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REGULATION (EEC) No 2723/71 OF THE COUNCIL
of 20 December 1971

on the rules for production refunds for white sugar used in the manufacture of the products listed in Annex I to Regulation (EEC) No 765/68

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation No 1009/67/EEC¹ of 18 December 1967 on the common organisation of the market in sugar, as last amended by Regulation (EEC) No 1060/71,² and in particular Article 9 (7) thereof;

Having regard to the proposal from the Commission;

Whereas Article 5 (3) of Council Regulation (EEC) No 765/68³ of 18 June 1968 laying down general rules for the production refund on sugar used in the chemical industry, as amended by Regulation (EEC) No 2486/69⁴, lays down in particular that the Council must make a decision on the rules which shall apply from 1 February 1972 to production refunds on the products listed in Annex I to the said Regulation; whereas the said rules must be based on the criteria laid down in the above Article;

Whereas examination of the information supplied by the Member States has enabled the Commission to prepare and submit to the Council since 1968 three annual reports relating, in particular, to the production of sorbitol and mannitol within the Community;

Whereas an assessment of the information on the basis of the various criteria which have been determined shows that the rules laid down in Regulation (EEC) No 765/68, by limiting the production refunds for sugar intended for the manufacture of products covered by Annex I to the said Regulation so that the disposal price of sugar to

the industries concerned should not fall below 13.30 units of account per 100 kilogrammes of sugar, have proved to be sensible and beneficial; whereas these rules have enabled the industry producing sorbitol from sugar to develop rapidly without, so far, causing any appreciable harm to the competing industry using starches; whereas, in short, these rules have both brought about a degree of balance between the two types of production and have allowed them to achieve some measure of progress;

Whereas the continuation of the action carried out hitherto in this field will impose practically no financial burden on the Community, since human consumption has in the meantime exceeded production within the basic quotas and has reached the level of the guaranteed quantity; whereas, therefore, sugar used by the chemical industry may be deemed to be part of production outside the basic quotas and consequently has to bear the production levy, the level of which corresponds broadly to the level of the production refunds in question;

Whereas under these conditions it seems advisable to pursue the experiment and whereas it is appropriate to extend the application of the rules laid down in Regulation (EEC) No 765/68 for a period equal to the first; whereas, consequently, the text of that Regulation should be amended accordingly;

HAS ADOPTED THIS REGULATION:

Article 1

In Article 5 (1) of Regulation (EEC) No 765/68 the words 'until 30 June 1975' shall be substituted for 'until 31 January 1972'.

Article 2

The following shall be substituted for Article 5 (3) of Regulation (EEC) No 765/68:

'3. Before 1 April 1975, the Council, acting on a proposal from the Commission in accordance

¹ OJ No 308, 18.12.1967, p. 1.

² OJ No L 115, 27.5.1971, p. 16.

³ OJ No L 143, 25.6.1968, p. 1.

⁴ OJ No L 314, 15.12.1969, p. 8.

with the voting procedure laid down in Article 43 (2) of the Treaty, shall decide on the rules which shall apply from 1 July 1975 to production refunds on the products listed in Annex I, on the basis of:

- (a) the use of sugar by the industry concerned;
- (b) trends which have become apparent in the technical field;
- (c) the financial consequences of the proposed measures;

(d) competition from synthetic products;

(e) the competitive position of industries processing the products concerned.'

Article 3

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

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

Done at Brussels, 20 December 1971.

For the Council

The President

M. PEDINI