COUNCIL REGULATION (EEC) No 1548/93

of 14 June 1993

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],

Wheras Article 23 of Regulation (EEC) No 1785/81 [4] lays down, on the one hand, that the system of production quotas for sugar is to apply for the 1991/92 and 1992/93 marketing years and, on the other hand, that the Council is to determine, in good time, the system to be applied from 1 July 1993;

Whereas the year 1993/94 will be the first year of transition towards the full application of the major reform decided by the Council in 1992 for the majority of the major arable crops;

Whereas sugar, although it too is a major arable product, is not included in the reform;

Whereas national authorities and producers should be allowed to concentrate on the application of the new regime for arable products without being confronted at the same time by the choices to be made for the long term future of the sugar regime;

Whereas the sugar regime as it exists at present is such as to preclude the risk of a sudden change in the area planted and that it is, therefore, possible for it to coexist, at least for a time, with the new regime for other arable products;

Whereas it is, therefore, desirable to provide for the prolongation of the existing price and products regime for the 1993/94 marketing year;

Whereas Article 303 of the Act of Accession of Spain and Portugal provides for a preferential system for the adequate supply of raw sugar to the Portuguese refineries during a seven-year period following accession; whereas this involves the application of a reduced levy for imports of raw sugar from third countries for that purpose and the use of available supplies of raw cane and beet sugar harvested in the Community eligible under the arrangements laid down in Council Regulation (EEC) No 2225/86 of 15 July 1986 laying down measures for the marketing of sugar produced in the French overseas departments and for the equalization of the price conditions with preferential raw sugar [5], together with available supplies of preferential raw sugar as referred to in Article 33 of Regulation (EEC) No 1785/81; whereas the abovementioned transitional period ended on 31 December 1992; whereas the system for the supply of Portuguese refineries has been extended until 30 June 1993 by Regulation (EEC) No 3484/1992 [6] pending the establishment of the definitive arrangments for the supply of the Community's refineries in general; whereas the reasons pointing to a continuation of the existing price and production arrangements in the sugar sector are equally valid for a further extension until 30 June 1994 of the existing system for the supply of Portuguese refineries in view of the fact that the definitive system to be determined for the refining industry is closely linked to that remaining to be determined for the production of sugar;

Whereas technical progress and recent industrial developments in the production of natural sweeteners obtained from agricultural products in the Community have led to a new generation of product, hereinafter referred to as 'inulin syrup', the characteristics and uses of which are closely comparable with those of isoglucose and liquid sugar which are governed by the common organization of the markets in the sugar sector provided for in Regulation (EEC) No 1785/81; whereas, although inulin syrup is a product which is very close in nature to isoglucose in particular, it is not covered by the definition of the latter in Regulation (EEC) No 1785/81, because it is neither obtained from glucose nor made by isomerization of glucose but instead by hydrolysis of inulin, a compound composed of chains of fructose molecules; whereas production of inulin syrup is consequently not subject to the constraints deriving from the quota and self-financing arrangements applying under the common organization of the markets in the sugar sector although it benefits indirectly from the guarantees provided by the market organization for the products covered by it;

Whereas inulin syrup is a direct substitute for isoglucose and liquid sugar and as such is in direct competition with

(1) OJ No C 30, 3. 2. 1993, p. 12.
(2) OJ No C 150, 31. 5. 1993.
(3) OJ No C 161, 14. 6. 1993, p. 13.
(4) OJ No L 177, 1. 7. 1981, p. 4. Regulation as last amended by Regulation (EEC) No 3814/92 (OJ No L 387, 31. 12. 1992, p. 7).
(5) OJ No L 194, 17. 7. 1986, p. 7.
(6) OJ No L 353, 3. 2. 1992, p. 8.

those products under conditions of unequal treatment to the detriment of the latter; whereas for this reason and in view of the surplus situation for Community sugar, all production of inulin syrup necessarily displaces a quantity of sugar for export at a cost to sugar and isoglucose producers, accompanied by the risk of serious market disturbance; whereas under these conditions it is necessary for the production of inulin syrup to be incorporated as rapidly as possible within the common organization of the sugar markets;

Whereas, on the one hand, the continuation in its present form of the system for the production of sugar and isoglucose for the 1993/94 marketing year alone and, on the other hand, the nearness of the said marketing year, render it preferable to defer the application of the rules laid down by the common organization of the markets in the sugar sector to this new production; whereas it is nevertheless necessary to give notice to the producers and the intending producers of inulin syrup that, in the event of the application of a specific production system to sugar and isoglucose from the 1994/95 marketing year, such a system will be extended to include, with effect from that marketing year, the production of inulin syrup under similar conditions;

Whereas this Regulation must be applied under the best possible conditions; whereas, to that end, certain transitional measures may prove necessary; whereas provision should be made for such measures to be adopted in accordance with the procedure laid down in Article 41 of Regulation (EEC) No 1785/81,

HAS ADOPTED THIS REGULATION:

Article 1

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

1. the fourth subparagraph of Article 9 (4) and Article 9 (4a) shall be deleted;

2. in Article 9 (4b) 'From the 1991/92 to 1992/93 marketing year', shall be replaced by 'Throughout the 1993/94 marketing year', and in the third subparagraph of that same paragraph 'Throughout the marketing years specified in the first subparagraph' shall be replaced by 'Throughout the marketing year specified in the first subparagraph.';

3. in Article 9 (4c) 'From 1 January 1993 to 30 June 1993', shall be replaced by 'Throughout the 1993/94 marketing year.';

4. Article 16a (1) shall be replaced by the following:

'1. Throughout the 1993/94 marketing year, a reduced levy shall be charged on raw sugar cane originating in Côte d'Ivoire, Malawi, Zimbabwe and Swaziland which is imported into mainland Portugal, up to a maximum quantity of 75 000 tonnes of white sugar equivalent.';

5. Article 23 shall be replaced by the following:

'*Article 23*

1. Articles 24 to 32 shall apply in respect of the 1993/94 marketing year.

2. For the period referred to in paragraph 1 and notwithstanding Articles 24 (2) and 25, the A and B quota of sugar-producing undertakings and isoglucose-producing undertakings shall be those which obtained in the 1992/93 marketing year.

3. For the period referred to in paragraph 1, the basic A and B production quantities for sugar and isoglucose serving for the allocation of quotas shall be those fixed, as the case may be, in Articles 24 (2) and 24a (2).

4. The Council, acting in accordance with the procedure laid down in Article 43 (2) of the Treaty, shall determine, before 1 January 1994, the system to be applied from 1 July 1994 to the production of sugar, isoglucose and inulin syrup. For this purpose, inulin syrup shall be considered to be the product covered by the CN code ex 1702 60 90 10 or ex 1702 90 90 10 which is obtained as soon as the hydrolysis of inulin or oligo fructose has terminated, with a content in the dry state by weight of at least 10 % fructose in the free form or in the form of sucrose. In the event that a production system based on quotas is adopted for sugar and isoglucose, the quotas applicable to inulin syrup will be determined for each undertaking with reference, in particular, to production during the period 1 July 1992 to 30 June 1993 and to the technical production capacity per annum as at 1 October 1992.';

6. in Article 24 (1) and (3) '1990/91' shall be replaced by '1992/93';

7. in Article 24 (1) (a) 'the 1991/92 and 1992/93 marketing years' shall be replaced by 'the 1991/92, 1992/93 and 1993/94 marketing years';

8. in Article 28 (2) the introductory words shall be replaced by the following:

'2. Before the end of the 1993/94 marketing year, a cumulative recording shall be made of the 1991/92, 1992/93 and 1993/94 marketing years.';

9. in Article 46 (1), (3) (b), (5) and (6), the references to the marketing years '1991/92 and 1992/93' shall be replaced by 'the 1993/94 marketing year.';

10. Article 46 (7) shall be replaced by the following:

'7. During the 1990/91, 1991/92, 1992/93 and 1993/94 marketing years, the Federal Republic of Germany shall be authorized to grant adaptation aid to sugar-producing undertakings referred to in Article 24a (1) under the following conditions.

The aid may be granted only in respect of the quantity of A and B sugar as defined in Article 24 (1) and produced by the undertakings referred to in Article 24a (1).

The aid shall be limited to DM 460 million for the period referred to in the first subparagraph and may not exceed, per undertaking, 20 % of the investment made.';

11. in Article 48 '30 June 1992' shall be replaced by '30 June 1994'.

Article 2

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

It shall apply from 1 July 1993.

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

Done at Luxembourg, 14 June 1993.

For the Council

The President

B. WESTH