The following draft decision is circulated at the request of Australia under Agenda item 8: Discussions with the European Communities on Refunds on Exports of Sugar - Report to the Council.

With regard to the report by the Director-General on the Working Party established by a decision of the Council on 11 November 1980 and by a decision of the CONTRACTING PARTIES at their thirty-sixth session on 25 November 1980 to discuss with the European Economic Community the possibility of limiting subsidization of sugar exports, the CONTRACTING PARTIES:

Hereby adopt the report;

Note that the European Economic Community has not introduced effective limits or given an assurance that it will introduce effective limits to its system of subsidization of sugar exports and that, consequently, this system continues to constitute a source of uncertainty in world sugar markets and a threat of prejudice in terms of Article XVI:1;

Request that the European Economic Community give further and urgent consideration to introducing pre-established, effective limitations into its system of subsidization of sugar exports in order to ensure that this system does not operate in a manner that will again depress world prices and does not constitute a permanent source of uncertainty in world sugar markets;

Decide to keep this matter under review, and further request that the EEC report to the CONTRACTING PARTIES no later than 30 September 1981 as to the specific measures it had adopted to this end.