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I

(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC) No 2507/88

of 4 August 1988

on the implementation of storage programmes and early warning systems

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 235 thereof,

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

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

Whereas the Community should endeavour to encourage developing countries to strengthen their food security;

Whereas the food security can be strengthened through storage programmes and early warning systems;

Whereas the Community should contribute financial support for efforts in this area;

Whereas the measures to be taken in order to implement these operations should be specified;

Whereas a decision-making procedure should be laid down to that effect;

Whereas the Treaty does not provide the necessary powers to that end, other than those contained in Article 235,

HAS ADOPTED THIS REGULATION:

Article 1

The Community may contribute to the implementation of early warning systems concerning the food situation in developing countries. It may also contribute to the implementation of storage programmes in those countries in order to support food aid operations in accordance with the regulations concerning Community food-aid policy and food-aid management, and with those concerning the substitute measures or corresponding operations undertaken by the Member States, interna-

tional bodies and non-governmental organizations respectively.

It should be ensured that the operations are integrated with other Community aid instruments, including the use of counterpart funds resulting from the sale of food aid, and that they are in line with the Community's development policy.

Such operations shall be aimed at strengthening the recipient countries' food security. They must contribute to the improvement of living conditions for the poorest sections of the population in those countries and must, wherever possible, accord with those countries' development objectives and in particular with their food policy.

The Community's contribution to these operations, which should in general be on a small scale, shall take the form of financial and technical assistance in accordance with the criteria and procedures laid down in this Regulation.

Article 2

Community support for storage programmes and early warning systems may be granted, on request, for operations on behalf of developing countries eligible for food aid from the Community and from its Member States, to international organizations, and to non-governmental organizations which meet the following criteria:

- (a) their legal status is characteristic of this type of organization;
- (b) their headquarters is in a Member State of the Community or, in exceptional cases, in a non-member country;
- (c) they demonstrate their capacity to carry out properly the type of operations referred to in this Regulation.

Article 3

Community aid may contribute to the financing, for a limited period, of the following operations:

- early warning systems for collecting data on harvest and stock trends in order to improve information on the food situation in the countries in question;
- small-scale operations to improve storage systems, in particular those of individual farmers at village or local

⁽¹⁾ OJ No C 91, 8. 4. 1988, p. 8.

⁽²⁾ Opinion delivered on 8 July 1988 (not yet delivered in the Official Journal).

- level, with the aim of cutting losses or ensuring sufficient storage capacity for emergencies ;
- preparatory studies and training connected with these activities.

Article 4

Aid shall be granted by the Community either on a unilateral basis or by means of co-financing with Member States or with other donors. Wherever possible, the Community character of the aid should be preserved.

Article 5

Community aid shall be in the form of grants.

Article 6

The aid may cover both external expenditure and the local expenditure necessary for implementation of the operations.

Taxes, duties and charges shall be excluded from Community financing.

Article 7

Participation in invitations to tender, other tendering procedures and the award of contracts shall be open on equal terms to all natural and legal persons of Member States and of the recipient country. Such participation may be extended to other developing countries receiving Community aid, particularly in cases of co-financing or in order to reduce the cost of operations as a result of distance, transport difficulties or delivery schedules.

Article 8

1. Decisions granting aid towards a storage programme or an early warning system shall be taken by the Commission.
2. The Commission shall be assisted by a committee composed of the representatives of the Member States and chaired by the representative of the Commission.

The representative of the Commission shall submit to the committee a draft of the measures to be taken. The committee shall deliver its opinion on the draft within a time limit which the chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority laid down in Article 148 (2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the committee shall be weighted in the manner set out in that Article. The chairman shall not vote.

3. (a) The Commission shall adopt the measures envisaged if they are in accordance with the opinion of the committee.
- (b) If the measures envisaged are not in accordance with the opinion of the committee, or if no opinion is delivered, the Commission shall, without delay, submit to the Council a proposal

relating to the measures to be taken. The Council shall act by a qualified majority.

If, on the expiry of a period of two months from the date of referral to the Council, the Council has not acted, the proposed measures shall be adopted by the Commission.

4. The committee may examine any other matter concerning the implementation of the operations referred to in this Regulation which is raised by its chairman either on his own initiative or at the request of a Member State representative.

Article 9

With regard to contributions to storage programmes for cases of emergency resulting from natural disasters or comparable circumstances, or contributions to storage programmes or early warning systems involving amounts not exceeding 400 000 ECU, the decision to grant aid shall be taken by the Commission, which shall immediately inform the Member States.

Article 10

1. Decisions laying down the conditions for implementing storage programmes or early warning systems shall be taken by the Commission.
2. Aid shall be granted to the recipients only on condition that they undertake to observe the conditions for implementation notified to them by the Commission.

Article 11

1. The European Parliament and the Council shall be informed of decisions taken in accordance with Articles 8 and 9 as soon as they are adopted.
2. The Commission shall submit annual progress reports to the European Parliament and the Council on the implementation of the various operations for the relevant financial years.
3. The Commission shall undertake regular evaluations of significant operations to establish whether the objectives defined in the appraisal of those operations have been met and to provide guidelines for improving the effectiveness of future operations. These evaluation reports shall be made available to the committee referred to in Article 8.

Article 12

1. The Commission shall take all measures necessary for the proper performance of the operations provided for under this Regulation.
2. The Member States shall assist the Commission in this respect, in particular by supplying all necessary information.

Article 13

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

It shall apply until 30 June 1989.

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

Done at Brussels, 4 August 1988.

For the Council

The President

Th. PANGALOS

COUNCIL REGULATION (EEC) No 2508/88**of 4 August 1988****on the implementation of co-financing operations for the purchase of food products or seeds by international bodies or non-governmental organizations**

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 235 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament ⁽¹⁾,

Whereas the Community can come to the assistance of needy sections of the population of developing countries by helping to finance the purchase of food products or seeds by international bodies or non-governmental organizations;

Whereas the measures to be taken for the implementation of such co-financing operations should be determined;

Whereas provision should be made for a decision making procedure to that effect;

Whereas the Treaty has not provided the necessary powers, other than those of Article 235,

HAS ADOPTED THIS REGULATION:

Article 1

1. The Community may contribute to the financing of purchases of food products listed in the Commission Decision drawing up annually the list of products to be supplied as food aid or of purchases of seeds carried out by international bodies or non-governmental organizations to benefit needy sections of the population of developing countries.

2. The co-financing operations may be implemented at the request of international bodies or non-governmental organizations to help cover, when such operations seem most appropriate, the food requirements of sections of the population which are unable to make up food shortages from their own means or resources.

3. The non-governmental organizations must meet the following criteria:

- (a) they must have a status which is characteristic of this type of organization;
- (b) they must have their headquarters in a Member State of the Community or, in exceptional cases, in a non-member country;

⁽¹⁾ Opinion delivered on 8 July 1988 (not yet published in the Official Journal).

- (c) they must demonstrate their ability to implement successfully the type of operation by this Regulation.

Article 2

1. The Community contribution may cover the purchase, in the Community or in the developing countries, of the food products referred to in Article 1 or of seeds and the cost of transporting them to their destination.

2. The amount of the Community contribution towards the purchase and transport of food products or seeds shall be a minimum of 25 % and a maximum of 75 % of the total cost of the operation.

Article 3

1. Decisions granting, to international bodies or non-governmental organizations, a contribution towards the purchase of food products or seeds shall be taken by the Commission.

2. The Commission shall be assisted by a committee composed of the representatives of the Member States and chaired by the representative of the Commission.

The representative of the Commission shall submit to the committee a draft of the measures to be taken. The committee shall deliver its opinion on the draft within a time limit which the chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority laid down in Article 148 (2) required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the committee shall be weighted in the manner set out in that Article. The chairman shall not vote.

3. (a) The Commission shall adopt the measures envisaged if they are in accordance with the opinion of the committee.

(b) If the measures envisaged are not in accordance with the opinion of the committee, or if no opinion is delivered, the Commission shall, without delay, submit to the Council a proposal relating to the measures to be taken. The Council shall act by a qualified majority.

If, on the expiry of a period of two months from the date of referral to the Council, the Council has not acted, the proposed measures shall be adopted by the Commission.

4. The committee may examine any other matter concerning the implementation of the operations referred to in this Regulation which is raised by its chairman either on his own initiative or at the request of a Member State representative.

Article 4

With regard to the granting of contributions in cases of emergency resulting from natural disasters or comparable exceptional circumstances, or of contributions involving amounts not exceeding 400 000 ECU, decisions shall be taken by the Commission, which shall immediately inform the Member States.

Article 5

1. Decisions determining the conditions governing the use of a contribution shall be taken by the Commission.

2. Contributions shall be granted to international bodies or non-governmental organizations only if such bodies or organizations undertake to comply with the implementing conditions notified to them by the Commission.

Article 6

The Commission may authorize an agent to conclude co-financing agreements on its behalf.

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

Done at Brussels, 4 August 1988.

Article 7

1. The European Parliament and the Council shall be informed of decisions taken in accordance with Articles 3 and 4 as soon as they are adopted.

2. The Commission shall submit annual progress reports to the European Parliament and the Council on the implementation of the various operations for the relevant financial years.

3. The Commission shall undertake regular evaluations of significant operations to establish whether the objectives defined in the appraisal of those operations have been met and to provide guidelines for improving the effectiveness of future operations. These evaluation reports shall be made available to the committee referred to in Article 3.

Article 8

The Commission shall take all measures necessary for the proper performance of the operations provided for under this Regulation.

The Member States shall assist the Commission in this respect, in particular by supplying all necessary information.

Article 9

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

For the Council

The President

Th. PANGALOS

COMMISSION REGULATION (EEC) No 2509/88
of 10 August 1988

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) 2221/88⁽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⁾, as last amended by Regulation (EEC) No 1636/87⁽⁴⁾, 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 2401/88⁽⁵⁾ 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 9 August 1988;

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 2401/88 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 11 August 1988.

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

Done at Brussels, 10 August 1988.

For the Commission

Frans ANDRIESEN

Vice-President

⁽¹⁾ OJ No L 281, 1. 11. 1975, p. 1.

⁽²⁾ OJ No L 197, 26. 7. 1988, p. 16.

⁽³⁾ OJ No L 164, 24. 6. 1985, p. 1.

⁽⁴⁾ OJ No L 153, 13. 6. 1987, p. 1.

⁽⁵⁾ OJ No L 205, 30. 7. 1988, p. 96.

ANNEX

to the Commission Regulation of 10 August 1988 fixing the import levies on cereals and on wheat or rye flour, groats and meal

(ECU/tonne)

CN code	Levies	
	Portugal	Third country
0709 90 60	11,21	137,04
0712 90 19	11,21	137,04
1001 10 10	21,88	162,83 ⁽¹⁾ ⁽²⁾
1001 10 90	21,88	162,83 ⁽¹⁾ ⁽²⁾
1001 90 91	0,00	128,89
1001 90 99	0,00	128,89
1002 00 00	26,32	97,38 ⁽³⁾
1003 00 10	19,98	103,45
1003 00 90	19,98	103,45
1004 00 10	76,92	44,79
1004 00 90	76,92	44,79
1005 10 90	11,21	137,04 ⁽²⁾ ⁽³⁾
1005 90 00	11,21	137,04 ⁽²⁾ ⁽³⁾
1007 00 90	34,79	145,66 ⁽⁴⁾
1008 10 00	19,98	23,99
1008 20 00	19,98	57,81 ⁽⁴⁾
1008 30 00	19,98	0,00 ⁽⁵⁾
1008 90 10	⁽⁷⁾	⁽⁷⁾
1008 90 90	19,98	0,00
1101 00 00	10,53	193,61
1102 10 00	50,02	149,50
1103 11 10	46,98	265,17
1103 11 90	11,55	208,92

⁽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 Council 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 1008 90 10 (triticale).

**COMMISSION REGULATION (EEC) No 2510/88
of 10 August 1988**

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 2221/88⁽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⁾, as last amended by Regulation (EEC) No 1636/87⁽⁴⁾, 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 2402/88⁽⁵⁾ 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 9 August 1988;

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 coming from 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 coming from third countries shall be as set out in the Annex hereto.

Article 2

This Regulation shall enter into force on 11 August 1988.

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

Done at Brussels, 10 August 1988.

For the Commission

Frans ANDRIESEN

Vice-President

⁽¹⁾ OJ No L 281, 1. 11. 1975, p. 1.

⁽²⁾ OJ No L 197, 26. 7. 1988, p. 16.

⁽³⁾ OJ No L 164, 24. 6. 1985, p. 1.

⁽⁴⁾ OJ No L 153, 13. 6. 1987, p. 1.

⁽⁵⁾ OJ No L 205, 30. 7. 1988, p. 99.

ANNEX

to the Commission Regulation of 10 August 1988 fixing the premiums to be added to the import levies on cereals, flour and malt from third countries

A. Cereals and flour

CN code	Current	1st period	2nd period	3rd period
	8	9	10	11
0709 90 60	0	0	0	0
0712 90 19	0	0	0	0
1001 10 10	0	4,87	4,87	4,87
1001 10 90	0	4,87	4,87	4,87
1001 90 91	0	0	0	0,76
1001 90 99	0	0	0	0,76
1002 00 00	0	0	0	0
1003 00 10	0	0	0	0
1003 00 90	0	0	0	0
1004 00 10	0	0	0	0
1004 00 90	0	0	0	0
1005 10 90	0	0	0	0
1005 90 00	0	0	0	0
1007 00 90	0	0	0	0
1008 10 00	0	0	0	0
1008 20 00	0	0	0	0
1008 30 00	0	0	0	0
1008 90 90	0	0	0	0
1101 00 00	0	0	0	1,07

B. Malt

CN code	Current	1st period	2nd period	3rd period	4th period
	8	9	10	11	12
1107 10 11	0	0	0	1,35	1,35
1107 10 19	0	0	0	1,01	1,01
1107 10 91	0	0	0	0	0
1107 10 99	0	0	0	0	0
1107 20 00	0	0	0	0	0

**COMMISSION REGULATION (EEC) No 2511/88
of 8 August 1988**

amending Regulation (EEC) No 1686/72 on certain detailed rules on aid for seed

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

Having regard to Council Regulation (EEC) No 2358/71 on the common organization of the market in seeds ⁽¹⁾, as last amended by Regulation (EEC) No 3997/87 ⁽²⁾, and in particular Article 3 (5) thereof,

Whereas Council Regulation (EEC) No 1674/72 ⁽³⁾, as last amended by Regulation (EEC) No 3795/85 ⁽⁴⁾, lays down general rules for granting and financing aid for seed; whereas Commission Regulation (EEC) No 1686/72 ⁽⁵⁾, as last amended by Regulation (EEC) No 1382/74 ⁽⁶⁾, sets out detailed rules relating to the aid;

Whereas aid can be granted only for seed for sowing; whereas, if there are other possible uses for the seed and a risk that the aid will be improperly granted on a proportion of production, provision should be made for recipients of the aid to provide evidence that the seed covered by their aid applications was correctly used; whereas, in view of the splintering of seed marketing, it may be difficult to provide evidence for all seed marketed and the requirements relating to evidence should be relaxed;

Whereas Community rice seed production has risen substantially over the last three marketing years; whereas there thus appears to be a risk that a proportion of this seed could be used for purposes other than sowing; whereas control measures for the use of such seed should therefore be introduced; whereas Regulation (EEC) No 1686/72 should therefore be amended accordingly;

Whereas the Management Committee for Seeds has not delivered an opinion within the time limit set by its chairman,

HAS ADOPTED THIS REGULATION:

Article 1

The following subparagraph is added to Article 3 (1) of Regulation (EEC) No 1686/72:

'In the case of rice seed the aid shall be granted only if the recipient shows to the satisfaction of the Member State concerned that the seed has in fact been marketed for sowing. This condition shall be deemed to have been met if the recipient proves that at least 95 % of the seed for which aid was applied for has been marketed for sowing.'

The Member States shall notify the Commission of the measures adopted to verify the use to which seed qualifying for the aid has been put. The Member States shall, where appropriate, carry out checks on seed breeders or at seed breeding farms and on users'

Article 2

This Regulation shall enter into force on the day 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 Brussels, 8 August 1988.

For the Commission

Frans ANDRIESEN

Vice-President

⁽¹⁾ OJ No L 246, 5. 11. 1971, p. 1.

⁽²⁾ OJ No L 377, 31. 12. 1987, p. 37.

⁽³⁾ OJ No L 177, 4. 8. 1972, p. 1.

⁽⁴⁾ OJ No L 367, 31. 12. 1985, p. 21.

⁽⁵⁾ OJ No L 177, 4. 8. 1972, p. 26.

⁽⁶⁾ OJ No L 148, 5. 6. 1974, p. 9.

COMMISSION REGULATION (EEC) No 2512/88**of 8 August 1988****repealing Regulation (EEC) No 1239/88 introducing surveillance of the release for consumption in Spain of certain pigmeat products coming from other Member States**

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 and in particular Article 90 thereof,

Whereas pigmeat prices in Spain are already stabilized; whereas provision should be made to repeal the Regulation introducing surveillance of the release for consumption in Spain of certain products of the pigmeat sector coming from other Member States⁽¹⁾; whereas that Regulation should be repealed on 15 August 1988 in order to allow the Spanish authorities to make appropriate adjustments;

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

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 1239/88 is hereby repealed.

Article 2

This Regulation shall enter into force on 15 August 1988.

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

Done at Brussels, 8 August 1988.

For the Commission

Frans ANDRIESEN

Vice-President

⁽¹⁾ OJ No L 118, 6. 5. 1988, p. 18.

COMMISSION REGULATION (EEC) No 2513/88
of 10 August 1988
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 2210/88⁽²⁾, and in particular Article 27 (4) thereof,

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 2185/88⁽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 2216/88⁽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 2335/88⁽⁷⁾, as last amended by Regulation (EEC) No 2461/88⁽⁸⁾;

Whereas it follows from applying the detailed rules contained in Regulation (EEC) No 2335/88 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;

Whereas the abatement of the subsidy which arises, where appropriate, from the system of maximum guaranteed quantities for the 1988/89 marketing year, has not, to

date, been fixed; whereas the amount of the subsidy for the 1988/89 marketing year has been provisionally calculated on the basis of an abatement of 4,502 ECU per 100 kilograms for colza and rape seed and on the basis of an abatement of 5,835 ECU per 100 kilograms for sunflower seed,

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⁽⁹⁾ are 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⁽¹⁰⁾ are as shown in Annex III to this Regulation for sunflower seed harvested in Spain.
3. The amount of the special subsidy provided for by Council Regulation (EEC) No 1920/87⁽¹¹⁾ for sunflower seed harvested and processed in Portugal is fixed in Annex III.
4. However, the amount of aid for colza, rape and sunflower seed shall be confirmed or replaced with effect from 11 August 1988 to take account, where applicable, of the consequences of the application of the maximum guaranteed quantities system.

Article 2

This Regulation shall enter into force on 11 August 1988.

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

Done at Brussels, 10 August 1988.

For the Commission

Frans ANDRIESEN

Vice-President

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

⁽²⁾ OJ No L 197, 26. 7. 1988, p. 1.

⁽³⁾ OJ No L 164, 24. 6. 1985, p. 11.

⁽⁴⁾ OJ No L 195, 23. 7. 1988, p. 1.

⁽⁵⁾ OJ No L 167, 25. 7. 1972, p. 9.

⁽⁶⁾ OJ No L 197, 26. 7. 1988, p. 10.

⁽⁷⁾ OJ No L 203, 28. 7. 1988, p. 15.

⁽⁸⁾ OJ No L 212, 5. 8. 1988, p. 45.

⁽⁹⁾ OJ No L 266, 28. 9. 1983, p. 1.

⁽¹⁰⁾ OJ No L 53, 1. 3. 1986, p. 47.

⁽¹¹⁾ OJ No L 183, 3. 7. 1987, p. 18.

ANNEX I

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

(amounts per 100 kilograms)

	Current 8 (1)	1st period 9 (1)	2nd period 10 (1)	3rd period 11 (1)	4th period 12 (1)	5th period 1 (1)
1. Gross aids (ECU):						
— Spain	0,580	0,580	0,580	0,580	0,580	0,580
— Portugal	0,000	0,000	0,000	0,000	0,000	0,000
— Other Member States	10,800	10,322	9,843	8,422	8,740	8,939
2. Final aids:						
(a) Seed harvested and processed in:						
— Federal Republic of Germany (DM)	26,03	24,91	23,79	20,47	21,22	22,03
— Netherlands (Fl)	28,83	27,57	26,31	22,56	23,41	24,27
— BLEU (Bfrs/Lfrs)	513,21	490,13	467,00	398,32	413,60	431,64
— France (FF)	70,71	66,96	63,19	51,92	54,30	59,90
— Denmark (Dkr)	89,88	85,61	81,34	68,59	71,37	76,09
— Ireland (£ Irl)	7,844	7,427	7,008	5,753	6,017	6,656
— United Kingdom (£)	5,153	4,804	4,455	3,363	3,572	4,292
— Italy (Lit)	13 830	13 005	12 112	9 461	9 969	11 245
— Greece (Dr)	590,98	494,71	378,53	60,80	108,12	29,92
(b) Seed harvested in Spain and processed:						
— in Spain (Pta)	89,44	89,44	89,44	89,44	89,44	89,44
— in another Member State (Pta)	1 715,10	1 641,33	1 563,87	1 332,54	1 381,58	1 378,19
(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)	2 153,46	2 061,22	1 946,41	1 644,92	1 699,52	1 662,00

(1) Subject to the reduction resulting from the maximum guaranteed quantities system.

ANNEX II

Aids to colza and rape seed 'double zero'

(amounts per 100 kilograms)

	Current 8 (')	1st period 9 (')	2nd period 10 (')	3rd period 11 (')	4th period 12 (')	5th period 1 (')
1. Gross aids (ECU):						
— Spain	3,080	3,080	3,080	3,080	3,080	3,080
— Portugal	2,500	2,500	2,500	2,500	2,500	2,500
— Other Member States	13,300	12,822	12,343	10,922	11,240	11,439
2. Final aids:						
(a) Seed harvested and processed in:						
— Federal Republic of Germany (DM)	31,94	30,82	29,69	26,37	27,13	27,93
— Netherlands (Fl)	35,45	34,19	32,93	29,18	30,02	30,89
— BLEU (Bfrs/Lfrs)	633,38	610,30	587,17	518,48	533,76	552,35
— France (FF)	89,40	85,65	81,88	70,61	72,98	78,86
— Denmark (Dkr)	111,77	107,50	103,22	90,48	93,26	98,20
— Ireland (£ Irl)	9,923	9,505	9,086	7,831	8,095	8,765
— United Kingdom (£)	6,793	6,445	6,096	5,004	5,212	5,980
— Italy (Lit)	17 823	16 998	16 104	13 454	13 962	15 333
— Greece (Dr)	962,98	866,71	750,53	432,80	480,12	401,92
(b) Seed harvested in Spain and processed:						
— in Spain (Pta)	474,98	474,98	474,98	474,98	474,98	474,98
— in another Member State (Pta)	2 100,63	2 026,86	1 949,40	1 718,07	1 767,11	1 763,72
(c) Seed harvested in Portugal and processed:						
— in Portugal (Esc)	429,31	429,31	429,31	429,31	429,31	429,31
— in another Member State (Esc)	2 582,77	2 490,54	2 375,72	2 074,23	2 128,84	2 091,31

(') Subject to the reduction resulting from the maximum guaranteed quantities system.

ANNEX III

Aids to sunflower seed

(amounts per 100 kilograms)

	Current 8 (1)	1st period 9 (1)	2nd period 10 (1)	3rd period 11 (1)	4th period 12 (1)
1. Gross aids (ECU):					
— Spain	5,170	5,170	5,170	5,170	5,170
— Portugal	0,000	0,000	0,000	0,000	0,000
— Other Member States	15,496	15,016	14,616	14,674	14,891
2. Final aids:					
(a) Seed harvested and processed in (2):					
— Federal Republic of Germany (DM)	37,25	36,12	35,19	35,33	35,85
— Netherlands (Fl)	41,32	40,06	39,00	39,16	39,73
— BLEU (Bfrs/Lfrs)	737,51	714,34	695,02	697,74	708,13
— France (FF)	103,41	99,64	96,50	96,81	98,37
— Denmark (Dkr)	129,87	125,59	122,02	122,47	124,34
— Ireland (£ Irl)	11,476	11,057	10,707	10,742	10,915
— United Kingdom (£)	7,770	7,420	7,129	7,105	7,235
— Italy (Lit)	20 510	19 681	18 908	18 780	19 104
— Greece (Dr)	1 045,96	947,68	840,21	791,98	817,74
(b) Seed harvested in Spain and processed:					
— in Spain (Pta)	797,28	797,28	797,28	797,28	797,28
— in another Member State (Pta)	1 424,21	1 350,13	1 283,99	1 278,93	1 312,29
(c) Seed harvested in Portugal and processed:					
— in Portugal (Esc)	0,00	0,00	0,00	0,00	0,00
— in Spain (Esc)	3 167,00	3 071,25	2 962,85	2 937,41	2 972,50
— in another Member State (Esc)	3 075,33	2 982,36	2 877,09	2 852,39	2 886,46
3. Compensatory aids:					
— in Spain (Pta)	1 368,01	1 293,93	1 218,42	1 213,36	1 246,72
4. Special aid:					
— in Portugal (Esc)	3 075,33	2 982,36	2 877,09	2 852,39	2 886,46

(1) Subject to the reduction resulting from the maximum guaranteed quantities system.

(2) 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 1,0298070.

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 8	1st period 9	2nd period 10	3rd period 11	4th period 12	5th period 1
DM	2,084370	2,080920	2,077560	2,074160	2,074160	2,063860
Fl	2,352650	2,349020	2,345290	2,341760	2,341760	2,330800
Bfrs/Lfrs	43,616800	43,615700	43,619900	43,621100	43,621100	43,625900
FF	7,028390	7,030930	7,032440	7,034840	7,034840	7,044260
Dkr	7,920760	7,930800	7,938650	7,945970	7,945970	7,970470
£Irl	0,775761	0,775865	0,775928	0,776161	0,776161	0,777496
£	0,650604	0,652149	0,653587	0,654982	0,654982	0,659162
Lit	1 540,34	1 545,01	1 550,40	1 555,45	1 555,45	1 570,81
Dr	167,48900	168,61400	169,69500	171,14900	171,14900	175,07900
Esc	169,25200	170,15500	171,01800	171,85100	171,85100	174,19500
Pta	137,38200	137,81300	138,18300	138,54000	138,54000	139,56800

COMMISSION REGULATION (EEC) No 2514/88

of 10 August 1988

altering the corrective amount applicable to the refund on cereals

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 2221/88 ⁽²⁾, and in particular the fourth sentence of the second subparagraph of Article 16 (4) thereof,Having regard to 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⁾,Whereas the corrective amount applicable to the refund on cereals was fixed by Commission Regulation (EEC) No 2398/88 ⁽⁴⁾;

Whereas, on the basis of today's cif prices and cif forward delivery prices, taking foreseeable developments on the

market into account, the corrective amount at present applicable to the refund on cereals should be altered,

HAS ADOPTED THIS REGULATION:

Article 1

The corrective amount referred to in Article 16 (4) of Regulation (EEC) No 2727/75, fixed in the Annex to Regulation (EEC) No 2398/88 which is applicable to the export refunds fixed in advance in respect of cereals, is hereby altered to the amounts set out in the Annex hereto.

Article 2

This Regulation shall enter into force on 11 August 1988.

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

Done at Brussels, 10 August 1988.

For the Commission

Frans ANDRIESEN

Vice-President

⁽¹⁾ OJ No L 281, 1. 11. 1975, p. 1.

⁽²⁾ OJ No L 197, 26. 7. 1988, p. 16.

⁽³⁾ OJ No L 281, 1. 11. 1975, p. 78.

⁽⁴⁾ OJ No L 205, 30. 7. 1988, p. 88.

ANNEX

to the Commission Regulation of 10 August 1988 altering the corrective amount applicable
to the refund on cereals

(ECU/tonne)

Product code	Destination (1)	Current 8	1st period 9	2nd period 10	3rd period 11	4th period 12	5th period 1	6th period 2
0709 90 60 000	—	—	—	—	—	—	—	—
0712 90 19 000	—	—	—	—	—	—	—	—
1001 10 10 000	—	—	—	—	—	—	—	—
1001 10 90 000	01	0	0	+ 30,00	+ 30,00	+ 30,00	- 40,00	- 40,00
1001 90 91 000	—	—	—	—	—	—	—	—
1001 90 99 000	01	0	0	+ 10,00	+ 10,00	+ 10,00	- 30,00	- 30,00
1002 00 00 000	01	0	0	- 30,00	- 30,00	- 30,00	- 30,00	- 30,00
1003 00 10 000	—	—	—	—	—	—	—	—
1003 00 90 000	01	0	0	+ 7,00	+ 7,00	+ 7,00	- 30,00	- 30,00
1004 00 10 000	—	—	—	—	—	—	—	—
1004 00 90 000	01	0	- 1,50	- 3,00	- 30,00	- 30,00	- 30,00	- 30,00
1005 10 90 000	—	—	—	—	—	—	—	—
1005 90 00 000	01	0	- 30,00	- 30,00	- 30,00	- 30,00	- 30,00	- 30,00
1007 00 90 000	—	—	—	—	—	—	—	—
1008 20 00 000	—	—	—	—	—	—	—	—
1101 00 00 110	01	0	0	- 40,00	- 40,00	- 40,00	- 40,00	- 40,00
1101 00 00 120	01	0	0	- 40,00	- 40,00	- 40,00	- 40,00	- 40,00
1101 00 00 130	01	0	0	- 40,00	- 40,00	- 40,00	- 40,00	- 40,00
1101 00 00 150	01	0	0	- 40,00	- 40,00	- 40,00	- 40,00	- 40,00
1101 00 00 170	01	0	0	- 40,00	- 40,00	- 40,00	- 40,00	- 40,00
1101 00 00 180	01	0	0	- 40,00	- 40,00	- 40,00	- 40,00	- 40,00
1101 00 00 190	—	—	—	—	—	—	—	—
1101 00 00 900	—	—	—	—	—	—	—	—
1102 10 00 100	01	0	0	- 40,00	- 40,00	- 40,00	- 40,00	- 40,00
1102 10 00 200	01	0	0	- 40,00	- 40,00	- 40,00	- 40,00	- 40,00
1102 10 00 300	01	0	0	- 40,00	- 40,00	- 40,00	- 40,00	- 40,00
1102 10 00 500	01	0	0	- 40,00	- 40,00	- 40,00	- 40,00	- 40,00
1102 10 00 900	—	—	—	—	—	—	—	—
1103 11 10 100	01	0	0	- 50,00	- 50,00	- 50,00	- 50,00	- 50,00
1103 11 10 200	01	0	0	- 50,00	- 50,00	- 50,00	- 50,00	- 50,00
1103 11 10 500	01	0	0	- 50,00	- 50,00	- 50,00	- 50,00	- 50,00
1103 11 10 900	01	0	0	- 50,00	- 50,00	- 50,00	- 50,00	- 50,00
1103 11 90 100	01	0	0	- 40,00	- 40,00	- 40,00	- 40,00	- 40,00
1103 11 90 900	—	—	—	—	—	—	—	—

(1) For the following destinations:

01 All third countries.

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 296/88 (OJ No L 30, 2. 2. 1988).

COMMISSION REGULATION (EEC) No 2515/88
of 10 August 1988

**fixing the amounts to be levied in the beef sector on products which left the
United Kingdom during the week 11 to 17 July 1988**

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⁾, as amended by Regulation (EEC) No
467/87 ⁽²⁾,

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 ⁽³⁾, 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 vari-
able 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
11 to 17 July 1988 should be fixed,

HAS ADOPTED THIS REGULATION:

Article 1

Pursuant to Article 3 of amended 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 11 to 17 July 1988 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 11 July 1988.

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

Done at Brussels, 10 August 1988.

For the Commission

Frans ANDRIESEN

Vice-President

⁽¹⁾ OJ No L 119, 8. 5. 1986, p. 40.

⁽²⁾ OJ No L 48, 17. 2. 1987, p. 1.

⁽³⁾ 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 11 to 17 July 1988

CN code	Amount (ECU/100 kg net weight)
0201 10 10	26,26474
0201 10 90	26,26474
0201 20 11	26,26474
0201 20 19	26,26474
0201 20 31	21,01179
0201 20 39	21,01179
0201 20 51	31,51769
0201 20 59	31,51769
0201 20 90	21,01179
0201 30	35,98269
0202 10 00	26,26474
0202 20 10	26,26474
0202 20 30	21,01179
0202 20 50	31,51769
0202 20 90	21,01179
0202 30 10	35,98269
0202 30 50	35,98269
0202 30 90	35,98269
0206 10 95	35,98269
0206 29 91	35,98269
0210 20 10	21,01179
0210 20 90	29,94180
0210 90 41	29,94180
1602 50 10 ⁽¹⁾	29,94180
1602 50 10 ⁽²⁾	21,01179

⁽¹⁾ Containing 80 % or more by weight of beef meat.

⁽²⁾ Other.

COMMISSION REGULATION (EEC) No 2516/88

of 10 August 1988

amending Regulations (EEC) No 3150/87, (EEC) No 1564/88, (EEC) No 1565/88, (EEC) No 1566/88, (EEC) No 1567/88, (EEC) No 1568/88, (EEC) No 1569/88, (EEC) No 1570/88, (EEC) No 1571/88, (EEC) No 1572/88, (EEC) No 1573/88, (EEC) No 1574/88, (EEC) No 1575/88, (EEC) No 1576/88, (EEC) No 1577/88, (EEC) No 1798/88, (EEC) No 1825/88, (EEC) No 2034/88 and (EEC) No 2035/88 opening standing invitations to tender for the export of cereals held by the intervention agencies

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

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 2221/88⁽²⁾, and in particular Article 7 (5) thereof,

Having regard to Commission Regulation (EEC) No 1836/82 of 7 July 1982 laying down the procedure and conditions for the disposal of cereals held by the intervention agencies⁽³⁾, as last amended by Regulation (EEC) No 2418/87⁽⁴⁾,

Whereas it is advisable to limit the period of validity of export licences issued from the entry into force of this Regulation in connection with the invitations to tender opened by Regulation (EEC) No 3150/87⁽⁵⁾, (EEC) No 1564/88⁽⁶⁾, (EEC) No 1565/88⁽⁷⁾, (EEC) No 1566/88⁽⁸⁾, (EEC) No 1567/88⁽⁹⁾, (EEC) No 1568/88⁽¹⁰⁾, (EEC) No 1569/88⁽¹¹⁾, (EEC) No 1570/88⁽¹²⁾, (EEC) No 1571/87⁽¹³⁾, (EEC) No 1572/88⁽¹⁴⁾, (EEC) No 1573/88⁽¹⁵⁾, (EEC) No 1574/88⁽¹⁶⁾, (EEC) No 1575/88⁽¹⁷⁾, (EEC) No 1576/88⁽¹⁸⁾,

(EEC) No 1577/88⁽¹⁹⁾, (EEC) No 1798/88⁽²⁰⁾, (EEC) No 1825/88⁽²¹⁾, (EEC) No 2034/88⁽²²⁾ and (EEC) No 2035/88⁽²³⁾;

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

Article 3 of Regulations (EEC) No 3150/87, (EEC) No 1564/88, (EEC) No 1565/88, (EEC) No 1566/88, (EEC) No 1567/88, (EEC) No 1568/88, (EEC) No 1569/88, (EEC) No 1570/88, (EEC) No 1571/88, (EEC) No 1572/88, (EEC) No 1573/88, (EEC) No 1574/88, (EEC) No 1575/88, (EEC) No 1576/88, (EEC) No 1577/88, (EEC) No 1798/88, (EEC) No 1825/88, (EEC) No 2034/88 and (EEC) No 2035/88 is hereby replaced by the following:

Article 3

The export licences shall be valid from their date of issue, within the meaning of Article 9 of Regulation (EEC) No 1836/82 until 30 September 1988.

Article 2

This Regulation shall enter into force on the day 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 Brussels, 10 August 1988.

For the Commission

Frans ANDRIESEN

Vice-President

⁽¹⁾ OJ No L 281, 1. 11. 1975, p. 1.
⁽²⁾ OJ No L 197, 26. 7. 1988, p. 16.
⁽³⁾ OJ No L 202, 9. 7. 1982, p. 23.
⁽⁴⁾ OJ No L 223, 11. 8. 1987, p. 5.
⁽⁵⁾ OJ No L 300, 23. 10. 1987, p. 13.
⁽⁶⁾ OJ No L 141, 8. 6. 1988, p. 5.
⁽⁷⁾ OJ No L 141, 8. 6. 1988, p. 7.
⁽⁸⁾ OJ No L 141, 8. 6. 1988, p. 9.
⁽⁹⁾ OJ No L 141, 8. 6. 1988, p. 11.
⁽¹⁰⁾ OJ No L 141, 8. 6. 1988, p. 13.
⁽¹¹⁾ OJ No L 141, 8. 6. 1988, p. 15.
⁽¹²⁾ OJ No L 141, 8. 6. 1988, p. 17.
⁽¹³⁾ OJ No L 141, 8. 6. 1988, p. 19.
⁽¹⁴⁾ OJ No L 141, 8. 6. 1988, p. 21.
⁽¹⁵⁾ OJ No L 141, 8. 6. 1988, p. 23.
⁽¹⁶⁾ OJ No L 141, 8. 6. 1988, p. 25.
⁽¹⁷⁾ OJ No L 141, 8. 6. 1988, p. 27.
⁽¹⁸⁾ OJ No L 141, 8. 6. 1988, p. 29.

⁽¹⁹⁾ OJ No L 141, 8. 6. 1988, p. 31.
⁽²⁰⁾ OJ No L 160, 28. 6. 1988, p. 12.
⁽²¹⁾ OJ No L 162, 29. 6. 1988, p. 35.
⁽²²⁾ OJ No L 179, 9. 7. 1988, p. 20.
⁽²³⁾ OJ No L 179, 9. 7. 1988, p. 22.

COMMISSION REGULATION (EEC) No 2517/88

of 10 August 1988

amending Regulations (EEC) No 1333/88, (EEC) No 1334/88 and (EEC) No 1449/88 as regards the period of validity of licences issue in connection with invitations to tender for export refunds on cereals

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

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 2221/88 ⁽²⁾, and in particular Article 8 (4) thereof,

Whereas Commission Regulations (EEC) No 1333/88 ⁽³⁾, (EEC) No 1334/88 ⁽⁴⁾ and (EEC) No 1449/85 ⁽⁵⁾ provide for the issuing of invitations to tender for export refunds; whereas they specify in particular the period of validity of the licences issued;

Whereas provision should be made for a shorter period of validity for licences issued after the entry into force of this Regulation;

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

Article 4 (2) of Regulations (EEC) No 1334/88 and (EEC) No 1449/88 is hereby replaced by the following:

'2. Export licences issued in connection with invitations to tender shall be valid from their date of issue within the meaning of paragraph 1 until 30 September 1988'.

Article 2

Article 4 (2) of Regulation (EEC) No 1333/88 is hereby replaced by the following:

'2. Export licences issued in connection with this invitation to tender shall be valid from their date of issue within the meaning of paragraph 1 until 30 September 1988.

However, in the case of exports to the People's Republic of China, licences shall be valid from their date of issue within the meaning of paragraph 1 until 30 September 1988'.

Article 3

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

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

Done at Brussels, 10 August 1988.

For the Commission

Frans ANDRIESEN

Vice-President

⁽¹⁾ OJ No L 281, 1. 11. 1975, p. 1.

⁽²⁾ OJ No L 197, 26. 7. 1988, p. 16.

⁽³⁾ OJ No L 124, 18. 5. 1988, p. 6.

⁽⁴⁾ OJ No L 124, 18. 5. 1988, p. 9.

⁽⁵⁾ OJ No L 132, 28. 5. 1988, p. 22.

COMMISSION REGULATION (EEC) No 2518/88

of 10 August 1988

introducing a countervailing charge on certain varieties of plum originating in Yugoslavia

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 2238/88⁽²⁾, and in particular the second subparagraph of Article 27 (2) thereof,

Whereas Article 25 (1) of Regulation (EEC) No 1035/72 provides that, if the entry price of a product imported from a third country remains at least 0,6 ECU below the reference price for two consecutive market days, a countervailing charge must be introduced in respect of the exporting country concerned, save in exceptional circumstances; whereas this charge is equal to the difference between the reference price and the arithmetic mean of the last two entry prices available for that exporting country;

Whereas Commission Regulation (EEC) No 827/88 of 29 March 1988 fixing for the 1988 marketing year the reference prices for plums⁽³⁾ fixed the reference price for class I, group II at 55,37 ECU per 100 kilograms net for the month of August 1988;

Whereas the entry price for a given exporting country is equal to the lowest representative prices recorded for at least 30 % of the quantities from the exporting country concerned which are marketed on all representative markets for which prices are available, less the duties, and the charges indicated in Article 24 (3) of Regulation (EEC) No 1035/72; whereas the meaning of representative price is defined in Article 24 (2) of Regulation (EEC) No 1035/72;

Whereas, in accordance with Article 3 (1) of Commission Regulation (EEC) No 2118/74⁽⁴⁾, as last amended by

Regulation (EEC) No 3811/85⁽⁵⁾, the prices to be taken into consideration must be recorded on the representative markets or, in certain circumstances, on other markets;

Whereas, for plums of group II originating in Yugoslavia the entry price calculated in this way has remained at least 0,6 ECU below the reference price for two consecutive market days; whereas a countervailing charge should therefore be introduced for these plums;

Whereas, if the system is to operate normally, the entry price 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 Article 3 (1) last paragraph of Council Regulation (EEC) No 1676/85⁽⁶⁾, as last amended by Regulation (EEC) No 1636/87⁽⁷⁾,
- 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,

HAS ADOPTED THIS REGULATION:

Article 1

A countervailing charge of 23,56 ECU per 100 kilograms net is applied to plums (CN code 0809 40 11), of the following varieties: Altesse simple (common quetsche, Hauszwetschge), Reine-Claude d'Oullins (Oullins Gage), Sveskeblommer, Ruth Gerstetter, Ontario, Wangenheimer (early Wangenheim quetsche), Pershore (Yellow Egg), Mirabelle and Bosniche, originating in Yugoslavia.

Article 2

This Regulation shall enter into force on 12 August 1988.

⁽¹⁾ OJ No L 118, 20. 5. 1972, p. 1.

⁽²⁾ OJ No L 198, 26. 7. 1988, p. 1.

⁽³⁾ OJ No L 85, 30. 3. 1988, p. 10.

⁽⁴⁾ OJ No L 220, 10. 8. 1974, p. 20.

⁽⁵⁾ OJ No L 368, 31. 12. 1985, p. 1.

⁽⁶⁾ OJ No L 164, 24. 6. 1985, p. 1.

⁽⁷⁾ OJ No L 153, 13. 6. 1987, p. 1.

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

Done at Brussels, 10 August 1988.

For the Commission

Frans ANDRIESEN

Vice-President

COMMISSION REGULATION (EEC) No 2519/88

of 10 August 1988

fixing for Great Britain the level of the variable slaughter premium for sheep
and the amounts to be charged on products leaving region 5

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 1837/80 of 27 June 1980 on the common organization of the market in sheepmeat and goatmeat ⁽¹⁾, as last amended by Regulation (EEC) No 1115/88 ⁽²⁾,

Having regard to Commission Regulation (EEC) No 1633/84 of 8 June 1984 laying down detailed rules for applying the variable slaughter premium for sheep and repealing Regulation (EEC) No 2661/80 ⁽³⁾, as last amended by Regulation (EEC) No 1860/86 ⁽⁴⁾, and in particular Articles 3 (1) and 4 (1) thereof,

Whereas the United Kingdom is the only country which grants the variable slaughter premium, in region 5, within the meaning of Article 3 (5) of Regulation (EEC) No 1837/80; whereas it is necessary therefore for the Commission to fix, for the week beginning 18 July 1988, the level of the premium and the amount to be charged on products leaving that region;

Whereas Article 3 (1) of Regulation (EEC) No 1633/84 stipulates that the level of the variable slaughter premium is to be fixed each week by the Commission;

Whereas Article 4 (1) of Regulation (EEC) No 1633/84 lays down that the amount to be charged on products leaving region 5 shall be fixed weekly by the Commission;

Whereas in the Annex to Commission Regulation (EEC) No 1310/88 of 11 May 1988 on the application of the guarantee limitation arrangements for sheepmeat and goatmeat ⁽⁵⁾ the weekly amounts of the guide level are set out pursuant to Article 9a (3) of Regulation (EEC) No 1837/80;

Whereas, pursuant to the provisions of Article 9 (1) of Regulation (EEC) No 1837/80, for the week beginning 18 July 1988, the variable slaughter premium for sheep certified as eligible in the United Kingdom is to be in accordance with the amounts fixed in the Annexes hereto; whereas, for that week, in the light of the Judgment of the Court of Justice of 2 February 1988 in Case 61/86, the provisions of Article 9 (3) of Regulation (EEC) No 1837/80 and of Article 4 of Regulation (EEC) No 1633/84 lead to the amounts to be charged on products, leaving region 5, being fixed in accordance with those Annexes;

Whereas, as regards the controls necessary for the application of the provisions relating to the said amounts, the system of controls provided for by Regulation (EEC) No 1633/84 should be maintained without prejudice to the preparation of any more specific provisions following the abovementioned Judgment of the Court of Justice,

HAS ADOPTED THIS REGULATION:

Article 1

For sheep or sheepmeat certified as eligible in the United Kingdom in region 5, within the meaning of Article 3 (5) of Regulation (EEC) No 1837/80, for the variable slaughter premium during the week beginning 18 July 1988, the level of the premium is fixed at 0,000 ECU/100 kilograms of estimated or actual dressed carcase weight within the limits laid down by Article 1 (1) (b) of Regulation (EEC) No 1633/84.

Article 2

For products referred to in Article 1 (a) and (c) of Regulation (EEC) No 1837/80, which left the territory of region 5 during the week beginning 18 July 1988, the amounts to be charged shall be equivalent to those fixed in the Annexes hereto.

Article 3

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 18 July 1988.

⁽¹⁾ OJ No L 183, 16. 7. 1980, p. 1.

⁽²⁾ OJ No L 110, 29. 4. 1988, p. 36.

⁽³⁾ OJ No L 154, 9. 6. 1984, p. 27.

⁽⁴⁾ OJ No L 161, 17. 6. 1986, p. 25.

⁽⁵⁾ OJ No L 122, 12. 5. 1988, p. 69.

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

Done at Brussels, 10 August 1988.

For the Commission

Frans ANDRIESSEN

Vice-President

ANNEX

Amount to be charged for products leaving region 5 during the week commencing 18 July 1988

(ECU/100 kg)

CN code	Amounts	
	A. Products qualifying for the premium specified in Article 9 of Regulation (EEC) No 1837/80	B. Products specified in Article 4 (4) of Regulation (EEC) No 1633/84 (1)
	Live weight	Live weight
0104 10 90	0	0
0104 20 90		0
	Net weight	Net weight
0204 10 00	0	0
0204 21 00	0	0
0204 50 11		0
0204 22 10	0	
0204 22 30	0	
0204 22 50	0	
0204 22 90	0	
0204 23 00	0	
0204 30 00	0	
0204 41 00	0	
0204 42 10	0	
0204 42 30	0	
0204 42 50	0	
0204 42 90	0	
0204 43 00	0	
0204 50 13		0
0204 50 15		0
0204 50 19		0
0204 50 31		0
0204 50 39		0
0204 50 51		0
0204 50 53		0
0204 50 55		0
0204 50 59		0
0204 50 71		0
0204 50 79		0
0210 90 11	0	
0210 90 19	0	
1602 90 71		
— unboned (bone-in)	0	
— boned or boneless	0	

(1) Eligibility for these reduced amounts is subject to compliance with the conditions laid down in the second subparagraph of Article 5 (3) of Regulation (EEC) No 1633/84.

COMMISSION REGULATION (EEC) No 2520/88

of 10 August 1988

altering the export refunds on white sugar and raw sugar exported in the natural state

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 1785/81 of 30 June 1981 on the common organization of the markets in the sugar sector ⁽¹⁾, as last amended by Regulation (EEC) No 2306/88 ⁽²⁾, and in particular the second subparagraph of Article 19 (4) thereof,Whereas the refunds on white sugar and raw sugar exported in the natural state were fixed by Commission Regulation (EEC) No 2441/88 ⁽³⁾, as last amended by Regulation (EEC) No 2502/88 ⁽⁴⁾;

Whereas it follows from applying the detailed rules contained in Regulation (EEC) No 2441/88 to the infor-

mation known to the Commission that the export refunds at present in force should be altered to the amounts set out in the Annex hereto,

HAS ADOPTED THIS REGULATION:

Article 1

The export refunds on the products listed in Article 1 (1) (a) of Regulation (EEC) No 1785/81, undenatured and exported in the natural state, as fixed in the Annex to amended Regulation (EEC) No 2441/88 are hereby altered to the amounts shown in the Annex hereto.

Article 2

This Regulation shall enter into force on 11 August 1988.

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

Done at Brussels, 10 August 1988.

For the Commission

Frans ANDRIESEN

Vice-President

⁽¹⁾ OJ No L 177, 1. 7. 1981, p. 4.

⁽²⁾ OJ No L 201, 27. 7. 1988, p. 65.

⁽³⁾ OJ No L 211, 4. 8. 1988, p. 8.

⁽⁴⁾ OJ No L 219, 10. 8. 1988, p. 11.

ANNEX I

to the Commission Regulation of 10 August 1988 altering the export refunds on white sugar and raw sugar exported in its unaltered state

(ECU)

Product code	Amount of refund	
	per 100 kg	per percentage point of sucrose content and per 100 kg net of the product in question
1701 11 90 100	33,35 ⁽¹⁾	
1701 11 90 910	29,84 ⁽¹⁾	
1701 11 90 950	⁽²⁾	
1701 12 90 100	33,35 ⁽¹⁾	
1701 12 90 910	29,84 ⁽¹⁾	
1701 12 90 950	⁽²⁾	
1701 91 00 000		0,3625
1701 99 10 100	36,25	
1701 99 10 910	36,79 ⁽³⁾	
1701 99 10 950	32,29	
1701 99 90 100		0,3625

⁽¹⁾ Applicable to raw sugar with a yield of 92 % ; if the yield is other than 92 %, the refund applicable is calculated in accordance with the provisions of Article 5 (3) of Regulation (EEC) No 766/68.

⁽²⁾ Fixing suspended by Commission Regulation (EEC) No 2689/85 (OJ No L 255, 26. 9. 1985, p. 12), as amended by Regulation (EEC) No 3251/85 (OJ No L 309, 21. 11. 1985, p. 14).

⁽³⁾ Applicable under the conditions laid down in particular in Article 9 (5) of Regulation (EEC) No 2630/81.

COMMISSION REGULATION (EEC) No 2521/88

of 10 August 1988

fixing the maximum export refund for white sugar for the 15th partial invitation to tender issued within the framework of the standing invitation to tender provided for in Regulation (EEC) No 1035/88

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 1785/81 of 30 June 1981 on the common organization of the markets in the sugar sector⁽¹⁾, as last amended by Regulation (EEC) No 2306/88⁽²⁾, and in particular the first subparagraph of Article 19 (4) (b) thereof,

Whereas Commission Regulation (EEC) No 1035/88 of 18 April 1988 on a standing invitation to tender to determine levies and/or refunds on exports of white sugar⁽³⁾, requires partial invitations to tender to be issued for the export of this sugar;

Whereas, pursuant to Article 9 (1) of Regulation (EEC) No 1035/88, a maximum export refund shall be fixed, as the case may be, account being taken in particular of the state and foreseeable development of the Community and world markets in sugar, for the partial invitation to tender in question;

Whereas, following an examination of the tenders submitted in response to the 15th partial invitation to tender, the provisions set out in Article 1 should be adopted;

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

HAS ADOPTED THIS REGULATION:

Article 1

For the 15th partial invitation to tender for white sugar issued pursuant to Regulation (EEC) No 1035/88 the maximum amount of the export refund is fixed at 39,026 ECU/100 kilograms.

Article 2

This Regulation shall enter into force on 11 August 1988.

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

Done at Brussels, 10 August 1988.

For the Commission

Frans ANDRIESEN

Vice-President

⁽¹⁾ OJ No L 177, 1. 7. 1981, p. 4.

⁽²⁾ OJ No L 201, 27. 7. 1988, p. 65.

⁽³⁾ OJ No L 102, 21. 4. 1988, p. 14.

II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 29 March 1988

concerning aid provided by the French Government to the Renault group, an undertaking chiefly producing motor vehicles

(Only the French text is authentic)

(88/454/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 in accordance with the above Article to interested parties to submit their comments and having regard to those comments,

Whereas :

I

At the request of the Commission, the French Government informed the Commission by letter of 2 May 1985 that it intended to provide during 1985 FF 3 000 million of new equity capital to Renault. It did not regard the transmission of this information as a notification, but as information sent in accordance with the requirements of Commission Directive 80/723/EEC of 25 June 1980 on the transparency of financial relations between Member States and public undertakings⁽¹⁾. The French Government has contested the need to notify such aids under Article 93 (3) of the Treaty in all its correspondence relating to new equity capital.

Furthermore, by letter dated 30 April 1985, the French Government informed the Commission of an FIM loan of FF 750 million to the 'Régie Nationale des Usines Renault', hereinafter referred to as RNUR. By a further letter dated 6 August 1985, the French Government informed the Commission that it had granted a second FIM loan of FF 500 million to 'Renault Véhicules Industriels', hereinafter referred to as RVI.

On 18 December 1985 the Commission decided to initiate the procedure under Article 93 (2) of the EEC Treaty with respect to the capital injection of FF 3 000 million granted to RNUR for 1985, the FIM loan of FF 750 million awarded in 1984 to RNUR, and the FIM loan of FF 500 million granted in 1985 to RVI. In view of the severe financial difficulties of Renault in 1984 and 1985, the Commission considered that, in accordance with its position of September 1984 on public authorities' holdings in company capital, the provision of capital contained aid elements falling within Article 92 (1). Furthermore, according to Commission Decision 85/378/EEC⁽²⁾, all FIM loans constitute aid measures within the meaning of Article 92 (1) of the EEC Treaty.

The main reasons for initiating the procedure were the probable distortion of competition in view of the current situation in the car sector, the lack of information on the

⁽¹⁾ OJ No L 195, 29. 7. 1980, p. 35.

⁽²⁾ OJ No L 216, 13. 8. 1985, p. 12.

specific utilization of the capital provision and the extent to which the FIM loans contributed to the development of truly innovative products.

By letter dated 29 January 1986, it gave the French Government notice to submit its comments. In accordance with the provisions of Article 93 (2) of the EEC Treaty, the other Member States and third parties were also given notice to submit their comments.

At the request of the Commission, the French Government informed the Commission by letter of 8 July 1986 that new equity capital amounting to FF 3 000 million was earmarked for Renault in 1986. Here again, the French Government informed the Commission on the basis of the transparency Directive referred to above, that the new capital did not constitute aid and was not earmarked for specific operations but would be used in general to improve the financial situation of the group in the shortest possible time.

On 29 July 1986, the Commission decided to initiate the Article 93 (2) procedure in respect of the non-notified FF 3 000 million capital contribution to RNUR which the French Government had decided to allocate within the 1986 budget provisions. The Commission considered that, in view of the continuing financial difficulties of the Renault group during 1986, the provision of new capital contained aid elements falling under Article 92 (1).

The main reasons that led the Commission to initiate the procedure were the probable distortion of competition given the current problems in the motor-vehicle industry, the lack of detailed information on the restructuring efforts currently under way in the Renault group, and the intended use of the share capital.

By letter dated 5 August 1986, the Commission gave the French Government notice to submit its comments. In accordance with Article 93 (2) of the EEC Treaty, the other Member States and interested parties were also given notice to submit their comments.

At the request of the Commission, the French Government informed the Commission by letters dated 23 February 1987 and 18 May 1987 that a complementary capital injection of FF 2 000 million within the 1986 budget was awarded to Renault and that a new capital injection of an unspecified level was to be committed in the 1987 budget. The new aid measures again aimed at the reinforcement of the financial position of the

undertaking, the financing of its investment programmes and the pursuit of the restructuring efforts in question.

On 1 July 1987, the Commission decided to initiate the Article 93 (2) procedure in respect of the non-notified FF 2 000 million capital contribution that the French Government provided in 1986 and the FF 2 000 million capital contribution which it planned to grant Renault in 1987. The Commission considered that in view of the continuing financial difficulties of the Renault group the provision of new capital contained aid elements falling under Article 92 (1).

The main reasons for initiating the procedure were the likelihood of distortion of competition given the current situation in the motor vehicle industry and the lack of information on a generally agreed restructuring plan.

By letter dated 22 July 1987 the Commission gave the French Government notice to submit its comments. In accordance with Article 93 (2), the other Member States and third parties were also given notice to submit their comments.

All the abovementioned aids were implemented without the prior approval of the Commission as provided for in Article 93 (2) of the Treaty and were therefore illegal under Community law from the time they were granted.

By letter of 20 October 1987 from the Minister for Industry, the French Government notified the Commission of its intention to repay FF 12 000 million of long-term loans that Renault has outstanding with the Crédit National, in order to facilitate the change from Renault's special status as a 'régie' into a legal entity under normal company law.

On 4 November 1987, the Commission decided to initiate the Article 93 (2) procedure in respect of the notified aid plan of the French Government to write off 12 000 million of Renault's debts. Given that the debt write-off discharges the heavily indebted group of part of its financial burden and debt repayment, the Commission considered that it confers a competitive advantage on Renault *vis-à-vis* other Community manufacturers. Thus, the proposed measure contains aid elements falling under Article 92 (1). The aid element of the measure was not contested by the French Government.

The main reasons for opening the procedure were the danger of significant distortion of competition given the sensitivity of the motor-vehicle industry, the lack of information on the future restructuring plan, the allocation terms of the FF 12 000 million debt repayment and the particularly high level of aid involved.

By letter dated 13 November 1987 the Commission gave the French Government notice to submit its comments. In accordance with Article 93 (2), the other Member States and third parties were also given notice to submit their comments.

II

As regards the procedure initiated on 18 December 1985, the French authorities presented their comments by letter dated 8 July 1986, in which it was argued that the capital contribution should not have been considered as falling within Article 92 (1) because it should be regarded as a normal obligation of the State as a shareholder. The FIM loans, which supported only 15 % of total investments in 1984/85, were used for the introduction of new technologies and innovations, and are therefore not incompatible with the common market.

As regards the procedure initiated on 29 July 1986, the French authorities submitted their comments by letter dated 15 October 1986 which contained a report explaining the main lines of the restructuring plan adopted by RNUR since 1985. As regards the assessment of the aid element of the capital contributions, reference is made to the letter of 8 July 1986.

Following the Commission's request of 31 March 1987, the information on the restructuring efforts by Renault and the FIM loans were supplemented by a memorandum sent by the French authorities by letter dated 19 June 1987. In the opinion of the French Government, the capital injections corresponded to the actions of a normal private investor and did not lead to distortions of intra-Community competition. Further details were provided on the technical restructuring carried out between 1983 and 1986. As regards the FIM loans of FF 750 million for RNUR and FF 500 million for RVI, technical descriptions of the two aided investment programmes were provided in order to prove that the loans only financed investments representing a technological breakthrough or containing significant innovative elements.

As regards the procedure opened on 1 July 1987, the French Government has not submitted comments or replied to a revised list of questions mainly concerning the investments aided by the FIM loans which was sent by the Commission by letter of 17 August 1987.

As regards the procedure initiated on 4 November 1987, the French authorities submitted their comments by

letters dated 10 December 1987, 21 January, 4 February, 23 February and 29 February 1988, providing very detailed information on the financial and technical restructuring of the Renault group, on the proposed debt write-off, on the change of legal status of the RNUR and the effects of this change on the future fiscal treatment of the undertaking.

The arguments given by the French Government for a favourable decision on the different aid measures concerning Renault can be summarized as follows:

- The special status of Renault as a 'régie' has not resulted in preferential treatment by its shareholder given that the company remained obliged to produce profits and secure a return on invested capital. In addition, it has not benefited from any special fiscal measures as regards taxes or depreciation allowances,
- The decline of the motor-vehicle market since 1982 resulted in growing losses for the Renault group which caused a serious deterioration of its financial situation. This obliged the State to make additional financial means available in order to restore the financial situation, support its restructuring efforts and improve its competitiveness.
- The capital contributions of FF 8 000 million provided in 1985 and 1986 are the consequence of normal relations between a private shareholder and its undertaking, and are motivated by the legitimate interest of a shareholder to safeguard its existing assets. The French State thus acted towards Renault in a way which is fully consistent with the attitude of a private investor. The capital contributions were therefore not earmarked for specific operations. For the abovementioned reasons, these capital injections do not in the opinion of the French Government constitute aid within the meaning of Article 92 (1) and the information provided on this subject was therefore transmitted to the Commission purely within the framework of the transparency Directive,
- The French Government as shareholder expects Renault to return to profitability by 1987 as a result of the measures undertaken,
- The policy pursued linked to capacity reductions has not distorted competition within the Community within the meaning of Article 92,
- The FIM loans were granted only for operations representing a technological advance or embodying significant innovations,

- As regards the debt repayment of FF 12 000 million, the objective of the French Government is to place Renault in a situation comparable with its main European competitors by ending the privileged links with the French State. This implies the transformation of the 'Régie' status of Renault to a legal entity subject to normal company law,
- In order to achieve this change it is indispensable to bring Renault back to at least a zero net worth, i.e. to compensate at least for the negative net capital of FF 16 400 million at the end of 1986. On the basis of an expected profit of FF 3 000 million in 1987 and an extension of the residual depreciation period which will produce FF 1 400 million in 1987, the minimum amount needed to achieve a zero net worth is FF 12 000 million. This amount will not be awarded in the form of fresh capital but by means of debt write-off; the write-offs primarily concern debts at preferential rates and have the advantage of reducing the tax carry-forward advantage of Renault's accumulated losses.

Under the abovementioned procedures, four other Member States and two third parties concerned submitted observations.

III

The information obtained from the French Government under the various procedures, as well as during several bilateral meetings, has given a full picture of the forms and conditions of the public assistance measures, of their impact on intra-Community trade in the products concerned and of the restructuring plan of the Renault group.

The continuous losses since 1981 and in particular the record losses of 1984 led the French Government in January 1985 to request Renault to implement a drastic restructuring plan, which it would assist in the form of capital contributions and FIM loans.

Renault was by then in a disastrous position. The huge losses of 1984 were known and own resources had become negative. The rapid decline was caused by excessive overmanning, the lowest productivity level of any European car manufacturer, an outdated model range, considerable backwardness as regards new technologies and the failure of its plan to set up in the United States.

Although some elements of the restructuring plan were put forward in 1984, the bulk of the restructuring measures were adopted in 1985. Briefly, the restructuring plan, which runs until 1990, contains the following main points:

- Drastic reduction in employment: between the end of 1984 and the end of 1987 employment at group level was reduced by 38 311 jobs, which corresponds to 18 % of the 1984 workforce. A further reduction is planned before the end of the restructuring plan,
- Closures of sites and capacity reductions: apart from the closure of five small subsidiaries not linked to the motor-vehicle industry, Renault's restructuring plan provided for the closure of various assembly lines in the car, truck and components divisions,
- Reorientation of investments: between 1983 and 1985 a serious effort was undertaken to increase investment as much as possible in modernization and the introduction of new technologies in the shortest possible time,
- Sales of assets: the Renault group has sold since 1985 a large number of companies and shareholdings which were either not directly linked to the motor-vehicle activities or were not essential thereto. Assets in the form of real estate have also been sold. Renault is currently negotiating the sale of further remaining assets. These sales have already produced over FF 2 000 million of cash-inflow,
- Reorganization of the distribution network: the number of affiliated dealers and distributors has been reduced continuously since 1984 by some 20 %,
- Reduction of input cost: a considerable reduction in the number of suppliers (20 % within two years) linked to an increase of outside sourcing permitted a better control and a relative reduction of input cost,
- Reduction of stocks: from 1985 onwards a more effective stock management has been pursued resulting in a 26 % reduction in assembled car stocks in two years,
- Definition of a new quality policy: since 1985 Renault has undertaken a series of internal measures to improve the quality standards of both its products and services,
- Renewal of product models: at the end of 1986 the average age of Renault's car models was reduced to 2,8 years, compared to 7 years in 1983,
- Training of personnel: along with the introduction of new technologies Renault introduced in 1985 a special training programme which not only improved product quality but also increased the mobility, flexibility and productivity of labour. As an illustration of these efforts, training hours increased by 63 % between 1983 and 1987,
- Redefinition of wage policy: since 1985, wages and salaries have increased considerably more slowly than the overall inflation rate in France, thus slowing down the burden of labour cost.

In addition to assisting the Group's technical restructuring, the French Government also had to deal with the financial restructuring of the Group's two key undertakings, RNUR and RVI. As regards RVI, it is a public limited-liability company required by law to regain a net positive balance at least equal to 50 % of its equity capital before 30 June 1987 in order to avoid filing for bankruptcy. The recapitalization of RVI was achieved before the deadline by the following methods: its assets were reassessed at FF 1 800 million, a capital provision of FF 2 000 million by RNUR to RVI (using the last capital contribution from the State to RNUR in 1986 included in the third procedure), the transfer from RNUR to RVI of the Mack Trucks (USA) securities, worth FF 2 000 million, and the provision by three RVI creditor banks of FF 1 200 million obtained through equity warrant bonds. With the transfer of Mack Trucks to the RVI Group, the latter became the world's second largest manufacturer of heavy trucks of over 15 tonnes.

The proposed debt write-off of FF 12 000 million is tied to the change in status of RNUR into a public limited-liability company. In view of its legal obligation to re-establish, within two years following its change of status, its net position to achieve a minimum of half its equity capital, the change in status must necessarily be accompanied by a recapitalization of the company. The proposed repayment is calculated on the assumption that it will achieve a zero net worth after its change of status.

The total cost of the abovementioned objectives was estimated at FF 83 400 million between 1984 and 1990. Within this total, non-financial investments accounted for FF 53 100 million, financial investments FF 3 700 million, extraordinary restructuring costs FF 20 000 million. These last costs correspond to the charges involved in plant closures and redundancies.

As regards the productive investments, FF 43 500 million are earmarked for investments in the car division and FF 7 200 million in the truck and bus division.

In order to rationalize and reduce its activities, Renault had to close several production units and reduce the workforce employed in other units. The workforce reduction was partly achieved by early retirement schemes (FNE contracts) and repatriation schemes. The restructuring charges assumed so far by the RNUR account for FF 13 600 million. RVI spent FF 1 200 million on redundancy costs and production transfers and some FF 300 million on retraining and closure costs.

The restructuring cost over 1984-1990 is financed as follows:

— cash flow excluding provisions for social costs:	FF 50 500 million,
— sale of assets:	FF 10 700 million,
— reduction of indebtedness:	— FF 6 400 million,
— reduction of working capital:	FF 16 900 million,
— public capital contributions:	FF 10 600 million,
— private capital contributions:	FF 1 100 million.

The impact of the restructuring plan on the productive capacity is substantial. Overall assembly capacity will be reduced by at least 25 % by the end of the restructuring plan. As the utilization rate of component production capacity (mainly engines and transmissions) was lower, the capacity reductions will be all the greater.

IV

In its examination of the compatibility with the common market of the different public interventions in support of Renault's restructuring plan, the Commission has verified to what extent these measures contain aid elements under Articles 92 and 94 of the EEC Treaty.

The Commission initiated the Article 93 (2) procedure against a total of FF 10 000 million in capital contributions and FF 1 250 million in FIM loans. In connection with the latter procedure, the French Government informed the Commission that a capital contribution of FF 2 000 million provided for in the 1987 budget and included in the procedure by the Commission, had not been granted to Renault and would not be granted in the future. The Commission thus has to scrutinize only FF 8 000 million in capital contributions. In addition to the capital grants, a capital increase of FF 1 900 million based on sums earmarked in the State budget in 1983 and 1984 was granted in 1984. The Commission has not to date opened proceedings against these increases, considering that Renault's losses at the time were a temporary cyclical problem shared by the whole motor-vehicle industry.

However, the circumstances of the State capital contributions in 1985 and 1986, FF 3 000 and FF 5 000 million, were different. They corresponded to fresh capital made available by the French Government in its 1985 and 1986 budgets. Since spring 1985 onwards, when the adverse 1984 results were made public, Renault's financial situation has been very precarious. The accounts of 1984 and 1985, the most difficult years for the Renault group, show record losses totalling FF 23 500 million and a negative cash-flow of FF 14 200 million. At the end of 1985, its consolidated gross financial debt amounted to FF 76 500 million or 63 % of the 1985 turnover.

This situation corresponds precisely to the Commission's position of September 1984 on public authorities' holdings in company capital when it considered that State aid was involved where fresh capital was contributed in circumstances that would not be acceptable to a private investor operating under normal market-economy conditions. This is the case where the financial position of a company, and particularly the structure and volume of its debt, is such that a normal return (in dividends or capital gains) cannot be expected within a reasonable time from the capital invested, or where, because of its inadequate cash-flow if for no other reason, the company would be unable to raise the funds needed for an investment programme on the capital market.

It can therefore be ruled out that a private investor could, within two years, provide FF 8 000 million in the form of equity capital.

Consequently, the FF 8 000 million capital injections, which maintained Renault artificially in business, constitute aid measures under Article 92 (1) of the EEC Treaty.

The two FIM loans also contain aid elements under Article 92 (1) of the EEC Treaty. Pursuant to Decision 85/378/EEC, all FIM loans are aids within the meaning of the abovementioned Article. According to the French authorities' latest information, the first loan of FF 750 million was awarded to RNUR in June 1984 at an interest rate of 8,4 %. The second loan of FF 500 million was granted to RVI in September 1985 at 8,75 %. Both are 10-year loans with a grace period of two years. The reference rate in France, which corresponds to the rate applied by the Crédit National for corporate investments, was 14,75 % in June 1984 and 13 % in September 1985. Thus, both loans were awarded at rates clearly below the normal French market rates. It should be noted that, in its letter of 8 July 1986, the French Government had communicated that both loans had an interest rate of 9,25 %, which is incorrect, as they were actually awarded at 8,4 % and 8,75 %. The Commission regrets the fact that the French Government provided incorrect information in its letter of 8 July 1986.

As already stated above, the aids in the form of FF 8 000 million in capital injections and FIM loans of FF 1 250 million are illegal in relation to Community law. In this respect it must be noted that — in view of the imperative character of the rules of procedure as laid down in Article 93 (3), which are also of importance as regards public

policy, the direct effect of which the Court of Justice recognized in its ruling of 19 June 1973 in Case 77/72 (1) — the illegality of the aids at issue here cannot be cured *ex post*.

Moreover, in cases of aids incompatible with the common market, the Commission — making use of a possibility given to it by the Court of Justice in its Judgment of 12 July 1973 in Case 70/72 (2), confirmed in its Judgment of 24 February 1987 in Case 310/85 (3) can require Member States to recover aid granted illegally from recipients.

The proposed debt write-off of FF 12 000 million which Renault would obtain once its status is changed discharges the heavily indebted group of part of its financial charges and debt repayments which it normally would have to pay over the coming years. The debt write-off thus gives Renault a competitive advantage in relation to other Community manufacturers. It can be concluded that the amount of the debt write-off constitutes aid under Article 92 (1) of the EEC Treaty. It should be noted that the communications from the French Government under the latest procedure did not dispute the aid element of the debt repayment.

In conclusion, the Commission considers that the capital injections of FF 8 000 million and the two FIM loans of FF 1 250 million awarded to Renault, as well as the proposed debt repayment of FF 12 000 million, constitute aid measures falling under Article 92 (1) of the EEC Treaty. The aids provided to Renault affect trade between Member States because there is intensive intra-Community trade for all products manufactured by the Renault group. In fact, for passenger cars in 1986, trade between Member States amounted to 5 030 402 units, 17,4 % of which (878 927 units) were exported from France to the other Member States. As regards commercial vehicles, intra-Community trade in 1986 amounted to 424 154 units, 16,4 % of which were exports from France to the other Member States.

In 1986, Renault exported 494 866 cars to other Member States, i.e. 54 % of its total car production in France. In the commercial vehicles market, it exported in 1986 from France to Western Europe 4 564 trucks, representing 13 % of its total production in France.

(1) ECR (1973), p. 611.

(2) ECR (1973), p. 813.

(3) OJ No C 77, 24. 3. 1987, p. 3.

The aid intensity of the various aid measures in terms of investment between 1984 and 1990 cannot be calculated precisely because the aids are intended not only for the technical restructuring of the Group but also for the financial rationalization of RNUR and RVI. However, if capital injection are considered to be equivalent to a grant, as indicated in Chapter III, the gross aid intensity is calculated at 23 %. This percentage also corresponds to the estimated net intensity, as the undertaking was not taxed during the assisted period. This should be regarded as a maximum because, even if the equity capital held by the Government does not change after the restructuring has taken place, the intrinsic value of shares will most likely increased.

V

Article 92 (3) of the Treaty lists those aids which may be compatible with the common market. Compatibility with the Treaty must be determined in the context of the Community as a whole 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), the derogation 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.

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

With regard to the exceptions provided for in Article 92 (3) (a) and (c) for aids that promote or facilitate the development of certain areas, the application of the aid scheme cannot benefit from the exception provided for Article 92 (3) (a) since the standard of living is not abnormally low, nor is there serious underemployment in France. Nor does the grant incorporate the requisite features of aid to facilitate the development of certain economic areas within the meaning of Article 92 (3) (c) inasmuch as it is not conditional on initial investment or job creation as explained in the 1979 Commission Communication on the principles of coordination of regional aid systems⁽¹⁾. Moreover, the majority of Renault's production plants are located outside assisted areas, and the aid grants are not awarded under the French regional aid system (PAT). The French Government has not in fact attempted to justify the aids in question on regional grounds.

⁽¹⁾ OJ No C 31, 3. 2. 1979, p. 9.

As regards the exception provided for in Article 92 (3) (b) of the EEC Treaty, 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 French economy. Nor has the French Government requested exemption on these grounds.

With regard to the exception provided for in paragraph 3 (c) of Article 92 of the EEC Treaty in favour of 'aid to facilitate the development of restructuring aids to be compatible with the common market if a number of criteria are fulfilled'⁽²⁾.

The criteria must be viewed in the light of the two principles of Article 92 (3) (c), i.e. the aid must be necessary for the development of the sector from a Community standpoint, and the safeguard clause which provides that the aid must not alter trading conditions to an extent contrary to the common interest⁽³⁾.

These criteria were systematically verified in order to assess the compatibility of the restructuring aids for Renault, i.e. FF 8 000 million of fresh capital and FF 12 000 million of proposed debt write-off⁽⁴⁾:

1. Sectoral aid should be limited to cases where it is justified by circumstances in the industry concerned. Aid should lead to a restoration of long-term viability by resolving problems rather than preserve the status quo and put off decisions and changes which are inevitable.

In 1983/1984, the European motor-vehicle industry was facing difficulties due both to a cyclical decline and to a structural crisis in the heavy trucks' sector. This crisis particularly affected the French industry, because of very low demand and a considerable productivity gap *vis-à-vis* its competitors. This situation particularly holds for the Renault group. Since, then, Renault has implemented a restructuring plan which is restoring its long-term viability by concentrating on reducing capacities for cars, commercial vehicles and their components. This plan has already shown its beneficial effects in that the RNUR as well as RVI returned to profitability in 1987.

The seven years over which the restructuring plan is to be implemented is a normal period in view of the fact that the Renault group is a conglomerate comprising 269 entities at 31 December 1986, employing 182 448 persons and with a very broad range of activities. As

⁽²⁾ Eight Competition Report, point 176.

⁽³⁾ See Court of Justice Judgment of 17. 9. 1980, Case 730/79, Phillip Morris, ECR (1980), p. 2671.

⁽⁴⁾ Aid to modernization through FIM loans is discussed in Chapter VI.

the restructuring involves a number of measures in a variety of activities, the time required is considerable and is comparable to the efforts already undertaken by other groups in the sector;

2. Nevertheless, since adjustment takes time, a limited use of resources to reduce the social and economic costs of change is admissible in certain circumstances and subject to strict conditions.

The French authorities have indicated that a substantial part of the public assistance was intended to offset the high social costs of the 38 311 redundancies which had already taken place between 1984 and 1987 as well as a further reduction in the workforce by the end of the plan period;

3. Unless granted over relatively short periods, aids should be progressively reduced and clearly linked to the restructuring of the sector concerned.

The final aid package of FF 12 000 million is aimed entirely at the repayment of debt and cannot serve as fresh capital with which new investments can be financed; it is chiefly intended to repay loans awarded at preferential rates. The French Government has undertaken not to award any further aid to Renault in the future. From 1987 onwards, the remaining restructuring efforts are and will be entirely financed from the company's cash-flow which became positive in 1986. Consequently, once the change of status has taken place, the Renault group will be put legally and financially on the same footing as its competitors.

Moreover, through the debt repayment as well as the measures agreed by Renault in respect of the tax system, it will be possible to reduce the tax carry-forward advantages from FF 38 000 million at the end of 1986 to only FF 6 000 million at the end of 1988. The balance will largely be absorbed in 1989. Renault will thus pay corporate taxes on its profits from 1990 onwards.

4. The intensity of aid should be proportionate to the problem it is designed to resolve so that distortions of competition are kept to a minimum.

The aid measures, which correspond to some 24 % of the total cost of the restructuring plan to be carried out between 1984 and 1990, not only support the investments but also the rationalization costs and the financial reorganization, i.e. the reduction of the debt burden through the FF 12 000 million write-off. The

Commission can conclude that the aid in the form of capital contributions was necessary to allow the technical restructuring of the company and restore its long-term technical viability. In addition, in view of the severe indebtedness of Renault, and the plan to change the status of the Régie into a normal company subject to commercial law, it is essential to reduce some of the enormous net debt (FF 55 000 million at the end of 1986) to ensure its long-term financial viability. Under French commercial law, every company should have a net worth equal to at least half its capital. The Commission considers that the proposed debt write-off of FF 12 000 million represents a sufficient and necessary amount in order to put the undertaking at zero net worth after changing its status as a first step towards achieving a net worth situation within two years as it is legally required to do. At the end of 1986, RNUR had a negative net capital of FF 16 400 million. The latest estimates of RNUR's net worth at end 1987 show a negative total of FF 11 800 million. The difference is to be covered by the FF 12 000 million write-off. The Commission has made sure that alternative or additional means to increase the net worth of the company, such as re-evaluation of remaining corporate and financial assets and sales of other assets than the ones already foreseen in the restructuring plan could not contribute to a reduction of the FF 12 000 million without endangering the financial position of the company and its credibility *vis-à-vis* the private capital markets on which it will depend in the future. It is noteworthy that even after the aid the Renault group will be by far the most indebted car manufacturer in the Community (net financial debt after the write-off will represent 25 % of turnover in 1988).

The statistics on intra-Community trade in the products concerned, the declining market shares of Renault in the Community (in 1982, RNUR held 15,7 % of the car market as against only 12 % in 1987; RVI's share of the Community heavy trucks' market fell from 14,3 % in 1982 to some 12 % in 1987) as well as the fact that sales prices for its vehicles exceeded the annual inflation rates in France and were not lower than those of its competitors, show that the aids were therefore not used to implement a low-price policy aimed at maintaining or augmenting Renault's market position;

5. Industrial problems and unemployment should not be transferred from one Member State to another.

The restructuring of Renault has led to a reduction in its market share and has not prevented full utilization of capacity by other Community car manufacturers since 1985. The same observation also applies for heavy trucks in the sense that the restructuring of RVI did not prevent a considerable increase in the degree of capacity utilization of other European truck manufacturers. The aids to Renault have thus not led to job losses in other Member States.

In conclusions, the restructuring aids awarded to Renault have led to the restoration of the company's viability and, through the elements of the restructuring, have contributed to the solution of the structural problems which the motor vehicle industry was facing in 1983/1984. For those reasons, the Commission considers that the restructuring aids facilitated the development of the sector concerned at Community level without adversely affecting trading conditions to an extent contrary to the common interest.

The Renault restructuring plan will be concluded only by the end of 1990 and depends on the implementation of future restructuring measures, such as capacity reductions and future sales of assets. At the same time, the Commission has assessed the case on the basis of important undertakings by the French authorities as regards future relations between Renault and the State. Indeed, in the letter of 23 February 1988, the French Government has undertaken to proceed with the FF 12 000 million debt write-off only after the change of status of the RNUR has been adopted by law and to abstain in the future from any further aid in the form of new capital for Renault.

Any future earnings which might be generated by the sale of American Motors Corporation (AMC) at the end of 1992 will not be included when calculating the necessary debt write-off. This was necessary because these future earnings, which could reach FF 2 400 million in the form of royalties and conditional payments, are subject to future market uncertainties and could therefore not be taken into account in the evaluation of the amount of debt repayment. However, the incidence of the sale of AMC on the net worth was negative to the tune of FF 1 200 million in 1986, which artificially increased the necessary capital injection.

It cannot therefore be excluded that Renault might be in a position to distort competition in one or more of the markets in which it is present and in doing so adversely affect trading conditions within the Community to an extent contrary to the common interest. Consequently, if

the Commission considers that the exception under Article 92 (3) (c) is applicable to the restructuring aids — in the form of FF 8 000 million capital contributions and FF 12 000 million debt write-off — granted to Renault, it should at least impose specific conditions to discourage Renault from any possible distortions.

VI

The FIM loans, which do not correspond to individual restructuring aids but constitute applications of a specific aid system, were examined from the standpoint of their compatibility with the main objective of the scheme, i.e. the introduction of new products or processes.

The French Government provided a document annexed to its letter of 25 June 1987 describing the investments aided by the FIM loans to RNUR and RVI.

The Commission has subjected this information to an in-depth technical analysis in order to determine the extent to which the aided investments constitute genuine innovations at Community level at the time they were made. Because of several contradictions contained in the document in the document as well as obvious links between the investments and State-aided R&D programmes within Renault, the Commission requested the French Government by letter of 17 August 1987 to provide further explanations on this subject.

The French Government declared during several bilateral meetings that it would provide no further information on this matter.

The conclusions of the Commission's technical analysis were that, as regards the FF 750 million FIM loan to RNUR to finance investments of FF 1 226 million in the production of a vehicle with particularly low fuel consumption, only some 7 % of the investment could be regarded as innovative at Community level at the time it was made. As regards the FIM loans of FF 500 million awarded to RVI for investments of FF 1 180 million, only about one third contained a clearly innovative element in the sense defined above.

In conclusions, the vast majority of the investments partly aided by the two FIM loans contributed to the modernization and product rejuvenation of RNUR and RVI, but were not intended to develop innovative products or processes. In Decision 85/378/EEC concerning the approval of FIM aid schemes, the Commission concluded that neither the priority interests of French industry nor the modernization of industries as such could be regarded

as of sufficient Community interest to justify exemption under Article 92 (3). It considered that, on the contrary, the aids were liable to alter intra-Community trade to an extent contrary to the common interest when they are awarded in such important individual cases, since they greatly strengthen the position of the recipient undertaking in relation to its competitors for intra-Community trade. This factor was the main reason for the adoption of the negative decisions concerning the planned FIM loan in the mineral-water and glass-packaging sectors (Commission Decision 87/194/EEC⁽¹⁾) and the loan awarded in the brewery trade (Commission Decision 87/303/EEC⁽²⁾). Thus both FIM loans awarded to Renault do not fulfil one of the essential conditions attached to the FIM loan scheme, as communicated by the French authorities when they notified the scheme in question, the condition on which the Commission based its Decision of 19 December 1984 approving the FIM aid scheme. Therefore, the aid awarded through the FIM loans to Renault cannot benefit from the exemption provided for in Article 92 (3) (c) of the EEC Treaty.

As pointed out above in IV, the Commission can in such cases require Member States to recover from recipients the illegally granted aid.

Consequently, the aid element contained in these FIM loans should be abolished by the reimbursement of the loans or by making these loans subject to normal market conditions, as well as by the recovery of the interest relief obtained by Renault until the abovementioned change in the conditions of the loan. In quantifying the aid element, the Commission first calculated the difference between the reference market rate at the time of the loans (14,75 % in June 1984 and 13 % in September 1985) and the rate at which the loans were granted (8,4 % and 8,75 %); the interest subsidy is thus 6,35 % on the loan granted to the RNUR and 4,25 % on the loan to RVI. The interest subsidy was calculated for the period from when the loans were granted to the date of this Decision, i.e. end March 1988. The interest subsidy represents a benefit of FF 174,13 million on the FF 750 million loan, and of FF 53,12 million of the loan of FF 500 million, thus giving a total of FF 227,25 million at end March 1988. The amount of aid to be recovered must be increased by FF 5,25 million per month elapsing between the date of this decision and the reimbursement or adaptation of the conditions governing the loans in question,

HAS ADOPTED THIS DECISION:

Article 1

The restructuring aids to Renault in the form of capital contributions of FF 8 000 million awarded in 1985 and 1986 and a proposed debt write-off of FF 12 000 million to be awarded in 1988 after the change of status of the RNUR are considered to be compatible with the common market pursuant to Article 92 (3), provided that the French Government:

1. fulfills its commitment not to proceed with the payment in full or in part of the FF 12 000 million intended for the repayment of debts before changing the legal status of the RNUR, in accordance with its notification of 20 October 1987, into a company subject to commercial law, without prejudice to the ownership of the capital of the undertaking. The French Government is hereby required to use the FF 12 000 million solely to repay debts, and in particular those at preferential rates. If the change in status does not take place before 31 December 1988, this authorization shall be null and void;
2. fulfills its commitment to refrain from granting any further aid in the form of capital contributions and any other forms of discretionary aid to the Renault group;
3. fulfills its commitment as regards the completion of the Renault restructuring plan by the end of 1990 in accordance with the details communicated to the Commission;
4. ensures that any future earnings resulting from contracts relating to the sale of American Motors Corporation (AMC) are transferred to the State.

The French Government shall provide the Commission in the second quarter of 1989, 1990 and 1991 with an annual report on Renault's accounts, capacities, production, pricing policy and intra-Community exports by product as well as a detailed survey of all restructuring measures, debt repayment and sales of assets undertaken in the past calendar year.

Article 2

The aids awarded in the form of FIM loans of FF 750 million to RNUR in 1984 and FF 500 million to RVI in 1985 are incompatible with the common market within the meaning of Article 92 of the Treaty. The French

⁽¹⁾ OJ No L 77, 19. 3. 1987, p. 43.

⁽²⁾ OJ No L 152, 12. 6. 1987, p. 27.

Government shall abolish the aid element contained in these FIM loans by requesting their reimbursement or by applying a normal market interest rate to them and recovering the interest subsidy of FF 227,25 million awarded to Renault up to the date of adoption of this Decision.

Article 3

The French Government shall inform the Commission of the measures taken to comply with this Decision within two months from its notification.

Article 4

This Decision is addressed to the French Republic.

Done at Brussels, 29 March 1988.

For the Commission

Peter SUTHERLAND

Member of the Commission

CORRIGENDA

Corrigendum to Commission Regulation (EEC) No 2021/88 of 7 July 1988 fixing the export refunds on cereals and on wheat or rye flour, groats and meal

(Official Journal of the European Communities No L 177 of 8 July 1988)

On page 40, in the Annex, in the column, 'Amount of refund' against product code 1004 00 90 000 :

for: '—',

read: '0'.

Corrigendum to Commission Regulation (EEC) No 2376/88 of 29 July 1988 fixing the amount of the subsidy on oil seeds

(Official Journal of the European Communities No L 205 of 30 July 1988)

On page 48, in Annex III, heading of the column 'Current 8' :

for: 'Current 8',

read: 'Current 8 (!)';

On page 48, in Annex IV, line 'Esc', column '4th period 12' :

for: '174,83200',

read: '171,83200'.
