

**COMMISSION REGULATION (EC) No 1737/2001**  
**of 31 August 2001**  
**fixing the production refund on white sugar used in the chemical industry**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1260/2001 of 19 June 2001 on the common organisation of the markets in the sugar sector <sup>(1)</sup>, and in particular Article 7(5) thereof,

Whereas:

- (1) Pursuant to Article 7(3) of Regulation (EC) No 1260/2001, production refunds may be granted on the products listed in Article 1(1)(a) and (f) of that Regulation, on syrups listed in Article 1(1)(d) thereof and on chemically pure fructose covered by CN code 1702 50 00 as an intermediate product, that are in one of the situations referred to in Article 23(2) of the Treaty and are used in the manufacture of certain products of the chemical industry.
- (2) Commission Regulation (EC) No 1265/2001 of 27 June 2001 laying down detailed rules for the application of Council Regulation (EC) No 1260/2001 as regards granting the production refund on certain sugar products used in the chemical industry <sup>(2)</sup> lays down the rules for determining the production refunds and specifies the chemical products the basic products used in the manufacture of which attract a production refund. Articles 5, 6 and 7 of Regulation (EC) No 1265/2001 provide that the production refund applying to raw sugar, sucrose syrups and unprocessed isoglucose is to be derived from the refund fixed for white sugar in accordance with a method of calculation specific to each basic product.
- (3) Article 9 of Regulation (EC) No 1265/2001 provides that the production refund on white sugar is to be fixed at monthly intervals commencing on the first day of each month. It may be adjusted in the intervening period where there is a significant change in the prices for sugar on the Community and/or world markets. The application of those provisions results in the production refund fixed in Article 1 of this Regulation for the period shown.

- (4) As a result of the amendment to the definition of white sugar and raw sugar in Article 1(2)(a) and (b) of Regulation (EC) No 1260/2001, flavoured or coloured sugars or sugars containing any other added substances are no longer deemed to meet those definitions and should thus be regarded as 'other sugar'. However, in accordance with Article 1 of Regulation (EC) No 1265/2001, they attract the production refund as basic products. A method should accordingly be laid down for calculating the production refund on these products by reference to their sucrose content.
- (5) Regulation (EC) No 1260/2001 does not make provision to continue the compensation system for storage costs from 1 July 2001. However, Article 48 of that Regulation provides for the collection of a storage levy on sugar in storage on 30 June 2001, with the result that sugars available in the Community in July, August and September 2001 have actually borne the storage levy of EUR 2/100 kg of white sugar. This levy should therefore be taken into account when fixing the refunds for September 2001. The refund should accordingly be reduced by EUR 2/100 kg where the basic product is processed after 30 September 2001.
- (6) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Sugar,

HAS ADOPTED THIS REGULATION:

*Article 1*

The production refund on white sugar referred to in Article 4 of Regulation (EC) No 1265/2001 shall be equal to EUR 34,890/100 kg net.

Where the basic product qualifying for the production refund fixed in the first paragraph is processed after 30 September 2001, the production refund in question shall be reduced by EUR 2/100 kg net.

*Article 2*

This Regulation shall enter into force on 1 September 2001.

<sup>(1)</sup> OJ L 178, 30.6.2001, p. 1.

<sup>(2)</sup> OJ L 178, 30.6.2001, p. 63.

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

Done at Brussels, 31 August 2001.

*For the Commission*  
Viviane REDING  
*Member of the Commission*

---