagascar, the Republic of Malawi, the Republic of Mauritius, the Republic of Mozambique, the Federation of Saint Kitts and Nevis, the Republic of Suriname, the Kingdom of Swaziland, the United Republic of Tanzania, the Republic of Trinidad and Tobago, the Republic of Uganda, the Republic of Zambia and the Republic of Zimbabwe on the guaranteed prices for cane sugar for the 2006/2007, 2007/2008, 2008/2009 and 1 July 2009 to 30 September 2009 delivery periods and on the conclusion of an Agreement in the form of Exchange of Letters between the European Community and the Republic of India on the guaranteed prices for cane sugar for the same delivery periods

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. Protocol 3 on ACP sugar attached to Annex V to the ACP-EC Partnership Agreement, and the agreement on sugar between the European Community and the Republic of India provide for a Community undertaking to purchase and import at guaranteed prices cane sugar which the exporting countries concerned cannot market in the Community at prices equivalent to or higher than the guaranteed prices.
2. In conformity with the guidelines for negotiations given by the Council for the 2006/2007, 2007/2008, 2008/2009 and 1 July 2009 to 30 September 2009 delivery periods, the Commission has negotiated guaranteed prices with the ACP States and the Republic of India pursuant to Articles 5(4) of Protocol 3 on ACP sugar, referred to in point 1, as well as the agreement with India on cane sugar.
3. ACP Sugar Protocol countries expressed their agreement with the Community offers on 24 June 2008. India which had agreed previously for the preceding campaigns, expressed its agreement with the EU offer for the 2008/2009 and 1 July 2009 to 30 September 2009 delivery periods on 11 July 2008.
4. The Commission therefore proposes that the Council adopts the proposal for a decision on the conclusion of these agreements in the form of exchange of letters as set out in the Annexes.
5. Financial impact: The budgetary implications for the 2009 and 2010 budgets will depend on the sugar market situation and notably on the uptake of the sugar restructuring scheme and other management decisions (potential preventive withdrawal). Consequently, in case of an insufficient uptake of the restructuring scheme, these imports might contribute to a potential sugar surplus and hence have an impact on the 2009 and 2010 budgets. However, this impact is not quantifiable as yet.

Proposal for a

COUNCIL DECISION

on the conclusion of an Agreement in the form of Exchange of Letters between the European Community and Barbados, Belize, the Republic of Congo, the Republic of Côte d'Ivoire, the Republic of the Fiji Islands, the Republic of Guyana, Jamaica, the Republic of Kenya, the Republic of Madagascar, the Republic of Malawi, the Republic of Mauritius, the Republic of Mozambique, the Federation of Saint Kitts and Nevis, the Republic of Suriname, the Kingdom of Swaziland, the United Republic of Tanzania, the Republic of Trinidad and Tobago, the Republic of Uganda, the Republic of Zambia and the Republic of Zimbabwe on the guaranteed prices for cane sugar for the 2006/2007, 2007/2008, 2008/2009 and 1 July 2009 to 30 September 2009 delivery periods and on the conclusion of an Agreement in the form of Exchange of Letters between the European Community and the Republic of India on the guaranteed prices for cane sugar for the same delivery periods

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133, in conjunction with the first sentence of the first subparagraph of Article 300(2) thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) Implementation of Protocol 3 on ACP Sugar attached to Annex V to the ACP-EC Partnership Agreement¹ and of the Agreement between the European Community and the Republic of India on cane sugar² is carried out, in accordance with Article 1(2) of each Agreement, within the framework of the management of the common organisation of the sugar market.
- (2) It is appropriate to approve the Agreements in the form of Exchange of Letters between the Community and, on the one part, the States referred to in the Protocol and, on the other part, the Republic of India on the guaranteed prices for cane sugar for the 2006/2007, 2007/2008, 2008/2009 and 1 July 2009 to 30 September 2009 delivery periods.

¹ OJ L 317, 15.12.2000, p. 27.

² OJ L 190, 23.7.1975, p. 35.

HAS DECIDED AS FOLLOWS:

Article 1

The Agreement in the form of Exchange of Letters between the European Community and Barbados, Belize, the Republic of Congo, the Republic of Côte d'Ivoire, the Republic of the Fiji Islands, the Republic of Guyana, Jamaica, the Republic of Kenya, the Republic of Madagascar, the Republic of Malawi, the Republic of Mauritius, the Republic of Mozambique, the Federation of Saint Kitts and Nevis, the Republic of Suriname, the Kingdom of Swaziland, the United Republic of Tanzania, the Republic of Trinidad and Tobago, the Republic of Uganda, the Republic of Zambia and the Republic of Zimbabwe on the guaranteed prices for cane sugar for the 2006/2007, 2007/2008, 2008/2009 and 1 July 2009 to 30 September 2009 delivery periods, and the Agreement in the form of Exchange of Letters between the European Community and the Republic of India on the guaranteed prices for cane sugar for the 2006/2007, 2007/2008, 2008/2009 and 1 July 2009 to 30 September 2009 delivery periods, are hereby approved on behalf of the Community.

The texts of these agreements are set out in Annexes I and II to this Decision.

Article 2

The President of the Council is hereby authorised to designate the person empowered to sign the Agreements referred to in Article 1 in order to bind the Community.

Article 3

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels,

For the Council
The President

ANNEX I

AGREEMENT IN THE FORM OF EXCHANGE OF LETTERS

between the European Community and Barbados, Belize, the Republic of Congo, the Republic of Côte d'Ivoire, the Republic of the Fiji Islands, the Republic of Guyana, Jamaica, the Republic of Kenya, the Republic of Madagascar, the Republic of Malawi, the Republic of Mauritius, the Republic of Mozambique, the Federation of Saint Kitts and Nevis, the Republic of Suriname, the Kingdom of Swaziland, the United Republic of Tanzania, the Republic of Trinidad and Tobago, the Republic of Uganda, the Republic of Zambia and the Republic of Zimbabwe on the guaranteed prices for cane sugar for the 2006/2007, 2007/2008, 2008/2009 and 1 July 2009 to 30 September 2009 delivery periods

A. Letter No 1

Brussels,

Sir,

The representatives of the ACP States referred to in Protocol 3 on ACP sugar attached to Annex V to the ACP-EC Partnership Agreement and of the Commission, acting on behalf of the European Community, have agreed, pursuant to the provisions of the said Protocol, on the following:

For the delivery period 1 July 2006 to 30 June 2007, the guaranteed prices referred to in Article 5(4) of the Sugar Protocol shall, for the purpose of intervention within the terms of Article 6 of the Protocol, be:

- (a) for raw sugar: 496.8 €per tonne;
- (b) for white sugar: 631.9 €per tonne.

For the delivery period 1 July 2007 to 30 June 2008, the guaranteed prices referred to in Article 5(4) of the Sugar Protocol shall, for the purpose of intervention within the terms of Article 6 of the Protocol, be:

- (a) for raw sugar: are 496.8 €per tonne;
- (b) for white sugar: 631.9 €per tonne.

For the delivery period 1 July 2008 to 30 June 2009, the guaranteed prices referred to in Article 5(4) of the Sugar Protocol shall, for the purpose of intervention within the terms of Article 6 of the Protocol, be:

– 1) From 1 July 2008 to 30 September 2008;

- (a) for raw sugar: 496.8 €per tonne;
- (b) for white sugar: 631.9 €per tonne.

– 2) From 1 October 2008 to 30 June 2009;

- (a) for raw sugar: 448.8 €per tonne;
- (b) for white sugar: 541.5 €per tonne

For the delivery period 1 July 2009 to 30 September 2009, the guaranteed prices referred to in Article 5(4) of the Sugar Protocol shall, for the purpose of intervention within the terms of Article 6 of the Protocol, be:

- (a) for raw sugar: 448.8 €per tonne;
- (b) for white sugar: 541.5 €per tonne.

These prices shall refer to sugar of standard quality as defined in Community legislation, unpacked, cif, free out of European ports of the Community. The introduction of these prices in no way prejudices the respective positions of the Contracting Parties in respect of the principles appertaining to the determination of the guaranteed prices.

I should be obliged if you would acknowledge receipt of this letter and confirm that this letter and your reply constitute an Agreement between your Government and the European Community.

Please accept, Sir, the assurance of my highest consideration.

*On behalf of the Council
of the European Union*

B. Letter No 2

Brussels,

Sir,

I have the honour to acknowledge receipt of your letter of today which reads as follows:

"The representatives of the ACP States referred to in Protocol 3 on ACP sugar attached to Annex V to the ACP-EC Partnership Agreement and of the Commission, acting on behalf of the European Community, have agreed, pursuant to the provisions of the said Protocol, on the following:

For the delivery period 1 July 2006 to 30 June 2007, the guaranteed prices referred to in Article 5(4) of the Sugar Protocol shall, for the purpose of intervention within the terms of Article 6 of the Protocol, be:

- (a) for raw sugar: 496.8 €/per tonne;
- (b) for white sugar: 631.9 €/per tonne.

For the delivery period 1 July 2007 to 30 June 2008, the guaranteed prices referred to in Article 5(4) of the Sugar Protocol shall, for the purpose of intervention within the terms of Article 6 of the Protocol, be:

- (a) for raw sugar: are 496.8 €/per tonne;
- (b) for white sugar: 631.9 €/per tonne

For the delivery period 1 July 2008 to 30 June 2009, the guaranteed prices referred to in Article 5(4) of the Sugar Protocol shall, for the purpose of intervention within the terms of Article 6 of the Protocol, be:

– 1) From 1 July 2008 to 30 September 2008;

- (a) for raw sugar: 496.8 €/per tonne;
- (b) for white sugar: 631.9 €/per tonne

– 2) From 1 October 2008 to 30 June 2009;

- (a) for raw sugar: 448.8 €/per tonne;
- (b) for white sugar: 541.5 €/per tonne.

For the delivery period 1 July 2009 to 30 September 2009, the guaranteed prices referred to in Article 5(4) of the Sugar Protocol shall, for the purpose of intervention within the terms of Article 6 of the Protocol, be:

- (a) for raw sugar: 448.8 €/per tonne;
- (b) for white sugar: 541.5 €/per tonne.

These prices shall refer to sugar of standard quality as defined in Community legislation, unpacked, cif, free out of European ports of the Community. The introduction of these prices in no way prejudices the respective positions of the Contracting Parties in respect of the principles appertaining to the determination of the guaranteed prices.

I should be obliged if you would acknowledge receipt of this letter and confirm that this letter and your reply constitute an Agreement between my Government and the European Community."

I have the honour to confirm the agreement of my Government to this letter.

Please accept, Sir, the assurance of my highest consideration.

*For the respective Governments of the
ACP States referred to in Protocol 3*

ANNEX II

AGREEMENT IN THE FORM OF EXCHANGE OF LETTERS

between the European Community and the Republic of India on the guaranteed prices for cane sugar for the 2006/2007, 2007/2008, 2008/2009 and 1 July 2009 to 30 September 2009 delivery periods

A. Letter No 1

Brussels,

Sir,

The Representatives of India and of the Commission, acting on behalf of the European Community, have agreed, within the framework of the negotiations provided for in Article 5(4) of the Agreement between the European Community and the Republic of India on cane sugar, on the following:

For the delivery period 1 July 2006 to 30 June 2007, the guaranteed prices referred to in Article 5(4) of the Sugar Agreement shall, for the purpose of intervention within the terms of Article 6 of the Agreement, be:

- (a) for raw sugar: 496.8 €per tonne;
- (b) for white sugar: 631.9 €per tonne.

For the delivery period 1 July 2007 to 30 June 2008, the guaranteed prices referred to in Article 5(4) of the Sugar Agreement shall, for the purpose of intervention within the terms of Article 6 of the Agreement , be:

- (a) for raw sugar: are 496.8 €per tonne;
- (b) for white sugar: 631.9 €per tonne

For the delivery period 1 July 2008 to 30 June 2009, the guaranteed prices referred to in Article 5(4) of the Sugar Agreement shall, for the purpose of intervention within the terms of Article 6 of the Agreement , be:

– 1) From 1 July 2008 to 30 September 2008;

- (a) for raw sugar: 496.8 €per tonne;
- (b) for white sugar: 631.9 €per tonne

– 2) From 1 October 2008 to 30 June 2009;

- (a) for raw sugar: 448.8 €per tonne;
- (b) for white sugar: 541.5 €per tonne

For the delivery period 1 July 2009 to 30 September 2009, the guaranteed prices referred to in Article 5(4) of the Sugar Agreement shall, for the purpose of intervention within the terms of Article 6 of the Agreement , be:

- (a) for raw sugar: 448.8 €per tonne;
- (b) for white sugar: 541.5 €per tonne

These prices shall refer to sugar of standard quality as defined in Community legislation, unpacked, cif, free out of European ports of the Community. The introduction of these prices in no way prejudices the respective positions of the Contracting Parties in respect of the principles appertaining to the determination of the guaranteed prices.

I should be obliged if you would acknowledge receipt of this letter and confirm that this letter and your reply constitute an Agreement between your Government and the Community.

Please accept, Sir, the assurance of my highest consideration.

*On behalf of the Council
of the European Union*

B. Letter No 2

Brussels,

Sir,

I have the honour to acknowledge receipt of your letter of today which reads as follows:

"The Representatives of India and of the Commission, acting on behalf of the European Community, have agreed, within the framework of the negotiations provided for in Article 5(4) of the Agreement between the European Community and the Republic of India on cane sugar, on the following:

For the delivery period 1 July 2006 to 30 June 2007, the guaranteed prices referred to in Article 5(4) of the Sugar Agreement shall, for the purpose of intervention within the terms of Article 6 of the Agreement, be:

- (a) for raw sugar: 496.8 €/per tonne;
- (b) for white sugar: 631.9 €/per tonne.

For the delivery period 1 July 2007 to 30 June 2008, the guaranteed prices referred to in Article 5(4) of the Sugar Agreement shall, for the purpose of intervention within the terms of Article 6 of the Agreement, be:

- (a) for raw sugar: are 496.8 €/per tonne;
- (b) for white sugar: 631.9 €/per tonne

For the delivery period 1 July 2008 to 30 June 2009, the guaranteed prices referred to in Article 5(4) of the Sugar Agreement shall, for the purpose of intervention within the terms of Article 6 of the Agreement, be:

– 1) From 1 July 2008 to 30 September 2008;

- (a) for raw sugar: 496.8 €/per tonne;
- (b) for white sugar: 631.9 €/per tonne

– 2) From 1 October 2008 to 30 June 2009;

- (a) for raw sugar: 448.8 €/per tonne;
- (b) for white sugar: 541.5 €/per tonne

For the delivery period 1 July 2009 to 30 September 2009, the guaranteed prices referred to in Article 5(4) of the Sugar Agreement shall, for the purpose of intervention within the terms of Article 6 of the Agreement, be:

- (a) for raw sugar: 448.8 €/per tonne;
- (b) for white sugar: 541.5 €/per tonne

These prices shall refer to sugar of standard quality as defined in Community legislation, unpacked, cif, free out of European ports of the Community. The introduction of these prices in no way prejudices the respective positions of the Contracting Parties in respect of the principles appertaining to the determination of the guaranteed prices.

I should be obliged if you would acknowledge receipt of this letter and confirm that this letter and your reply constitute an Agreement between the Government of India and the Community".

I have the honour to confirm the agreement of my Government with the foregoing.

Please accept, Sir, the assurance of my highest consideration.

*For the Government of
the Republic of India*

FINANCIAL STATEMENT		(fichesfin/08/22009) (OJ) 6.2.2008.1		
		16/07/2008		
1.	BUDGET HEADING: 05 02 05	APPROPRIATIONS: 102 M EUR (PDB 2009)		
2.	COUNCIL DECISION on the conclusion of Agreements in the form of an Exchange of Letters between the European Community and, of the one part, Barbados, Belize, the Republic of the Congo, Fiji, the Cooperative Republic of Guyana, the Republic of Côte d'Ivoire, Jamaica, the Republic of Kenya, the Republic of Madagascar, the Republic of Malawi, the Republic of Mauritius, the Republic of Surinam, Saint Christopher and Nevis, the Kingdom of Swaziland, the United Republic of Tanzania, the Republic of Trinidad and Tobago, the Republic of Uganda, the Republic of Zambia and the Republic of Zimbabwe and, of the other part, the Republic of India on the guaranteed prices for cane sugar for the 2006/2007, 2007/2008, 2008/2009 and from 1 July 2009 to 30 September 2009 delivery periods.			
3.	LEGAL BASIS: Article 133 of the Treaty			
4.	AIMS: To guarantee prices for deliveries from the ACP States and the Republic of India of white or raw cane sugar to the Community so that they are comparable to the prices guaranteed to Community sugar producers for the delivery periods stated in the title of the regulation.			
5.	FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS	FINANCIAL YEAR 2008	FINANCIAL YEAR 2009
		(EUR million)	(EUR million)	(EUR million)
5.0	EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTION) - NATIONAL ADMINISTRATION - OTHER	-	-	see observations
5.1	REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL	-	-	-
		2010	2011	2012
5.0.1	ESTIMATED EXPENDITURE	see observations	-	-
5.1.1	ESTIMATED REVENUE	-	-	-
5.2	METHOD OF CALCULATION:			
6.0	CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?			YES / NO
6.1	CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?			YES / NO
6.2	IS A SUPPLEMENTARY BUDGET NECESSARY?			YES / NO
6.3	WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY?			YES / NO
OBSERVATIONS: The budgetary implications for the 2009 and 2010 budgets will depend on the sugar market situation and notably on the uptake of the sugar restructuring scheme and other management decisions (potential preventive withdrawal). Consequently, in case of an insufficient uptake of the restructuring scheme, these imports might contribute to a potential sugar surplus and hence have an impact on the 2009 and 2010 budgets. However, this impact is not quantifiable at this stage.				