

AGREEMENT**between the European Economic Community and the Republic of India on cane sugar**

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

of the one part,

THE GOVERNMENT OF THE REPUBLIC OF INDIA,

of the other part,

DESIROUS of ensuring the maintenance on a sound and equitable basis of the existing trade in sugar between the Republic of India and the European Economic Community, hereinafter referred to as 'the Community';

NOTING the Joint Declaration of Intent on the development of trade relations with Ceylon, India, Malaysia, Pakistan and Singapore, annexed to the Final Act of the Treaty of Accession of the Kingdom of Denmark, Ireland and the United Kingdom of Great Britain and Northern Ireland to the European Economic Community and the European Atomic Energy Community, and in particular its provisions regarding exports of sugar from India to the Community;

HAVING REGARD to the Commercial Cooperation Agreement between the European Economic Community and the Republic of India,

HAVE DECIDED, in a spirit of mutual cooperation, to conclude this Agreement:

Article 1

1. The Community undertakes for an indefinite period to purchase and import, at guaranteed prices, a specific quantity of cane sugar, raw or white, which originates in India and which that State undertakes to deliver to it.

2. The implementation of this Agreement is carried out within the framework of the management of the common organization of the sugar market and in accordance with the Community's existing rules of origin adapted for India.

referred to as 'agreed quantity', for delivery in each delivery period referred to in the first sentence of Article 4 (1), shall be 25 000 metric tons.

2. Subject to Article 7, this quantity cannot be reduced without the consent of the Government of the Republic of India.

3. In respect of the period up to 31 July 1975, the agreed quantity of white sugar shall be 22 000 metric tons.

Article 4

1. Without prejudice to Article 7, no change in this Agreement may enter into force until a period of five years has elapsed from the date on which the Agreement enters into force. Thereafter, such changes as may be agreed upon will come into force at a time to be agreed.

2. The conditions for implementing the guarantee referred to in Article 1 shall be re-examined before the end of the seventh year of their application.

Article 3

1. The quantity of cane sugar referred to in Article 1, expressed in metric tons of white sugar, hereinafter

1. In the period from 1 August 1975 to 30 June 1976 inclusive and thereafter in each twelve-month period, from 1 July to 30 June inclusive, hereinafter referred to as the 'delivery period', India undertakes to deliver the quantity referred to in Article 3 (1), subject to any adjustments resulting from the application of Article 7. A similar undertaking shall apply equally to the quantity referred to in Article 3 (3) in respect of the period up to 31 July 1975, which shall also be regarded as a delivery period.

2. The quantity to be delivered up to 31 July 1975, referred to in Article 3 (3), shall include supply en route from port of shipment.

3. Deliveries of Indian cane sugar in any delivery period may benefit from the guaranteed prices applicable in the subsequent delivery period.

Article 5

1. White or raw cane sugar shall be marketed on the Community market at prices freely negotiated between buyers and sellers.
2. The Community shall not intervene if and when a Member State allows selling prices within its borders to exceed the Community's threshold price.
3. The Community undertakes to purchase, at the guaranteed price, quantities of white or raw sugar, within the agreed quantity, which cannot be marketed in the Community at a price equivalent to or in excess of the guaranteed price.
4. The guaranteed price, expressed in units of account, shall refer to unpacked sugar, cif European ports of the Community, and shall be fixed in respect of standard quality sugar. It shall be negotiated annually, within the price range obtaining in the Community, taking into account all relevant economic factors, and shall be decided at the latest by 1 May immediately preceding the delivery period to which it will apply.
5. For the period from 18 July 1975 to 30 June 1976, the guaranteed prices shall be as follows:
 - (a) for raw sugar : 25.53 units of account per 100 kilograms ;
 - (b) for white sugar : 31.72 units of account per 100 kilogrammes.

Article 6

Purchase at the guaranteed price, referred to in Article 5 (3), shall be assured through the medium of the intervention agencies or of other agents appointed by the Community.

Article 7

1. If, during any delivery period, India fails to deliver the agreed quantity in full for reasons of *force majeure*, the Commission of the European Communities shall, at the request of India, allow the necessary additional period for delivery.

2. If, during any delivery period, India fails to deliver the agreed quantity in full for reasons other than *force majeure*, that quantity shall be reduced in respect of each subsequent delivery period by the undelivered quantity.

Article 8

1. At the request of India, or of the Community, consultations relating to all measures necessary for the application of this Agreement shall take place within the Joint Committee referred to in paragraph 2.
2. A Joint Committee composed of representatives of the Contracting Parties is hereby established.
3. The periodical reviews provided for under this Agreement shall take place within the agreed institutional framework.

Article 9

This Agreement shall apply to the European territories where the Treaty establishing the European Economic Community applies, under the conditions established in the said Treaty, and to the territories to which the Constitution of the Republic of India applies.

Article 10

This Agreement shall enter into force on 18 July 1975.

Article 11

After a period of five years from the date on which this Agreement enters into force, it may be denounced by the Community, or India, after giving to the other Contracting Party two years' notice in writing to that effect.

Article 12

This Agreement is drawn up in two copies in the Danish, Dutch, English, French, German and Italian languages, each of these texts being authentic.