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I

(Acts whose publication is obligatory)

**COUNCIL REGULATION (EEC) No 3220/86
of 21 October 1986**

**on the rules for calculating the monetary compensatory amounts applicable in
the eggs and poultrymeat sectors and amending Regulation (EEC) No 2062/86**

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission ⁽¹⁾,

Having regard to the opinion of the European Parliament ⁽²⁾,

Whereas Council Regulation (EEC) No 2062/86 of 30 June 1986 on the rules for calculating the monetary compensatory amounts applicable in the pigmeat and eggs and poultrymeat sectors ⁽³⁾, as last amended by Regulation (EEC) No 2914/86 ⁽⁴⁾, suspended application of part of the negative compensatory amounts in France and the United Kingdom until 31 October 1986 for products in the eggs and poultrymeat sectors;

Whereas that temporary limitation had been introduced pending a Council Decision on the calculation of the monetary compensatory amounts to be applied in the future for the products in question;

Whereas all agri-monetary arrangements are currently being re-examined by the Commission with a view, if necessary, to submitting proposals for their reform to the Council; whereas it is therefore necessary to extend the arrangements in force for a period long enough to make it possible to complete this re-examination;

Whereas, moreover, during the period covered by this Regulation, the Commission should be given powers enabling it by suitable measures swiftly to remedy any emergence of abnormal patterns of trade in the products in question,

HAS ADOPTED THIS REGULATION:

Article 1

In Article 2 of Regulation (EEC) No 2062/86 '31 October 1986' shall be replaced by '1 April 1987'.

Article 2

Should application of this Regulation result in abnormal patterns of trade in the products in question, the Commission shall adopt any appropriate measures which it may deem necessary following the procedure provided for in Article 17 of Council Regulation (EEC) No 2771/75 of 29 October 1975 on the common organization of the market in eggs ⁽⁵⁾ and in Article 17 of Council Regulation (EEC) No 2777/75 of 29 October 1975 on the common organization of the market in poultrymeat ⁽⁶⁾, as last amended by Regulation (EEC) No 1475/86 ⁽⁷⁾.

Article 3

This Regulation shall enter into force on 1 November 1986 and expire on 1 April 1987.

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

Done at Luxembourg, 21 October 1986.

For the Council

The President

G. PATTIE

⁽¹⁾ OJ No C 159, 26. 6. 1986, p. 6.

⁽²⁾ OJ No C 176, 14. 7. 1986, p. 191.

⁽³⁾ OJ No L 176, 1. 7. 1986, p. 15.

⁽⁴⁾ OJ No L 272, 24. 9. 1986, p. 3.

⁽⁵⁾ OJ No L 282, 1. 11. 1975, p. 49.

⁽⁶⁾ OJ No L 282, 1. 11. 1975, p. 77.

⁽⁷⁾ OJ No L 133, 21. 5. 1986, p. 39.

COUNCIL REGULATION (EEC) No 3221/86
of 21 October 1986

amending for the fifth time Regulation (EEC) No 3721/85 fixing, for certain fish stocks and groups of fish stocks, total allowable catches for 1986 and certain conditions under which they may be fished

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 170/83 of 25 January 1983 establishing a Community system for the conservation and management of fishery resources⁽¹⁾, and in particular Article 11 thereof,

Having regard to the proposal from the Commission,

Whereas, under the terms of Article 3 of Regulation (EEC) No 170/83, it is incumbent upon the Council to establish the total allowable catches (TACs) by stock or group of stocks, the share available to the Community and the specific conditions under which these catches must be taken; whereas, under the terms of Article 4 of the same Regulation, the share available to the Community is allocated among the Member States;

Whereas Regulation (EEC) No 3721/85⁽²⁾, as last amended by Regulation (EEC) No 2374/86⁽³⁾, fixes for certain fish stocks and groups of fish stocks, provisional TACs for 1986 and certain conditions under which they may be fished;

Whereas the quantity of herring discarded from catches made from the Clyde stock (ICES division VI a) to date has been less than that on which the scientific recommendation was based; whereas the TAC for this stock may in consequence be increased,

HAS ADOPTED THIS REGULATION:

Article 1

The figures relating to herring of the Clyde stock (ICES division VI a) in Annexes I and II of Regulation (EEC) No 3721/85 are hereby replaced by those shown in Annexes I and II respectively of this Regulation,

Article 2

This Regulation shall enter into force on the third day following that of 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 Luxembourg, 21 October 1986.

For the Council

The President

G. PATTIE

⁽¹⁾ OJ No L 24, 27. 1. 1983, p. 1.

⁽²⁾ OJ No L 361, 31. 12. 1985, p. 5.

⁽³⁾ OJ No L 206, 30. 7. 1986, p. 4.

ANNEX I

TACs by stock and by area for 1986 — shares available to the Community

Species	ICES division or NAFO zone	1986 TAC (in tonnes)	Shares available to the Community for 1986 (in tonnes)
Herring	IV a Clyde stock ⁽¹⁰⁾	3 400	3 400

ANNEX II

Stock			Member State	1986 Quota (tonnes)
Species	Geographical region	ICES division or NAFO zone		
Herring	West Scotland (Clyde stock)	IV a Clyde stock ⁽²⁾	Belgium Denmark Germany Greece Spain France Ireland Italy Luxembourg Netherlands Portugal United Kingdom Available for Member States	3 400
			EEC total	3 400

COMMISSION REGULATION (EEC) No 3222/86
of 23 October 1986

fixing the import levies on cereals and on wheat or rye flour, groats and meal

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the Act of Accession of Spain and Portugal,

Having regard to Council Regulation (EEC) No 2727/75 of 29 October 1975 on the common organization of the market in cereals⁽¹⁾, as last amended by Regulation (EEC) No 1579/86⁽²⁾, and in particular Article 13 (5) thereof,

Having regard to Council Regulation (EEC) No 1676/85 of 11 June 1985 on the value of the unit of account and the exchange rates to be applied for the purposes of the common agricultural policy⁽³⁾, and in particular Article 3 thereof,

Having regard to the opinion of the Monetary Committee,

Whereas the import levies on cereals, wheat and rye flour, and wheat groats and meal were fixed by Commission Regulation (EEC) No 2010/86⁽⁴⁾ and subsequent amending Regulations;

Whereas, if the levy system is to operate normally, levies should be calculated on the following basis:

- in the case of currencies which are maintained in relation to each other at any given moment within a band of 2,25 %, a rate of exchange based on their central rate, multiplied by the corrective factor provided for in the last paragraph of Article 3 (1) of Regulation (EEC) No 1676/85,

— for other currencies, an exchange rate based on the arithmetic mean of the spot market rates of each of these currencies recorded for a given period in relation to the Community currencies referred to in the previous indent, and the aforesaid coefficient;

Whereas these exchange rates being those recorded on 22 October 1986;

Whereas the aforesaid corrective factor affects the entire calculation basis for the levies, including the equivalence coefficients;

Whereas it follows from applying the detailed rules contained in Regulation (EEC) No 2010/86 to today's offer prices and quotations known to the Commission that the levies at present in force should be altered to the amounts set out in the Annex hereto,

HAS ADOPTED THIS REGULATION:

Article 1

The import levies to be charged on products listed in Article 1 (a), (b) and (c) of Regulation (EEC) No 2727/75 shall be as set out in the Annex hereto.

Article 2

This Regulation shall enter into force on 24 October 1986.

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

Done at Brussels, 23 October 1986.

For the Commission

Frans ANDRIESEN

Vice-President

⁽¹⁾ OJ No L 281, 1. 11. 1975, p. 1.

⁽²⁾ OJ No L 139, 24. 5. 1986, p. 29.

⁽³⁾ OJ No L 164, 24. 6. 1985, p. 1.

⁽⁴⁾ OJ No L 173, 1. 7. 1986, p. 1.

ANNEX

to the Commission Regulation of 23 October 1986 fixing the import levies on cereals and on wheat or rye flour, groats and meal

(ECU/tonne)

CCT heading No	Description	Levies	
		Portugal	Third country
10.01 B I	Common wheat, and meslin	7,44	174,85
10.01 B II	Durum wheat	32,48	242,55 ⁽¹⁾ ⁽²⁾
10.02	Rye	43,99	154,31 ⁽⁶⁾
10.03	Barley	14,08	173,49
10.04	Oats	76,61	145,71
10.05 B	Maize, other than hybrid maize for sowing	—	172,24 ⁽³⁾ ⁽³⁾ ⁽⁸⁾
10.07 A	Buckwheat	—	0
10.07 B	Millet	14,08	117,31 ⁽⁴⁾
10.07 C II	Grain sorghum, other than hybrid sorghum for sowing	—	167,96 ⁽⁴⁾ ⁽⁸⁾
10.07 D I	Triticale	⁽⁷⁾	⁽⁷⁾
10.07 D II	Canary seed ; other cereals	—	0 ⁽⁵⁾
11.01 A	Wheat or meslin flour	24,22	258,30
11.01 B	Rye flour	75,39	229,84
11.02 A I a)	Durum wheat groats and meal	63,59	389,20
11.02 A I b)	Common wheat groats and meal	25,27	278,08

⁽¹⁾ Where durum wheat originating in Morocco is transported directly from that country to the Community, the levy is reduced by 0,60 ECU/tonne.

⁽²⁾ In accordance with Regulation (EEC) No 486/85 the levies are not applied to imports into the French overseas departments of products originating in the African, Caribbean and Pacific States or in the 'overseas countries and territories'.

⁽³⁾ Where maize originating in the ACP or OCT is imported into the Community the levy is reduced by 1,81 ECU/tonne.

⁽⁴⁾ Where millet and sorghum originating in the ACP or OCT is imported into the Community the levy is reduced by 50 %.

⁽⁵⁾ Where durum wheat and canary seed produced in Turkey are transported directly from that country to the Community, the levy is reduced by 0,60 ECU/tonne.

⁽⁶⁾ The import levy charged on rye produced in Turkey and transported directly from that country to the Community is laid down in Council Regulation (EEC) No 1180/77 and Commission Regulation (EEC) No 2622/71.

⁽⁷⁾ The levy applicable to rye shall be charged on imports of the product falling within subheading 10.07 D I (triticale).

⁽⁸⁾ The levy referred to in Article 1 of Council Regulation (EEC) No 2913/86 shall be fixed on the basis of an invitation to tender in accordance with Commission Regulation (EEC) No 3140/86.

COMMISSION REGULATION (EEC) No 3223/86
of 23 October 1986

fixing the premiums to be added to the import levies on cereals, flour and malt

THE COMMISSION OF THE EUROPEAN COMMUNITIES,
Having regard to the Treaty establishing the European Economic Community,

Having regard to the Act of Accession of Spain and Portugal,

Having regard to Council Regulation (EEC) No 2727/75 of 29 October 1975 on the common organization of the market in cereals⁽¹⁾, as last amended by Regulation (EEC) No 1579/86⁽²⁾, and in particular Article 15 (6) thereof,

Having regard to Council Regulation (EEC) No 1676/85 of 11 June 1985 on the value of the unit of account and the exchange rates to be applied for the purposes of the common agricultural policy⁽³⁾, and in particular Article 3 thereof,

Having regard to the opinion of the Monetary Committee,

Whereas the premiums to be added to the levies on cereals and malt were fixed by Commission Regulation (EEC) No 2011/86⁽⁴⁾ and subsequent amending Regulations;

Whereas, if the levy system is to operate normally, levies should be calculated on the following basis:

- in the case of currencies which are maintained in relation to each other at any given moment within a band of 2,25 %, a rate of exchange based on their central rate, multiplied by the corrective factor provided for in the last paragraph of Article 3 (1) of Regulation (EEC) No 1676/85,
- for other currencies, an exchange rate based on the arithmetic mean of the spot market rates of each of

these currencies recorded for a given period in relation to the Community currencies referred to in the previous indent, and the aforesaid coefficient;

Whereas these exchange rates being those recorded on 22 October 1986;

Whereas, on the basis of today's cif prices and cif forward delivery prices, the premiums at present in force, which are to be added to the levies, should be altered to the amounts set out in the Annex hereto,

HAS ADOPTED THIS REGULATION:

Article 1

1. The premiums referred to in Article 15 of Regulation (EEC) No 2727/75 to be added to the import levies fixed in advance in respect of cereals and malt originating in Portugal shall be zero.
2. The premiums referred to in Article 15 of Regulation (EEC) No 2727/75 to be added to the import levies fixed in advance in respect of cereals and malt originating in third countries shall be as set out in the Annex hereto.

Article 2

This Regulation shall enter into force on 24 October 1986.

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

Done at Brussels, 23 October 1986.

For the Commission
Frans ANDRIESEN
Vice-President

⁽¹⁾ OJ No L 281, 1. 11. 1975, p. 1.

⁽²⁾ OJ No L 139, 24. 5. 1986, p. 29.

⁽³⁾ OJ No L 164, 24. 6. 1985, p. 1.

⁽⁴⁾ OJ No L 173, 1. 7. 1986, p. 4.

ANNEX

to the Commission Regulation of 23 October 1986 fixing the premiums to be added to the import levies on cereals, flour and malt from third countries

A. Cereals and flour

CCT heading No	Description	(ECU/tonne)			
		Current 10	1st period 11	2nd period 12	3rd period 1
10.01 B I	Common wheat, and meslin	0	0	0	0
10.01 B II	Durum wheat	0	0	0	0
10.02	Rye	0	0	0	0
10.03	Barley	0	0	0	0
10.04	Oats	0	0	0	0
10.05 B	Maize, other than hybrid maize for sowing	0	0	0	0
10.07 A	Buckwheat	0	0	0	0
10.07 B	Millet	0	0	0	0
10.07 C II	Grain sorghum, other than hybrid sorghum for sowing	0	0	0	0
10.07 D	Other cereals	0	0	0	0
11.01 A	Wheat or meslin flour	0	0	0	0

B. Malt

CCT heading No	Description	(ECU/tonne)				
		Current 10	1st period 11	2nd period 12	3rd period 1	4th period 2
11.07 A I a)	Unroasted malt, obtained from wheat, in the form of flour	0	0	0	0	0
11.07 A I b)	Unroasted malt, obtained from wheat, other than in the form of flour	0	0	0	0	0
11.07 A II a)	Unroasted malt, other than that obtained from wheat, in the form of flour	0	0	0	0	0
11.07 A II b)	Unroasted malt, other than that obtained from wheat, other than in the form of flour	0	0	0	0	0
11.07 B	Roasted malt	0	0	0	0	0

COMMISSION REGULATION (EEC) No 3224/86
of 23 October 1986

**fixing the minimum levies on the importation of olive oil and levies on the
importation of other olive oil sector products**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the Act of Accession of Spain and Portugal,

Having regard to Council Regulation No 136/66/EEC of 22 September 1966 on the establishment of a common organization of the market in oils and fats⁽¹⁾, as last amended by Regulation (EEC) No 1454/86⁽²⁾, and in particular Article 16 (2) thereof,

Having regard to Council Regulation (EEC) No 1514/76 of 24 June 1976 on imports of olive oil originating in Algeria⁽³⁾, as last amended by Regulation (EEC) No 1201/85⁽⁴⁾, and in particular Article 5 thereof,

Having regard to Council Regulation (EEC) No 1521/76 of 24 June 1976 on imports of olive oil originating in Morocco⁽⁵⁾, as last amended by Regulation (EEC) No 436/85⁽⁶⁾, and in particular Article 5 thereof,

Having regard to Council Regulation (EEC) No 1508/76 of 24 June 1976 on imports of olive oil originating in Tunisia⁽⁷⁾, as last amended by Regulation (EEC) No 436/85, and in particular Article 5 thereof,

Having regard to Council Regulation (EEC) No 1180/77 of 17 May 1977 on imports into the Community of certain agricultural products originating in Turkey⁽⁸⁾, as last amended by Regulation (EEC) No 435/85⁽⁹⁾, and in particular Article 10 (2) thereof,

Having regard to Council Regulation (EEC) No 1620/77 of 18 July 1977 laying down detailed rules for the importation of olive oil from Lebanon⁽¹⁰⁾;

Whereas by Regulation (EEC) No 3131/78⁽¹¹⁾ the Commission decided to use the tendering procedure to fix levies on olive oil;

Whereas Article 3 of Council Regulation (EEC) No 2751/78 of 23 November 1978 laying down general rules for fixing the import levy on olive oil by tender⁽¹²⁾ specifies that the minimum levy rate shall be fixed for each of the products concerned on the basis of the situation on

the world market and the Community market and of the levy rates indicated by tenderers;

Whereas in the collection of the levy, account should be taken of the provisions in the Agreements between the Community and certain third countries; whereas in particular the levy applicable for those countries must be fixed taking as a basis for calculation the levy to be collected on imports from the other third countries;

Whereas, with regard to Turkey and the Maghreb countries, the provisions of this Regulation should be without prejudice to the additional amount to be determined in accordance with the agreements between the Community and these third countries;

Whereas application of the rules recalled above to the levy rates indicated by tenderers on 20 and 21 October 1986 leads to the minimum levies being fixed as indicated in Annex I to this Regulation;

Whereas the import levy on olives falling within subheadings 07.01 N II and 07.03 A II of the Common Customs Tariff and on products falling within subheadings 15.17 B I and 23.04 A II of the Common Customs Tariff must be calculated from the minimum levy applicable on the olive oil contained in these products; whereas, however, the levy charged for olive oil may not be less than an amount equal to 8 % of the value of the imported product, such amount to be fixed at a standard rate; whereas application of these provisions leads to the levies being fixed as indicated in Annex II to this Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

The minimum levies on olive oil imports are fixed in Annex I.

Article 2

The levies applicable on imports of other olive oil sector products are fixed in Annex II.

Article 3

This Regulation shall enter into force on 24 October 1986.

⁽¹⁾ OJ No 172, 30. 9. 1966, p. 3025/66.

⁽²⁾ OJ No L 133, 21. 5. 1986, p. 8.

⁽³⁾ OJ No L 169, 28. 6. 1976, p. 24.

⁽⁴⁾ OJ No L 124, 9. 5. 1985, p. 1.

⁽⁵⁾ OJ No L 169, 28. 6. 1976, p. 43.

⁽⁶⁾ OJ No L 52, 22. 2. 1985, p. 2.

⁽⁷⁾ OJ No L 169, 28. 6. 1976, p. 9.

⁽⁸⁾ OJ No L 142, 9. 6. 1977, p. 10.

⁽⁹⁾ OJ No L 52, 22. 2. 1985, p. 1.

⁽¹⁰⁾ OJ No L 181, 21. 7. 1977, p. 4.

⁽¹¹⁾ OJ No L 370, 30. 12. 1978, p. 60.

⁽¹²⁾ OJ No L 331, 28. 11. 1978, p. 6.

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

Done at Brussels, 23 October 1986.

For the Commission

Frans ANDRIESEN

Vice-President

ANNEX I

Minimum import levies on olive oil

(ECU/100 kg)

CCT heading No	Non-member countries
15.07 A I a)	70,00 ⁽¹⁾
15.07 A I b)	68,00 ⁽¹⁾
15.07 A I c)	60,00 ⁽¹⁾
15.07 A II a)	79,00 ⁽²⁾
15.07 A II b)	95,00 ⁽³⁾

⁽¹⁾ For imports of oil falling within this tariff subheading and produced entirely in one of the countries listed below and transported directly from any of those countries to the Community, the levy to be collected is reduced by:

(a) Lebanon : 0,60 ECU/100 kg ;

(b) Turkey : 11,48 ECU/100 kg ^(*) provided that the operator furnishes proof of having paid the export tax applied by that country ; however, the repayment may not exceed the amount of the tax in force ;

(c) Algeria, Tunisia and Morocco : 12,69 ECU/100 kg ^(*) provided that the operator furnishes proof of having paid the export tax applied by that country ; however, the repayment may not exceed the amount of the tax in force.

^(*) These amounts may be increased by an additional amount to be determined by the Community and the third countries in question.

⁽²⁾ For imports of oil falling within this tariff subheading :

(a) produced entirely in Algeria, Morocco or Tunisia and transported directly from any of those countries to the Community, the levy to be collected is reduced by 3,86 ECU/100 kg ;

(b) produced entirely in Turkey and transported directly from that country to the Community, the levy to be collected is reduced by 3,09 ECU/100 kg.

⁽³⁾ For imports of oil falling within this tariff subheading :

(a) produced entirely in Algeria, Morocco or Tunisia and transported directly from any of those countries to the Community, the levy to be collected is reduced by 7,25 ECU/100 kg ;

(b) produced entirely in Turkey and transported directly from that country to the Community, the levy to be collected is reduced by 5,80 ECU/100 kg.

ANNEX II

Import levies on other olive oil sector products

(ECU/100 kg)

CCT heading No	Non-member countries
07.01 N II	14,96
07.03 A II	14,96
15.17 B I a)	34,00
15.17 B I b)	54,40
23.04 A II	4,80

COMMISSION REGULATION (EEC) No 3225/86
of 23 October 1986
on the supply of common wheat flour and of common wheat to the World Food
Programme (WFP) as food aid

THE COMMISSION OF THE EUROPEAN COMMUNITIES,
Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 3331/82 of 3 December 1982 on food-aid policy and food-aid management and amending Regulation (EEC) No 2750/75⁽¹⁾, and in particular the first subparagraph of Article 3 (1) thereof,

Having regard to Council Regulation (EEC) No 2727/75 of 29 October 1975 on the common organization of the market in cereals⁽²⁾, as last amended by Regulation (EEC) No 1579/86⁽³⁾, and in particular Article 28 thereof,

Whereas, by its Decision of 10 February 1986 on the supply of food aid to the WFP, the Commission allocated to the latter organization 9 666 tonnes of cereals to be supplied fob;

Whereas it is necessary to provide for the carrying out of this measure in accordance with the rules laid down by Commission Regulation (EEC) No 1974/80 of 22 July 1980 laying down general implementing rules in respect of certain food-aid operations involving cereals and⁽⁴⁾, as last amended by Regulation (EEC) No 3826/85⁽⁵⁾;

whereas it is necessary to specify the time limits and conditions of supply and the procedure to be followed to determine the resultant costs;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Cereals,

HAS ADOPTED THIS REGULATION:

Article 1

The intervention agency specified in the Annexes hereto shall implement the mobilization and supply procedures in accordance with the provisions of Regulation (EEC) No 1974/80 and with the conditions laid down in the said Annexes hereto.

Article 2

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, 23 October 1986.

For the Commission

Frans ANDRIESSEN

Vice-President

⁽¹⁾ OJ No L 352, 14. 12. 1982, p. 1.

⁽²⁾ OJ No L 281, 1. 11. 1975, p. 1.

⁽³⁾ OJ No L 139, 24. 5. 1986, p. 29.

⁽⁴⁾ OJ No L 192, 26. 7. 1980, p. 11.

⁽⁵⁾ OJ No L 371, 31. 12. 1985, p. 1.

ANNEX Ia

1. **Programme :** 1986
2. **Recipient :** World Food Programme (WFP)
3. **Place or country of destination :** Morocco
4. **Product to be mobilized :** common wheat
5. **Total quantity :** 3 000 tonnes
6. **Number of lots :** one
7. **Intervention agency responsible for conducting the procedure :**
Office national interprofessionnel des céréales (ONIC), 21, avenue Bosquet, F-75007 Paris (Telex OFIBLE 200 490 F)
8. **Method of mobilizing the product :** intervention
9. **Characteristics of the goods :**
common wheat of fair, sound and merchantable quality, free from abnormal smell and pests, which produces dough which does not stick during the mechanical kneading process
The common wheat must meet the following conditions :
 - moisture : 14,5 % maximum (ICC Method No 110)
 - protein content : 11 % minimum ($N \times 5,7$, in terms of dry matter) (ICC Method No 105)
 - Hagberg falling number of at least 200, including the preparation (agitation) time of 60 seconds (ICC Method No 107)
10. **Packaging :** in bulk and
 - 63 000 empty new jute sacks, minimum weight 600 g, of a capacity of 50 kilograms, 50 needles and sufficient twine
 - marking on the bags, in letters at least 5 cm high :
'MAROC 0231902 / FROMENT / TANGER / DON DE LA COMMUNAUTÉ ÉCONOMIQUE EUROPÉENNE / ACTION DU PROGRAMME ALIMENTAIRE MONDIAL'
11. **Port of shipment :**
any Community port accessible to ocean-going vessels with a shipping service to the recipient country during the period for shipment laid down in point 16. The tender must be accompanied by a statement from the port authorities attesting the existence of the service during the said period
12. **Delivery stage :** fob
13. **Port of landing :** —
14. **Procedure to be applied in order to determine supply costs :** tendering
15. **Deadline for the submission of tenders :** 12 noon on 3 November 1986
16. **Shipment period :** 15 November to 15 December 1986
17. **Security :** 10 ECU per tonne

Notes :

1. The successful tenderer shall contact the recipient in order to ascertain which shipping documents are required.
2. The successful tenderer shall supply to the beneficiary or its representative, on delivery, the following documents :
 - certificate of origin,
 - phytosanitary certificate.
3. At the request of the beneficiary the successful tenderer may deliver a certificate from an official entity certifying that the standards applicable, relative to nuclear radiation, in the Member State concerned, have not been gone beyond.

*ANEXO Ib — BILAG Ib — ANHANG Ib — ΠΑΡΑΡΤΗΜΑ Ιβ — ANNEX Ib — ANNEXE Ib — ALLEGATO Ib —
BIJLAGE Ib — ANEXO Ib*

Número de la partida Partiets nummer Nummer der Partie Αριθμός παρτίδων Number of lot Numéro du lot Numero della partita Nummer van de partij Número do lote	Tonelaje Mængde (t) Menge (t) Τόνοι Tonnage Tonnage Tonnellaggio Hoeveelheid (t) Tonelagem	Nombre y dirección del almacenista Lagerindehaverens navn og adresse Name und Adresse des Lagerhalters Όνομα και διεύθυνση εναποθηκευτού Address of store Nom et adresse du stockeur Nome e indirizzo del detentore Naam en adres van de depothouder Nome e endereço do armazenista	Lugar de almacenamiento Lagerplads Ort der Lagerhaltung Τόπος αποθηκεύσεως Town at which stored Lieu de stockage Luogo di accantonamento Adres van de opslagplaats Local de armazenagem
1	3 000	Sonastock Quai Roche Maurice, F-44100 Nantes	Nantes

ANNEX IIa

1. **Programme :** 1986
2. **Recipient :** World Food Programme (WFP)
3. **Place or country of destination :** Morocco
4. **Product to be mobilized :** common wheat
5. **Total quantity :** 2 050 tonnes
6. **Number of lots :** one
7. **Intervention agency responsible for conducting the procedure :**
Office national interprofessionnel des céréales (ONIC), 21, avenue Bosquet, F-75007 Paris (Telex OFIBLE 200 490 F)
8. **Method of mobilizing the product :** intervention
9. **Characteristics of the goods :**
common wheat of fair, sound and merchantable quality, free from abnormal smell and pests, which produces dough which does not stick during the mechanical kneading process
The common wheat must meet the following conditions :
 - moisture : 14,5 % maximum (ICC Method No 110)
 - protein content : 11 % minimum ($N \times 5,7$, in terms of dry matter) (ICC Method No 105)
 - Hagberg falling number of at least 200, including the preparation (agitation) time of 60 seconds (ICC Method No 107)
10. **Packaging :**
 - in new bags : jute sacks of a minimum weight of 600 g
 - net weight of the bags : 50 kg
 - marking on the bags, in letters at least 5 cm high :
'MAROC 0252701 / FROMENT / CASABLANCA / DON DE LA COMMUNAUTÉ ÉCONOMIQUE EUROPÉENNE / ACTION DU PROGRAMME ALIMENTAIRE MONDIAL'
11. **Port of shipment :**
any Community port accessible to ocean-going vessels with a shipping service to the recipient country during the period for shipment laid down in point 16. The tender must be accompanied by a statement from the port authorities attesting the existence of the service during the said period
12. **Delivery stage :** fob
13. **Port of landing :** —
14. **Procedure to be applied in order to determine supply costs :** tendering
15. **Deadline for the submission of tenders :** 12 noon on 3 November 1986
16. **Shipment period :** 15 November to 15 December 1986
17. **Security :** 10 ECU per tonne

Notes :

1. The successful tenderer shall contact the recipient in order to ascertain which shipping documents are required.
2. The successful tenderer shall supply to the beneficiary or its representative, on delivery, the following documents :
 - certificate of origin,
 - phytosanitary certificate.
3. At the request of the beneficiary the successful tenderer may deliver a certificate from an official entity certifying that the standards applicable, relative to nuclear radiation, in the Member State concerned, have not been gone beyond.
4. Since the goods may be rebagged, the successful tenderer must provide 2 % of empty bags of the same quality as those containing the goods, with the marking followed by a capital 'R'.

ANEXO IIb — BILAG IIb — ANHANG IIb — ΠΑΡΑΡΤΗΜΑ IIb — ANNEX IIb — ANNEXE IIb — ALLEGATO IIb — BIJLAGE IIb — ANEXO IIb

Número de la partida Partiets nummer Nummer der Partie Αριθμός παρτίδων Number of lot Numéro du lot Numero della partita Nummer van de partij Número do lote	Tonelaje Mængde (t) Menge (t) Τόνοι Tonnage Tonnage Tonnellaggio Hoeveelheid (t) Tonelagem	Nombre y dirección del almacenista Lagerindehaverens navn og adresse Name und Adresse des Lagerhalters Όνομα και διεύθυνση εναποθηκευτού Address of store Nom et adresse du stockeur Nome e indirizzo del detentore Naam en adres van de depothouder Nome e endereço do armazenista	Lugar de almacenamiento Lagerplads Ort der Lagerhaltung Τόπος αποθηκεύσεως Town at which stored Lieu de stockage Luogo di accantonamento Adres van de opslagplaats Local de armazenagem
1	2 050	Matrama 7, rue Maturin Brissonneau, F-44027 Nantes Cedex	Parthenay

ANNEX IIIa

1. **Programme :** 1986
2. **Recipient :** World Food Programme (WFP)
3. **Place or country of destination :** Syria
4. **Product to be mobilized :** common wheat
5. **Total quantity :** 1 801 tonnes
6. **Number of lots :** one
7. **Intervention agency responsible for conducting the procedure :**
Office national interprofessionnel des céréales (ONIC), 21, avenue Bosquet, F-75007 Paris (Telex OFIBLE 200 490 F)
8. **Method of mobilizing the product :** Intervention
9. **Characteristics of the goods :**
common wheat of fair, sound and merchantable quality, free from abnormal smell and pests, which produces dough which does not stick during the mechanical kneading process.

The common wheat must meet the following conditions :
 - moisture : 14,5 % maximum (ICC Method No 110)
 - protein content : 11 % minimum (N × 5,7 in terms of dry matter) (ICC Method No 105)
 - Hagberg falling number of at least 200, including the preparation (agitation) time of 60 seconds (ICC Method No 107)
10. **Packaging :**
 - in new jute sacks of a minimum weight of 600 g
 - net weight of the bags : 50 kg
 - marking on the bags, in letters at least 5 cm high :
'SYRIA 0274601 / WHEAT / LATTAKIA / ACTION OF THE WORLD FOOD PROGRAMME / GIFT OF THE EUROPEAN ECONOMIC COMMUNITY'
11. **Port of shipment :**
any Community port accessible to ocean-going vessels with a shipping service to the recipient country during the period for shipment laid down in point 16. The tender must be accompanied by a statement from the port authorities attesting the existence of the service during the said period.
12. **Delivery stage :** fob
13. **Port of landing :** —
14. **Procedure to be applied in order to determine supply costs :** tendering
15. **Deadline for the submission of tenders :** 12 noon on 3 November 1986
16. **Shipment period :** 15 November to 15 December 1986
17. **Security :** 10 ECU per tonne

Note

1. Since the goods may be rebagged, the successful tenderer must provide 2 % of empty bags of the same quality as those containing the goods, with the marking followed by a capital 'R'.
2. The successful tenderer shall contact the recipient in order to ascertain which shipping documents are required.
3. At the request of the beneficiary the successful tenderer may deliver a certificate from an official entity certifying that the standards applicable, relative to nuclear radiation, in the Member State concerned, have not been gone beyond.

*ANEXO IIIb — BILAG IIIb — ANHANG IIIb — ΠΑΡΑΡΤΗΜΑ IIIb — ANNEX IIIb — ANNEXE IIIb — ALLEGATO IIIb
— BIJLAGE IIIb — ANEXO IIIb*

Número de la partida Partiets nummer Nummer der Partie Αριθμός παρτίδων Number of lot Numéro du lot Numero della partita Nummer van de partij Número do lote	Tonelaje Mængde (t) Menge (t) Τόνοι Tonnage Tonnage Tonnellaggio Hoeveelheid (t) Tonelagem	Nombre y dirección del almacenista Lagerindehaverens navn og adresse Name und Adresse des Lagerhalters Όνομα και διεύθυνση εναποθηκευτού Address of store Nom et adresse du stockeur Nome e indirizzo del detentore Naam en adres van de depothouder Nome e endereço do armazenista	Lugar de almacenamiento Lagerplads Ort der Lagerhaltung Τόπος αποθηκεύσεως Town at which stored Lieu de stockage Luogo di accantonamento Adres van de opslagplaats Local de armazenagem
1	1 801	Matrama 7, rue Maturin Brissonneau, F-44027 Nantes Cedex	Parthenay

ANNEX IV

1. **Programme :** 1986
2. **Recipient :** World Food Programme (WFP)
3. **Place or country of destination :** Algeria
4. **Product to be mobilized :** common wheat flour
5. **Total quantity :** 2 055 tonnes (2 815 tonnes of cereals)
6. **Number of lots :** one
7. **Intervention agency responsible for conducting the procedure :**
Office national interprofessionnel des céréales (ONIC), 21, avenue Bosquet, F-75007 Paris (Telex OFIBLE 200 490 F)
8. **Method of mobilizing the product :** on the Community market
9. **Characteristics of the goods :**
Flour of fair, sound and merchantable quality, free from abnormal smell and pests, which produces dough which does not stick during the mechanical kneading process ; the flour shall have the following characteristics :
 - moisture : 14 % maximum (ICC Method No 110)
 - protein content : 10,5 % minimum ($N \times 6,25$ in terms of dry matter) (ICC Method No 105)
 - Hagberg falling number of at least 220, including the preparation (agitation) time of 60 seconds (ICC Method No 107)
 - Zeleny index of at least 20 (ICC Method No 116)
 - ash content : 0,62 % maximum in terms of the dry matter (ICC Method No 104)
10. **Packaging :**
 - in new jute sacks of 370 g, lined with woven polypropylene sacks of 110 g. The top edge of the sacks will be sewn together (in 20-foot containers)
 - net weight of the bags : 50 kg
 - marking on the bags in letters at least 5 cm high :
'ALGÉRIE 0318100 / FARINE DE BLÉ / ALGER / DON DE LA COMMUNAUTÉ ÉCONOMIQUE EUROPÉENNE / ACTION DU PROGRAMME ALIMENTAIRE MONDIAL'
11. **Port of shipment :**
Any Community port accessible to ocean-going vessels with a shipping service to the recipient country the period for shipment laid down in point 16. The tender must be accompanied by a statement from the port authorities attesting the existence of the service during the said period
12. **Delivery stage :** fob
13. **Port of landing :** —
14. **Procedure to be applied in order to determine supply costs :** tendering
15. **Deadline for the submission of tenders :** 12 noon on 3 November 1986
16. **Shipment period :** 15 November to 15 December 1986
17. **Security :** 15 ECU per tonne

Notes :

1. The successful tenderer shall contact the recipient in order to ascertain which shipping documents are required.
2. Since the goods may be rebagged, the successful tenderer must provide 2 % of empty bags of the same quality as those containing the goods, with the marking followed by a capital 'R'.
3. At the request of the beneficiary, the successful tenderer may deliver a certificate from an official entity certifying that the standards applicable, relative to nuclear radiation, in the Member State concerned, have not been gone beyond.

COMMISSION REGULATION (EEC) No 3226/86

of 23 October 1986

fixing the amounts to be levied in the beef sector on products which left the United Kingdom during the week 6 to 12 October 1986

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1347/86 of 6 May 1986 on the granting of a premium for the slaughter of certain adult bovine animals in the United Kingdom ⁽¹⁾,Having regard to Commission Regulation (EEC) No 1695/86 of 30 May 1986 laying down detailed rules for the application of the premium for the slaughter of certain adult bovine animals for slaughter in the United Kingdom ⁽²⁾, and in particular Article 7 (1) thereof,

Whereas, under Article 3 of Regulation (EEC) No 1347/86, an amount equivalent to the amount of the variable slaughter premium granted in the United Kingdom is levied on meat and meat preparations from animals on which it has been paid, when they are consigned to other Member States or to non-member countries;

Whereas, under Article 7 (1) of Regulation (EEC) No 1695/86 the amounts to be charged on departure from the territory of the United Kingdom of the products listed

in the Annex to the said Regulation must be fixed each week by the Commission;

Whereas, accordingly, the amounts to be levied on products which left the United Kingdom during the week 6 to 12 October 1986 should be fixed,

HAS ADOPTED THIS REGULATION:

Article 1

Pursuant to Article 3 of Regulation (EEC) No 1347/86, the amounts to be levied on the products referred to in Article 7 (1) of Regulation (EEC) No 1695/86 which left the territory of the United Kingdom during the week 6 to 12 October 1986 shall be those set out in the Annex.

Article 2

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

It shall apply with effect from 6 October 1986.

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

Done at Brussels, 23 October 1986.

For the Commission

Frans ANDRIESEN

Vice-President

⁽¹⁾ OJ No L 119, 8. 5. 1986, p. 40.

⁽²⁾ OJ No L 146, 31. 5. 1986, p. 56.

ANNEX

Amounts to be levied on products which left the territory of the United Kingdom during the week 6 to 12 October 1986

(ECU/100 kg net weight)		
CCT heading No	Description	Amount
1	2	3
ex 02.01 A II a) and ex 02.01 A II b)	Meat of adult bovine animals, fresh, chilled or frozen :	
	1. Carcases, half-carcases or 'compensated' quarters	26,26474
	2. Separated or unseparated forequarters	21,01179
	3. Separated or unseparated hindquarters	31,51769
	4. Other :	
	aa) Unboned (bone-in)	21,01179
	bb) Boned or boneless	35,98269
ex 02.06 C I a)	Meat salted, in brine, dried or smoked, of adult bovine animals :	
	1. Unboned (bone-in)	21,01179
	2. Boned or boneless	29,94180
ex 16.02 B III b) 1	Other prepared or preserved meat or meat offal, containing meat or offal of adult bovine animals :	
	aa) Uncooked ; mixtures of cooked meat or offal and uncooked meat or offal :	
	11. Containing 80 % or more by weight of beef meat excluding offals and fat	29,94180
	22. Other	21,01179

COMMISSION REGULATION (EEC) No 3227/86
of 23 October 1986
abolishing the countervailing charge on apples originating in Poland

THE COMMISSION OF THE EUROPEAN COMMUNITIES,
Having regard to the Treaty establishing the European Economic Community,

Having regard to the Act of Accession of Spain and Portugal,

Having regard to Council Regulation (EEC) No 1035/72 of 18 May 1972 on the common organization of the market in fruit and vegetables⁽¹⁾, as last amended by Regulation (EEC) No 1351/86⁽²⁾, and in particular the second subparagraph of Article 27 (2) thereof,

Whereas Commission Regulation (EEC) No 3123/86⁽³⁾, introduced a countervailing charge on apples originating in Poland;

Whereas for this product originating in Poland there were no prices for six consecutive working days; whereas the

conditions specified in Article 26 (1) of Regulation (EEC) No 1035/72 are therefore fulfilled and the countervailing charge on imports of apples originating in Poland can be abolished,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 3123/86 is hereby repealed.

Article 2

This Regulation shall enter into force on 24 October 1986.

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

Done at Brussels, 23 October 1986.

For the Commission

Frans ANDRIESEN

Vice-President

⁽¹⁾ OJ No L 118, 20. 5. 1972, p. 1.

⁽²⁾ OJ No L 119, 8. 5. 1986, p. 46.

⁽³⁾ OJ No L 291, 15. 10. 1986, p. 26.

COMMISSION REGULATION (EEC) No 3228/86
of 23 October 1986

fixing the rates of the refunds applicable to eggs and egg yolks exported in the form of goods not covered by Annex II to the Treaty

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the Act of Accession of Spain and Portugal,

Having regard to Council Regulation (EEC) No 2771/75 of 29 October 1975 on the common organization of the market in eggs ⁽¹⁾, as last amended by Regulation (EEC) No 1475/86 ⁽²⁾, and in particular the first sentence of the fifth subparagraph of Article 9 (2) thereof,

Whereas Article 9 (1) of Regulation (EEC) No 2771/75 provides that the difference between prices on the world market for the products listed in Article 1 (1) of that Regulation and prices within the Community may be covered by an export refund; whereas Council Regulation (EEC) No 3035/80 of 11 November 1980 laying down general rules for granting export refunds on certain agricultural products exported in the form of goods not covered by Annex II to the Treaty, and the criteria for fixing the amount of such refunds ⁽³⁾, as last amended by Regulation (EEC) No 2245/86 ⁽⁴⁾, specifies the products for which a rate of refund should be fixed, to be applied where these products are exported in the form of goods listed in the Annex to Regulation (EEC) No 2771/75;

Whereas, in accordance with the second subparagraph of Article 4 (1) of Regulation (EEC) No 3035/80, the rate of the refund per 100 kg for each of the basic products in question must be fixed for a period of the same duration as that for which refunds are fixed for the same products exported unprocessed;

Whereas, in accordance with paragraph 2 of that Article, when that rate is being determined particular account should be taken of:

- (a) the average costs incurred by processing industries in obtaining supplies of the basic products in question on the Community market and the prices ruling on the world market;
- (b) the level of the refunds on exports of processed agricultural products covered by Annex II to the Treaty which are manufactured under similar conditions; and
- (c) the need to ensure equality of competition for the industries which use Community products and those which use third-country products under inward processing arrangements;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Poultrymeat and Eggs,

HAS ADOPTED THIS REGULATION:

Article 1

The rates of the refunds applicable to the products appearing in Annex A to Regulation (EEC) No 3035/80 and listed in Article 1 (1) of Regulation (EEC) No 2771/75, exported in the form of goods listed in the Annex to Regulation (EEC) No 2771/75, are hereby fixed as shown in the Annex to this Regulation.

Article 2

This Regulation shall enter into force on 1 November 1986.

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

Done at Brussels, 23 October 1986.

For the Commission

COCKFIELD

Vice-President

⁽¹⁾ OJ No L 282, 1. 11. 1975, p. 49.

⁽²⁾ OJ No L 133, 21. 5. 1986, p. 39.

⁽³⁾ OJ No L 323, 29. 11. 1980, p. 27.

⁽⁴⁾ OJ No L 196, 18. 7. 1986, p. 22.

ANNEX

to the Commission Regulation of 23 October 1986 fixing the rates of the refunds applicable to eggs and egg yolks exported in the form of goods not covered by Annex II to the Treaty

(ECU/100 kg)		
CCT heading No	Description	Rate of refund
04.05	Birds' eggs and egg yolks, fresh, dried or otherwise preserved, sweetened or not :	
	A. Eggs in shell, fresh or preserved :	
	I. Poultry eggs :	
	b) Other (than eggs for hatching)	36,00
	B. Eggs, not in shell ; egg yolks :	
	I. Suitable for human consumption :	
	a) Eggs, not in shell :	
	ex 1. Dried, not sweetened	146,00
	ex 2. Other, not sweetened	37,00
	b) Egg yolks :	
	ex 1. Liquid, not sweetened	65,00
	ex 2. Frozen, not sweetened	71,00
	ex 3. Dried, not sweetened	149,00

COMMISSION REGULATION (EEC) No 3229/86
of 23 October 1986
fixing the amount of the subsidy on oil seeds

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the Act of Accession of Spain and Portugal,

Having regard to Council Regulation No 136/66/EEC of 22 September 1966 on the establishment of a common organization of the market in oils and fats⁽¹⁾, as last amended by Regulation (EEC) No 1454/86⁽²⁾, and in particular Article 27 (4),

Having regard to Council Regulation (EEC) No 1678/85 of 11 June 1985 fixing the conversion rates to be applied in agriculture⁽³⁾, as last amended by Regulation (EEC) No 2332/86⁽⁴⁾,

Having regard to Council Regulation (EEC) No 1569/72 of 20 July 1972 laying down special measures for colza, rape and sunflower seed⁽⁵⁾, as last amended by Regulation (EEC) No 1474/84⁽⁶⁾, and in particular Article 2 (3) thereof,

Having regard to the opinion of the Monetary Committee,

Whereas the amount of the subsidy referred to in Article 27 of Regulation No 136/66/EEC was fixed by Commission Regulation (EEC) No 2778/86⁽⁷⁾, as last amended by Regulation (EEC) No 3169/86⁽⁸⁾;

Whereas the target price and the monthly increments in the target price for colza, rape and sunflower seed for the

1986/87 marketing year have been fixed in Council Regulations (EEC) No 1457/86⁽⁹⁾ and (EEC) No 1458/86⁽¹⁰⁾;

Whereas it follows from applying the detailed rules contained in amended Regulation (EEC) No 2778/86 to the information known to the Commission that the amount of the subsidy at present in force should be altered to the amount set out in the Annexes hereto,

HAS ADOPTED THIS REGULATION:

Article 1

1. The amounts of the subsidy and the exchange rates referred to in Article 33 (2) and (3) of Commission Regulation (EEC) No 2681/83⁽¹¹⁾ shall be as set out in the Annexes hereto.

2. The amount of the compensatory aid referred to in Article 14 of Council Regulation (EEC) No 475/86⁽¹²⁾ and Article 12 of Council Regulation (EEC) No 476/86⁽¹³⁾ shall be as shown in Annex III to this Regulation for sunflower seed harvested in Spain and Portugal.

Article 2

This Regulation shall enter into force on 24 October 1986.

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

Done at Brussels, 23 October 1986.

For the Commission

Frans ANDRIESEN

Vice-President

⁽¹⁾ OJ No 172, 30. 9. 1966, p. 3025/66.

⁽²⁾ OJ No L 133, 21. 5. 1986, p. 8.

⁽³⁾ OJ No L 164, 24. 6. 1985, p. 11.

⁽⁴⁾ OJ No L 204, 28. 7. 1986, p. 1.

⁽⁵⁾ OJ No L 167, 25. 7. 1972, p. 9.

⁽⁶⁾ OJ No L 143, 30. 5. 1984, p. 4.

⁽⁷⁾ OJ No L 256, 9. 9. 1986, p. 7.

⁽⁸⁾ OJ No L 294, 17. 10. 1986, p. 48.

⁽⁹⁾ OJ No L 133, 21. 5. 1986, p. 12.

⁽¹⁰⁾ OJ No L 133, 21. 5. 1986, p. 14.

⁽¹¹⁾ OJ No L 266, 28. 9. 1983, p. 1.

⁽¹²⁾ OJ No L 53, 1. 3. 1986, p. 47.

⁽¹³⁾ OJ No L 53, 1. 3. 1986, p. 51.

ANNEX I

Aids to colza and rape seed other than 'double zero'

(amounts per 100 kilograms)

	Current month	2nd month	3rd month	4th month	5th month	6th month
1. Gross aids (ECU):						
— Spain	0,610	0,610	0,610	0,610	0,610	0,610
— Portugal	0,000	0,000	0,000	0,000	0,000	0,000
— Other Member States	30,969	31,465	31,614	31,764	31,913	32,409
2. Final aids:						
(a) Seed harvested and processed in:						
— Federal Republic of Germany (DM)	74,98	76,16	76,56	77,05	77,43	78,95
— Netherlands (Fl)	84,49	85,82	86,25	86,79	87,22	88,89
— BLEU (Bfrs/Lfrs)	1 444,00	1 467,25	1 474,08	1 480,27	1 487,08	1 505,16
— France (FF)	212,55	216,07	216,71	217,12	218,01	222,27
— Denmark (Dkr)	263,82	268,06	269,32	270,58	271,84	275,71
— Ireland (£ Irl)	23,291	23,679	23,773	23,697	23,790	23,915
— United Kingdom (£)	16,437	16,748	16,779	16,810	16,840	17,040
— Italy (Lit)	46 921	47 682	47 759	48 113	48 327	49 090
— Greece (Dr)	3 016,38	3 049,83	3 001,20	2 965,61	2 967,99	2 923,25
(b) Seed harvested in Spain and processed:						
— in Spain (Pta)	88,94	88,94	88,94	88,94	88,94	88,94
— in another Member State (Pta)	3 652,67	3 724,98	3 745,49	3 733,67	3 753,52	3 794,38
(c) Seed harvested in Portugal and processed:						
— in Portugal (Esc)	0,00	0,00	0,00	0,00	0,00	0,00
— in another Member State (Esc)	4 426,76	4 470,85	4 477,02	4 481,45	4 497,16	4 523,08

ANNEX II

Aids to colza and rape seed 'double zero'

(amounts per 100 kilograms)

	Current month	2nd month	3rd month	4th month	5th month	6th month
1. Gross aids (ECU):						
— Spain	1,860	1,860	1,860	1,860	1,860	1,860
— Portugal	1,250	1,250	1,250	1,250	1,250	1,250
— Other Member States	32,219	32,715	32,864	33,014	33,163	33,659
2. Final aids:						
(a) Seed harvested and processed in:						
— Federal Republic of Germany (DM)	77,97	79,15	79,55	80,03	80,41	81,94
— Netherlands (Fl)	87,85	89,18	89,61	90,16	90,59	92,26
— BLEU (Bfrs/Lfrs)	1 502,60	1 525,85	1 532,67	1 538,87	1 545,68	1 563,75
— France (FF)	221,42	224,95	225,59	226,00	226,89	231,15
— Denmark (Dkr)	274,50	278,74	280,00	281,27	282,52	286,39
— Ireland (£ Irl)	24,269	24,657	24,751	24,675	24,768	24,894
— United Kingdom (£)	17,221	17,532	17,563	17,594	17,625	17,824
— Italy (Lit)	48 845	49 606	49 684	50 037	50 251	51 014
— Greece (Dr)	3 162,23	3 195,68	3 147,05	3 111,46	3 113,84	3 069,09
(b) Seed harvested in Spain and processed:						
— in Spain (Pta)	271,19	271,19	271,19	271,19	271,19	271,19
— in another Member State (Pta)	3 834,92	3 907,23	3 927,74	3 915,92	3 935,77	3 976,63
(c) Seed harvested in Portugal and processed:						
— in Portugal (Esc)	189,77	189,77	189,77	189,77	189,77	189,77
— in another Member State (Esc)	4 616,53	4 660,62	4 666,79	4 671,22	4 686,93	4 712,85

ANNEX III

Aids to sunflower seed

(amounts per 100 kilograms)

	Current month	2nd month	3rd month	4th month	5th month
1. Gross aids (ECU) :					
— Spain	1,720	1,720	1,720	1,720	1,720
— Portugal	0,000	0,000	0,000	0,000	0,000
— Other Member States	37,638	38,229	38,820	39,706	40,274
2. Final aids :					
(a) Seed harvested and processed in (1) :					
— Federal Republic of Germany (DM)	91,02	92,43	93,86	96,06	97,42
— Netherlands (Fl)	102,56	104,15	105,74	108,22	109,74
— BLEU (Bfrs/Lfrs)	1 755,69	1 783,39	1 811,09	1 852,04	1 878,65
— France (FF)	259,02	263,22	267,13	273,03	277,05
— Denmark (Dkr)	320,70	325,75	330,80	338,37	343,22
— Ireland (£ Irl)	28,397	28,860	29,319	29,846	30,289
— United Kingdom (£)	20,264	20,635	21,006	21,615	21,967
— Italy (Lit)	57 096	58 004	58 764	60 292	61 165
— Greece (Dr)	3 723,58	3 765,21	3 776,20	3 850,55	3 915,83
(b) Seed harvested in Spain and processed :					
— in Spain (Pta)	250,77	250,77	250,77	250,77	250,77
— in another Member State (Pta)	3 585,60	3 671,76	3 757,93	3 853,85	3 936,54
(c) Seed harvested in Portugal and processed :					
— in Portugal (Esc)	0,00	0,00	0,00	0,00	0,00
— in Spain (Esc)	6 067,55	6 124,41	6 206,11	6 338,69	6 427,66
— in another Member State (Esc)	5 849,55	5 904,36	5 983,13	6 110,95	6 196,72
3. Compensatory aids :					
— in Spain (Pta)	3 520,04	3 606,21	3 691,31	3 788,81	3 871,50
— in Portugal (Esc)	5 830,45	5 885,27	5 963,73	6 092,01	6 177,78

(1) For seed harvested in the Community as constituted at 31 December 1985 and processed in Spain, the amounts shown in 2 (a) to be multiplied by 1,037269.

ANNEX IV

Exchange rate of the ECU to be used for converting final aids into the currency of the processing country when the latter is a country other than the country of production

(value of 1 ECU)

	Current month	2nd month	3rd month	4th month	5th month	6th month
DM	2,080970	2,076090	2,071380	2,066590	2,066590	2,054720
Fl	2,353230	2,349510	2,346080	2,341990	2,341990	2,332240
Bfrs/Lfrs	43,243000	43,250200	43,263900	43,262500	43,262500	43,292000
FF	6,816240	6,825640	6,835120	6,848370	6,848370	6,868190
Dkr	7,839960	7,851180	7,863730	7,875650	7,875650	7,920620
£ Irl	0,765275	0,770081	0,774772	0,779424	0,779424	0,792282
£	0,732965	0,735455	0,737835	0,740318	0,740318	0,747394
Lit	1 440,22	1 440,33	1 440,58	1 440,45	1 440,45	1 441,40
Dr	140,70400	143,89600	146,39600	148,83400	148,83400	155,43700
Esc	152,95000	154,10300	155,26100	156,37800	156,37800	159,09400
Pta	138,40200	138,99700	139,54100	140,05400	140,05400	141,41400

COMMISSION REGULATION (EEC) No 3230/86

of 23 October 1986

fixing the export refunds on cereals and on wheat or rye flour, groats and meal

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the Act of Accession of Spain and Portugal,

Having regard to Council Regulation (EEC) No 2727/75 of 29 October 1975 on the common organization of the market in cereals ⁽¹⁾, as last amended by Regulation (EEC) No 1579/86 ⁽²⁾, and in particular the fourth subparagraph of Article 16 ⁽²⁾,

Having regard to the opinion of the Monetary Committee,

Whereas Article 16 of Regulation (EEC) No 2727/75 provides that the difference between quotations or prices on the world market for the products listed in Article 1 of that Regulation and prices for those products in the Community may be covered by an export refund;

Whereas Article 2 of Council Regulation (EEC) No 2746/75 of 29 October 1975 laying down general rules for granting export refunds on cereals and criteria for fixing the amount of such refunds ⁽³⁾, provides that when refunds are being fixed, account must be taken of the existing situation and the future trend with regard to prices and availabilities of cereals on the Community market on the one hand, and prices for cereals and cereal products on the world market on the other; whereas the same Article provides that it is also important to ensure equilibrium and the natural development of prices and trade on cereal markets and, furthermore, to take into account the economic aspect of the proposed exports and the need to avoid disturbances on the Community market;

Whereas Article 3 of Regulation (EEC) No 2746/75 defines the specific criteria to be taken into account when the refund on cereals is being calculated;

Whereas these specific criteria are defined, as far as wheat and rye flour, groats and meal are concerned, in Article 4 of Regulation (EEC) No 2746/75; whereas furthermore, when the refund on these products is being calculated, account must be taken of the quantities of cereals required for their manufacture; whereas these quantities were fixed in Commission Regulation No 162/67/EEC ⁽⁴⁾, as amended by Regulation (EEC) No 1607/71 ⁽⁵⁾;

Whereas the world market situation or the specific requirements of certain markets may make it necessary to

vary the refund for certain products according to destination;

Whereas the refund must be fixed once a month; whereas it may be altered in the intervening period;

Whereas, if the refund system is to operate normally, refunds should be calculated on the following basis:

- in the case of currencies which are maintained in relation to each other at any given moment within a band of 2,25 % a rate of exchange based on their central rate, multiplied by the corrective factor provided for in the last paragraph of Article 3 (1) of Council Regulation (EEC) No 1676/85 ⁽⁶⁾,
- for other currencies, an exchange rate based on the arithmetic mean of the spot market rates of each of these currencies recorded over a given period in relation to the Community currencies referred to in the previous indent and the aforesaid coefficient;

Whereas it follows from applying the detailed rules set out above to the present situation on the market in cereals, and in particular to quotations or prices for these products within the Community and on the world market, that the refunds should be as set out in the Annex hereto;

Whereas, pursuant to Article 275 of the Act of Accession of Spain and Portugal, refunds may be granted in the case of exports to Portugal; whereas, in the light of the situation and the level of prices no refund should be fixed in the case of exports to Portugal;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Cereals,

HAS ADOPTED THIS REGULATION:

Article 1

The export refunds on the products listed in Article 1 (a), (b) and (c) of Regulation (EEC) No 2727/75, exported in the natural state, shall be as set out in the Annex hereto.

The refund on export to Portugal has not been fixed.

Article 2

This Regulation shall enter into force on 24 October 1986.

⁽¹⁾ OJ No L 281, 1. 11. 1975, p. 1.

⁽²⁾ OJ No L 139, 24. 5. 1986, p. 29.

⁽³⁾ OJ No L 281, 1. 11. 1975, p. 78.

⁽⁴⁾ OJ No 128, 27. 6. 1967, p. 2574/67.

⁽⁵⁾ OJ No L 168, 27. 7. 1971, p. 16.

⁽⁶⁾ OJ No L 164, 24. 6. 1985, p. 1.

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

Done at Brussels, 23 October 1986.

For the Commission

Frans ANDRIESEN

Vice-President

ANNEX

to the Commission Regulation of 23 October 1986 fixing the export refunds on cereals and on wheat or rye flour, groats and meal

CCT heading No	Description	Refund (ECU/tonne)
10.01 B I	Common wheat and meslin for exports to : — Switzerland, Austria, Liechtenstein, Ceuta and Melilla — Tunisia — zone II b) — other third countries	116,00 32,00 126,00 132,00
10.01 B II	Durum wheat for exports to : — Switzerland, Austria and Liechtenstein — zone I — other third countries	5,00 ^(?) 205,00 ^(?) 10,00 ^(?)
10.02	Rye for exports to : — Switzerland, Austria and Liechtenstein — other third countries	5,00 10,00
10.03	Barley for exports to : — Switzerland, Austria, Liechtenstein, Ceuta and Melilla — zone II b) — other third countries	116,00 15,00 20,00
10.04	Oats for exports to : — Switzerland, Austria and Liechtenstein — zone I — other third countries	— 95,00 —
10.05 B	Maize, other than hybrid maize for sowing for exports to : — Switzerland, Austria and Liechtenstein — zone I, zone V and the German Democratic Republic — other third countries	10,00 20,00 —
10.07 B	Millet	—
10.07 C II	Grain sorghum, other than hybrid sorghum for sowing	—
ex 11.01 A	Wheat flour — of an ash content of 0 to 520 — of an ash content of 521 to 600 — of an ash content of 601 to 900 — of an ash content of 901 to 1 100 — of an ash content of 1 101 to 1 650 — of an ash content of 1 651 to 1 900	170,00 170,00 150,00 138,00 128,00 115,00

CCT heading No	Description	(ECU/tonne) Refund
ex 11.01 B	Rye flour : — of an ash content of 0 to 700 — of an ash content of 701 to 1 150 — of an ash content of 1 151 to 1 600 — of an ash content of 1 601 to 2 000	170,00 170,00 170,00 170,00
11.02 A I a)	Durum wheat groats and meal : — of an ash content of 0 to 1 300 ⁽¹⁾ — of an ash content of 0 to 1 300 ⁽²⁾ — of an ash content of 0 to 1 300 — of an ash content of more than 1 300	307,00 ⁽³⁾ 290,00 ⁽³⁾ 259,00 ⁽³⁾ 244,00 ⁽³⁾
11.02 A I b)	Common wheat groats and meal : — of an ash content of 0 to 520	170,00

⁽¹⁾ Meal of which less than 10 % by weight is capable of passing through a sieve of 0,250 mm mesh.

⁽²⁾ Meal of which less than 10 % by weight is capable of passing through a sieve of 0,160 mm mesh.

⁽³⁾ With the exception of the quantities referred to in the Commission's Decision of 19 March 1986.

N.B. The zones are those defined in Regulation (EEC) No 1124/77 (OJ No L 134, 28. 5. 1977), as last amended by Regulation (EEC) No 3817/85 (OJ No L 368, 31. 12. 1985).

COMMISSION REGULATION (EEC) No 3231/86

of 23 October 1986

fixing the export refunds on malt

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the Act of Accession of Spain and Portugal,

Having regard to Council Regulation (EEC) No 2727/75 of 29 October 1975 on the common organization of the market in cereals⁽¹⁾, as last amended by Regulation (EEC) No 1579/86⁽²⁾, and in particular the fourth subparagraph of Article 16 (2) thereof,

Having regard to the opinion of the Monetary Committee,

Whereas Article 16 of Regulation (EEC) No 2727/75 provides that the difference between quotations or prices on the world market for the products listed in Article 1 of those Regulations and prices for those products within the Community may be covered by an export refund;

Whereas Article 2 of Council Regulation (EEC) No 2746/75 of 29 October 1975 laying down general rules for granting export refunds on cereals and criteria for fixing the amount of such refunds⁽³⁾, provides that when refunds are being fixed account must be taken of the existing situation and the future trend with regard to prices and availabilities of cereals on the Community market on the one hand and prices for cereals and cereal products on the world market on the other; whereas the same Article provides that it is also important to ensure equilibrium and the natural development of prices and trade on cereal markets and, furthermore, to take into account the economic aspect of the proposed exports, and the need to avoid disturbances on the Community market;

Whereas Council Regulation (EEC) No 2744/75 of 29 October 1975 on the import and export system for products processed from cereals and from rice⁽⁴⁾, as last amended by Regulation (EEC) No 1588/86⁽⁵⁾, defines the specific criteria to be taken into account when the refund on these products is being calculated;

Whereas it follows from applying these detailed rules to the present situation on the market in products processed

from cereals and rice that the export refund should be fixed at an amount which will cover the difference between Community prices and world market prices;

Whereas the world market situation or the specific requirements of certain markets may make it necessary to vary the refund for certain products according to destination;

Whereas, if the refund system is to operate normally, refunds should be calculated on the following basis:

- in the case of currencies which are maintained in relation to each other at any given moment within a band of 2,25 %, a rate of exchange based on their central rate, multiplied by the corrective factor provided for in the last paragraph of Article 3 (1) of Council Regulation (EEC) No 1676/85⁽⁶⁾,
- for other currencies, an exchange rate based on the arithmetic mean of the spot market rates of each of these currencies recorded for a given period in relation to the Community currencies referred to in the previous indent and the aforesaid coefficient;

Whereas the refund must be fixed once a month; whereas it may be altered in the intervening period;

Whereas, pursuant to Article 275 of the Act of Accession of Spain and Portugal, refunds may be granted in the case of exports to Portugal; whereas, in the light of the situation and the level of prices no refund should be fixed in the case of exports to Portugal;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Cereals,

HAS ADOPTED THIS REGULATION:

Article 1

The export refunds on malt listed in Article 1 (d) of Regulation (EEC) No 2727/75 subject to Regulation (EEC) No 2744/75 shall be as set out in the Annex hereto.

The refund on export to Portugal has not been fixed.

Article 2

This Regulation shall enter into force on 24 October 1986.

⁽¹⁾ OJ No L 281, 1. 11. 1975, p. 1.

⁽²⁾ OJ No L 139, 24. 5. 1986, p. 29.

⁽³⁾ OJ No L 281, 1. 11. 1975, p. 78.

⁽⁴⁾ OJ No L 281, 1. 11. 1975, p. 65.

⁽⁵⁾ OJ No L 139, 24. 5. 1986, p. 47.

⁽⁶⁾ OJ No L 164, 24. 6. 1985, p. 1.

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

Done at Brussels, 23 October 1986.

For the Commission

Frans ANDRIESEN

Vice-President

ANNEX

to the Commission Regulation of 23 October 1986 fixing the export refunds on malt

<i>(ECU / tonne)</i>	
CCT heading No	Refund
11.07 A I b)	154,28
11.07 A II b)	192,12
11.07 B	223,90

II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 21 May 1986

on aid granted by the Federal Republic of Germany and the Land of Bavaria to a producer of polyamide and polyester yarn situated in Deggendorf

(Only the German text is authentic)

(86/509/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular the first subparagraph of Article 93 (2) thereof,

Having given notice to the parties concerned to submit their comments as provided for in the said Article 93, and having regard to those comments,

Whereas :

I

Upon repeated requests from the Commission, the Federal German Government by letters of 22 March and 25 July 1985 belatedly informed the Commission that financial assistance had been granted to a producer of polyamide and polyester yarn situated in Deggendorf.

The aid was granted between 1981 and the end of 1983 under the joint Federal Government/*Länder* regional aid programme (*Gemeinschaftsaufgabe*), and under the Bavarian regional aid programme.

Under the joint Federal Government/*Länder* aid scheme, a grant of DM 6,12 million was paid for investments amounting to DM 61,2 million, while under the Bavarian regional aid programme a loan of DM 11 million at an interest rate of 5 %, and running for 8 years, was given for parts of the above invest-

ment amounting to DM 35,9 million. The aid therefore, represents 28 % of the total investment.

Following an initial scrutiny, the Commission considered that the aid, granted between 1981 and the end of 1983, which had not been notified to the Commission beforehand, was illegal as the German Government had failed to fulfil its obligations under Article 93 (3) of the EEC Treaty. Under the synthetic fibre and yarn aid code, established in 1977, notified to the Member States by letter of 19 July 1977 and published in the *Bulletin of the European Communities* of July/August 1977 (point 1.5.3.) and of November 1977 (point 2.1.47) and extended in 1979, 1981, 1983 and 1985, all aid proposals, of whatever type, in favour of companies in the synthetic fibre and yarn sector have to be notified to the Commission in sufficient time to enable it to submit its comments and, if necessary, initiate in respect of the proposed measure the procedure provided for in Article 93 (2).

The Commission also considered that the aid did not help to restructure the facility to produce polyamide and polyester yarn within the meaning of the Community's synthetic fibre and yarn aid code, as the assistance led neither to a decrease in capacity nor to a conversion away from synthetic fibres and yarns.

The Commission also took the view that the investment, which had been described as basic rationalization by the German Government, did not seem to concern more than a modernization of the synthetic yarn production and processing plant for the purpose of keeping it in business and at least maintaining — if

not considerably extending — its level of activity without effecting any fundamental change. Nearly 50 % of the total investments that had benefited from the two aids directly concerned the yarn production and spinning stage. However, as the remaining investment shares, linked to texturizing and twisting, dyeing and knitting of the yarn so produced, cannot be logically separated from the actual yarn production — as in most firms these are fully integrated production stages — the entirety of the investment should have been carried out by using the firm's own financial resources and without the use of State aid.

Finally, the Commission considered that, in a situation where the other Community synthetic fibre and yarn producers continued to undertake great efforts to adapt to the present market situation by considerably reducing capacities, the aid in question did not promote a development which, from the Community point of view, was adequate to counteract the trade-distorting effects of the aid, and that the aid — by favouring the undertaking in question in a sector where there is a high volume of trade and where competition is very keen — was liable to affect trade between Member States and was therefore incompatible with the common market.

Therefore, the Commission took the view that the aid did not meet the conditions that must be fulfilled for one of the exceptions laid down in Article 92 to apply, and initiated the procedure provided for in the first subparagraph of Article 93 (2) of the EEC Treaty.

By letter of 23 September 1985, it gave the German Government notice to submit its comments. The other Member States were informed on 17 October, and interested parties on 29 October 1985.

II

The German Government, in submitting its comments, by letter of 30 December 1985, under the procedure provided for in Article 93 (2) of the EEC Treaty, pointed out that the investment was necessary as yarns in the required quality are not available in sufficient quantity on the international market. Furthermore, a basic rationalization had been carried out under the investment project, which has led to a fully integrated and modern production process securing the 1 400 existing and 110 additional jobs.

The German Government considered that the aid under the two aid systems in question was granted to compensate for the economic disadvantages suffered by the Zonal Border Areas to which the region of Deggendorf belongs, so that the conditions of Article

92 (2) (c) of the EEC Treaty were fulfilled and, furthermore, that it was granted to facilitate the development of the area in question where the standard of living is abnormally low and where there is serious underemployment, so that Article 92 (3) (a) of the EEC Treaty is also applicable. The German Government therefore concluded that the aid is compatible with the common market.

In commenting under the same procedure, three other Member States and four federations of firms in the sector supported the Commission's views and expressed great concern about the support measures. In these comments it was underlined that the sector of polyamide and polyester yarns still suffered from serious problems of overcapacity and depressed prices, and that, in such a situation, aid granted for modernization and — indeed — capacity increases would distort competition in the Community by giving unfair advantages to the beneficiary.

It was also pointed out that the aid was granted in contravention of the synthetic fibre and yarn aid code.

III

The financial assistance granted to the company in Deggendorf under the joint Federal Government/*Länder* regional aid programme (*Gemeinschaftsaufgabe*) and under the Bavarian regional aid programme is aid within the meaning of Article 92 (1) of the EEC Treaty.

This conclusion is not refuted by the argument that regional aid merely compensates for the disadvantages of assisted areas from the point of view of firms choosing a location for their investment.

First of all, it should be pointed out that even compensation for the disadvantages of an area strictly speaking favours the recipient, since it reduces his costs in that area. Secondly, in most cases it is doubtful whether the disadvantages of an area can be quantified with sufficient accuracy to fix aid at a level which exactly compensates for them. Above all, however, regional aid is usually set by Member States at so high a level that it provides firms with a positive financial inducement to locate and invest in certain areas. The contention that regional aid favours the recipients is confirmed by the wording of Article 92 (3), which provides that aid to promote or facilitate the economic development of certain areas may be held compatible with the common market. This shows that such aid falls within Article 92 (1), and that it cannot be argued that regional aid does not favour the recipients as it merely compensates for the disadvantages of the particular location.

Therefore, this aid has to be notified to the Commission as provided for by Article 93 (3). In addition, under the synthetic fibre and yarn aid code the Commission requires the *a priori* notification of all aid proposals, of whatever type, in favour of companies in the synthetic fibre and yarn sector. Since the German Government failed to notify the aid in question in this case in advance, the Commission was unable to state its views on the measures before they were implemented. Thus, the aid is illegal in relation to Community law from the time that the measures came into operation. The situation produced by this failure to fulfil obligations is particularly serious since the aid has already been paid to the recipient. The aid in question has given rise to effects that are regarded as being incompatible with the common market.

In cases of aid incompatible with the common market the Commission, making use of a possibility given it by the Court of Justice in its Judgment of 12 July 1973 in Case No 70/72⁽¹⁾, can require Member States to recover from recipients aid granted illegally.

IV

There is a very high volume of trade in synthetic fibre and yarn, and particularly in polyamide and polyester yarn, with 66 % and 65 %, respectively, of total Community production being traded within the Community.

The company in question has respectively 3,0 % and 4,9 % of the total EEC polyamide and polyester production capacities. It has increased its polyamide capacity from 7 000 tonnes in 1980 to 10 000 tonnes in 1983, and its polyester capacity from 7 000 tonnes in 1980 to 18 000 tonnes in 1983. In addition, the company participates actively in intra-Community trade, both with the yarns produced and with the final products manufactured by using the yarns as raw material.

There is substantial overcapacity in polyamide and polyester yarn in the Community as, despite a recent cyclical upswing resulting primarily from lower imports from the USA because of the higher value of the dollar, and which must also be seen in the light of very low shipment levels in previous years, the geographical shift in production shares continues in favour of the Third World. In 1984, the capacity utilization rate for polyamide was 79 %, having increased from 65 % in 1982 primarily because capacities of some 66 000 tonnes had been scrapped. Additional closures have already been announced for 1986 and the follo-

wing years. Production output fell by 9 % during the last 4 years. The capacity utilization rate for polyester was 85 % in 1984 after having stood at 67 % in 1982. In the case of polyester, the main reason for the improvement was the scrapping of 73 000 tonnes of production capacity during this period. Deliveries have fallen by 3 % during the last 4 years.

As a result, there is very heavy competition amongst polyamide and polyester yarn producers in the Community, many of which continue to lose money since polyamide prices still do not exceed the 1974 levels and polyester prices have dropped to 70 % of the 1974 levels.

Both yarns concerned belong to the group of products that was the subject of industry agreements under which capacities were to be reduced.

The aid in issue in the present case distorts competition because it calculably improves the recipient's return on his investment, thereby strengthening his financial position compared with competitors who do not receive such assistance. The distortion of competition is appreciable. The aid amounts to 10,85 % net grant equivalent. A reduction in the cost of investment by such a margin gives the assisted firm a considerable advantage over its unaided competitors.

When State financial aid strengthens the position of an undertaking compared with other undertakings competing in intra-Community trade, the latter must be regarded as affected by that aid. In this case, the aid, which reduced the investment costs which the firm situated in Deggendorf would normally have to bear, is liable to affect trade and distort or threaten to distort competition between Member States by favouring the said enterprise within the meaning of Article 92 (1) of the Treaty. Article 92 (1) lays down the principle that aid having the features there described is incompatible with the common market.

The exceptions from the principle of incompatibility, as set out in Article 92 (2) (a) and (b), are not applicable in this case because of the character of the aid which, furthermore, was not intended for such purposes.

Article 92 (3) sets out which aid may be considered to be compatible with the common market. Compatibility with the Treaty must be determined in the context of the Community and not of a single Member State. In order to safeguard the proper functioning of the common market, and taking into account the principles of Article 3 (f) of the Treaty, the exceptions from the principle of Article 92 (1) as set out in Article 92 (3) must be construed narrowly when an aid scheme or any individual award is scrutinized.

⁽¹⁾ ECR, 1973, p. 813.

In particular, the exceptions may be applied only when the Commission is satisfied that the free play of market forces alone, without the aid, would not induce the prospective aid recipient to adopt a course of action contributing to attainment of one of the said objectives.

To apply the exceptions to cases not contributing to such an objective, or where aid is not necessary to that end, would be to give unfair advantages to certain Member States' industries or undertakings, the financial positions of which would merely be bolstered, and could allow trading conditions between Member States to be affected, and competition to be distorted, without any justification on grounds of Community interest as set out in Article 92 (3).

The German Government has been unable to give, or the Commission to discover, any justification for a finding that the aid falls within one of the categories of exceptions in Article 92 (3).

As regards the exception provided for in Article 92 (3) (b), it is evident that the aid in question was not intended to promote the execution of an important project of common European interest, or to remedy a serious disturbance in the German economy. Aid in favour of one company in the synthetic fibre and yarn industry is not adequate to remedy the kind of situation described in Article 92 (3) (b).

With regard to the exemption provided for in subparagraph 3 (c) of Article 92 EEC in favour of 'aid to facilitate the development of certain economic activities', it must be observed that, in the case of synthetic fibres and yarns in general, and particularly in the case of polyamide and polyester yarn, there is a high level of trade between Member States and competition is very keen as a result of persistent and uncontested overcapacities and depressed prices, as documented above. For these reasons, synthetic fibres and yarns, including polyamide and polyester, are subject to the synthetic fibre discipline.

In its letter of 11 August 1981, by which it extended this system of control of aid for a further two-year period ending 19 July 1983, thus covering the period relevant to this aid case, the Commission pointed out to Member States that it would express an unfavourable *a priori* opinion with regard to proposed aid, be it sectoral, regional or general, which had the effect of increasing the net production capacity of companies in this sector. It also reminded Member States that it would continue to give sympathetic consideration to proposals to grant aid for the purpose of speeding up or facilitating the process either of conversion away from synthetic fibres into other activities or of restructuring leading to reduction in capacity.

In this letter, the Commission also reminded Member States that it requires the *a priori* notification of all aid proposals, of whatever type, in favour of companies in the synthetic fibre and yarn sector.

All aid to the synthetic fibre sector not only has to meet the conditions of the synthetic fibre discipline but is also subject to the 1971 and 1977 Commission guidelines for aid to the textile industry, under which the granting of aid to investment must be linked to the achievement of clear restructuring objectives as opposed to a simple modernization of production facilities.

The investment in this case, however, described by the German Government as basic rationalization, concerns no more than the modernization of a synthetic yarn production and processing plant for the purpose of keeping it in business without affecting any fundamental change. The investment linked to texturizing and twisting, dyeing and knitting of the yarns cannot be logically separated from the actual yarn production for which approximately 50 % of the investment was needed, as it is only after these processing stages — which in most firms, including the beneficiary, are fully integrated production stages — that the yarns are further processed or sold on the market. The continuous and integrated technique replaced the old process several years ago and most polyamide and polyester producers already use it, so that the investment in question was no more than a normal modernization of an out-of-date plant in order to remain competitive. It cannot be described as restructuring and should therefore have been carried out using the financial resources of the undertaking without the use of State aid.

Furthermore, the Commission has always been opposed in principle to operating aid and has considered that, particularly in textiles, clothing, and synthetic fibres and yarn, investment made by an enterprise for the purpose of keeping it in business or maintaining its level of business without effecting any basic change does not qualify for assistance. It should be added that this position has been supported in full by the German Government on several occasions in the past.

In this case, however, it is evident from the company's production capacity before and after the investment in question that the latter had the effect of considerably increasing the net production capacity in both polyamide and polyester yarn. Furthermore, only these increases of capacity can explain why the company was able to rationalize its production as claimed while at the same time creating 110 additional jobs. Therefore, the aid granted for this investment is contrary to the synthetic fibre and yarn aid code and there is, thus, nothing peculiar to the investment in question which would justify the Commission in exempting the aid concerned from the rules set by the aid code under which such aid is to be avoided, as any new installa-

tion of capacity backed by State aid is contrary to the Community interest, which is to reduce capacity, and aggravates the situation of other existing firms all suffering from overcapacity.

Even in this case, where the output of the assisted company is used chiefly within the company itself, the damage is no less to firms within the Community, for, faced with the additional capacity and rigid consumption patterns, they themselves had to and have to, make additional cuts to offset the new capacity at Deggendorf.

In its comments under the procedure, the German Government claims that the types of yarn produced at Deggendorf, particularly POY (pre-oriented yarn) are not available in sufficient quantities and quality. In this respect it has to be pointed out that this product is one of those fibres and yarns in surplus in the Community as a whole and that POY can be, and is being, produced in high quality by a large number of firms in the Community.

Moreover, it has to be pointed out that the beneficiary situated in Deggendorf is a subsidiary of a much larger parent company, engaged in synthetic yarn, textile and clothing production, whose financial strength was and is considerable, so that market forces would have been sufficient in themselves to secure normal development and the investment in question without State intervention.

In recent years, the Commission has always prohibited Member States from granting financial assistance to synthetic-fibre or yarn producers in similar or indeed identical situations, that is, when the company in question merely desired to modernize or rationalize production without effecting any of the changes required under the synthetic fibre aid discipline.

Therefore, and in view of all the foregoing considerations with regard to the exemption provided for in Article 92 (3) (c) of the Treaty in favour of 'aid to facilitate the development of certain economic activities', it must be observed that the aid, by artificially lowering the costs of the undertaking in question, weakened the competitive position of other producers in the Community and therefore had the effect of further reducing capacity utilization and depressing prices, to the detriment, and possible withdrawal from the market, of producers that have hitherto survived owing to restructuring, productivity and quality improvements undertaken from their own resources. Thus, the aid which favoured the undertaking in question, the market position of which is no longer solely determined by its own efficiency, merits and powers, cannot

be considered as contributing to a development which, from the Community point of view, would be adequate to counteract the trade-distorting effects of the aid.

The exception provided for in Article 92 (3) (a) is applicable to aid that promotes the economic development of areas where the standard of living is abnormally low or where there is serious underemployment. When the Commission opened the Article 93 (2) procedure against the Tenth General Plan of the Joint Federal Government/*Länder* Aid Programme, it took the view that the economic and social situation in the Federal Republic, whether nationally or locally, did not justify application of Article 92 (3) (a). The Commission stated this position in the Annex to its letter to the Federal Government of 6 November 1981. This view was confirmed by the further study which the Commission carried out before opening the Article 93 (2) procedure against the regional aid schemes of the states of Baden-Württemberg, Bavaria, Hessen, Lower Saxony, Rheinland-Pfalz and Schleswig-Holstein, and was restated in the Annex to the Commission's letter to the Federal Government of 10 August 1984. The Commission would expressly refer to both these statements.

The Commission's latest review of the situation confirms its impression that neither in the Federal Republic as a whole nor in the particular area concerned by this Decision is the standard of living abnormally low or is there serious underemployment, so that the exemption specified in Article 92 (3) (a) is not applicable.

The exception provided for in Article 92 (3) (a) is applicable to aid which facilitates the development of certain economic areas, but which does not adversely affect trading conditions to an extent contrary to the common interest.

The sectoral effects of regional aid to the industry in question in this case need to be examined even for the most underdeveloped areas — to which Deggendorf does not even belong. For this reason, the Commission must undertake its analysis of the economic and social situation in the framework of the Community interest which, in this sector, is to reduce capacities.

In the synthetic-fibre and yarn aid code there manifests itself a Community policy which has the explicit support of all Member States. Under this policy, and in the situation in which the industry concerned presently finds itself, aided investments for the purpose of increasing capacity, or in order to modernize and rationalize production without effecting any of the

changes required under the synthetic-fibre aid discipline, do not facilitate the development of certain economic areas as they cannot make a production plant financially and economically more viable and would not secure the jobs in question, so that the objectives set out in Article 93 (3) (c) would not be attained.

Therefore, the aid in question in this case did not promote the economic development of the Deggendorf area within the meaning of Article 92 (3) (c), as it did not bring to the area any lasting increase in income or reduction in unemployment, but is liable to distort competition in intra-Community trade without making the necessary contribution to regional development. It should be noted in this respect that the Commission for the same reasons had to prohibit State aid to other fibre and/or yarn producers situated in regions of the Community which face much greater problems of unemployment, and where the standard of living is much lower, than in the Deggendorf area.

Article 92 (2) (c) of the Treaty sets out that aid granted to the economy of certain areas of the Federal Republic of Germany affected by the division of Germany, in so far as such aid is required in order to compensate for the economic disadvantages caused by that division, shall be compatible with the common market.

Article 92 (2) (c) makes its exception from the prohibition of aid contained in Article 92 (1) conditional on clearly specified exceptional circumstances. The Commission, therefore, has a duty to examine whether an aid fulfills the conditions set out in Article 92 (2) (c).

In the case in question, it need not concern the Commission whether the disadvantages originally caused by partition have decreased in view of the increasing lapse of time since that division and of the growing unity of the common market.

In the industry in issue in the present case, sectoral considerations, as expressed in the synthetic-fibre and yarn aid code, which prohibits any aid for the kind of investment in question, and to which the German Government has explicitly given its agreement, namely by letters of 9 September 1981 and 5 September 1983, and as described in detail above, force the Commission to conclude that the aided investment in the present case was not appropriate to compensate any economic disadvantages in the Deggendorf area, as no lasting economic development was being initiated.

The Commission never considered the Zonal Border Areas of the Federal Republic of Germany to be automatically exempt from the monitoring of State aid to industrial sectors that are subject to a specific aid code established in order to combat a serious crisis. In parti-

cular, in its letter of 6 November 1981 concerning the tenth joint Federal Government/*Länder* aid plan, it had informed the Federal German Government of such sectoral proviso clauses. The latter never contested them.

Moreover, this policy manifested itself when the Commission prohibited in 1985 the granting of State aid to a synthetic-yarn producer situated in Neumünster (Zonal Border Area) and, as in this case, merely wishing to modernize and rationalize production without effecting any of the basic changes required under the relevant discipline⁽¹⁾.

Thus, it has to be concluded that the aid granted to the company in Deggendorf cannot benefit from the exemption provided for in Article 92 (2) (c) of the EEC Treaty.

In view of all the foregoing considerations, the aid in question is illegal because the Federal German Government did not fulfil its obligations under Article 93 (3) of the EEC Treaty. It does not meet the conditions which must be fulfilled in order for one of the exceptions of Article 92 (2) and (3) of the EEC Treaty to apply. The aid, therefore, must be withdrawn by recovery,

HAS ADOPTED THIS DECISION:

Article 1

The aid amounting to a grant of DM 6,12 million under the joint Federal Government/*Länder* regional aid scheme (*Gemeinschaftsaufgabe*), and to a loan of DM 11 million at an interest rate of 5 % and running for 8 years under the Bavarian regional aid programme, both granted to a producer of polyamide and polyester yarn situated at Deggendorf during the period between 1981 and the end of 1983, and of which the Federal Government belatedly informed the Commission by letters of 22 March and 25 July 1985, is illegal as it was provided in violation of the provisions of Article 93 (3) of the EEC Treaty. Moreover, it is incompatible with the common market within the meaning of Article 92 of the Treaty.

Article 2

The aid referred to in Article 1 shall be drawn by recovery and the Federal Republic of Germany shall inform the Commission within two months of the date of notification of this Decision of the measures taken to comply herewith.

⁽¹⁾ OJ No L 181, 13. 7. 1985, p. 42.

Article 3

This Decision is addressd to the Federal Republic of Germany.

Done at Brussels, 21 May 1986.

For the Commission

Peter SUTHERLAND

Member of the Commission
