

INTERNATIONAL SUGAR AGREEMENT, 1968

MULTILATERAL

INTERNATIONAL SUGAR AGREEMENT OF 1968

Agreement adopted by the United Nations Sugar Conference at Geneva 24 October 1968; Agreement opened for signature at New York from 3 to 24 December 1969; With Annexes; Instrument of accession deposited by the Philippines 22 March 1971; Entered into force provisionally 1 January 1969, and for the Philippines 22 March 1971.

CHAPTER I

OBJECTIVES

ARTICLE 1

OBJECTIVES

The objectives of this International Sugar Agreement (hereinafter referred to as the Agreement) take into account the recommendations contained in the Final Act of the first session of the United Nations Conference on Trade and Development (hereinafter referred to as UNCTAD) and are:

{a) To raise the level of international trade in sugar, particularly in order to increase the export earnings of developing exporting countries;

{b) To maintain a stable price for sugar which will be reasonably remunerative to producers, but which will not encourage further expansion of production in developed countries;

{c) To provide adequate supplies of sugar to meet the requirements of importing countries at fair and reasonable prices;

{d) To increase sugar consumption and in particular to promote measures to encourage consumption in countries where consumption per caput is low;

{e) To bring world production and consumption of sugar into closer balance;

{f) To facilitate the co-ordination of sugar marketing policies and the organization of the market;

{g) To provide for adequate participation in, and growing access to, the markets of the developed countries for sugar from the developing countries;

{h) To observe closely developments in the use of any form of substitutes for sugar, including cyclamates and other artificial sweeteners; and

(i) To further international co-operation in sugar questions.

CHAPTER II

DEFINITIONS

ARTICLE 2

DEFINITIONS

For the purposes of this Agreement:

(1) "Organization" means The International Sugar Organization established by Article 3;

(2) "Council" means The International Sugar Council established by Article 3;

(3) "Member" means a Contracting Party to the Agreement or a territory or group of territories in respect of which a notification has been made under paragraph (3) of Article 66;

(4) "developing Member" means any Member in Latin America, in Africa excepting South Africa, in Asia excepting Japan and in Oceania excepting Australia and New Zealand, and includes Greece, Portugal, Spain, Turkey and Yugoslavia;

(5) "developed Member" means any Member other than a developing Member;

(6) "exporting Member" means a Member which is a net exporter of sugar;

(7) "importing Member" means a Member which is a net importer of sugar;

(8) "Member which imports sugar" means any Member which imports sugar whether it is a net importer or a net exporter of sugar;

(9) "special vote" means a two-thirds majority of the votes cast by exporting Members present and voting and a two-thirds majority of the votes cast by importing Members present and voting, counted separately;

(10) "distributed two-thirds majority" means a majority of the members representing two thirds of the total votes of the exporting Members and a majority of the Members representing two thirds of the total votes of the importing Members, counted separately;

(11) "distributed simple majority vote" means a majority of the votes cast by a majority of exporting Members present and voting and a majority of the votes cast by a majority of importing Members present and voting, counted separately;

(12) "financial year" means the quota year;

(13) "quota year" means the period from 1 January to 31 December inclusive;

(14) "ton" means a metric ton, i.e. 1,000 kilogrammes, and "pound" means a pound avoirdupois. Amounts of sugar specified in the Agreement are in terms of raw value net weight (the raw value of any amount of sugar means its equivalent in terms of raw sugar testing 96 degrees by the polariscope);

(15) "sugar" means sugar in any of its recognized commercial forms derived from sugar cane or sugar beet, including edible and fancy molasses syrups and any other form of liquid sugar used for human consumption; but

(a) "sugar" as defined above shall not include final molasses or low grade types of non-centrifugal sugar produced by primitive methods or, except in Annex A, sugar destined for uses other than human consumption as food. The Council may determine the conditions under which sugar shall be considered to be destined for uses other than human consumption as food;

(b) If the Council resolves that the increased use of sugar mixtures becomes a threat to the objectives of the Agreement, these mixtures shall be deemed to be sugar in respect of their sugar content. The increase in the quantity of such mixtures exported over the quantity exported before the entry into force of the Agreement shall, in respect of its sugar content, be charged to the export quota of the exporting Member concerned;

(16) "free market" means the total of net imports of the world market, except those covered under Articles 35 to 38 inclusive, and under paragraph (3) of Article 39;

(17) "net imports" means total imports of sugar after deducting total exports of sugar;

(18) "net exports" means total exports of sugar (excluding sugar supplied as ships' stores for ships victualling at domestic ports) after deducting total imports of sugar;

(19) "basic export tonnage" means the quantity specified in Article 40;

(20) "initial export quota" means the quantity of sugar allotted to an exporting Member under paragraph (1) of Article 45 or paragraph (2) (a) of Article 48;

(21) "quota in effect" means the initial export quota, as modified by such adjustments as may have been made under chapter XI by the time referred to in the provisions of the Agreement where this expression is used;

(22) "basic export entitlement" for the purposes of paragraph (1) (b) of Article 52 means, for each exporting Member, the sum total of its basic export tonnage under Article 40 or maximum net export entitlement under Article 41 and, where relevant, its basic allocation in the immediately preceding quota year under the special arrangements referred to in Articles 5 to 38 inclusive;

(23) "shipment" and "shipping", in the context of Article 30 include conveyance of sugar on land, irrespective of the means of transport used;

(24) "prevailing price" is as calculated in accordance with the provisions of paragraph (2) of Article 33;

(25) "entry into force" is to be read, except as otherwise provided, as meaning the date on which the Agreement enters into force provisionally or definitively;

(26) any reference in the Agreement to a "Government invited to the United Nations Sugar Conference 1968" shall be construed as including a reference to the European Economic Community (hereinafter referred to as the EEC). Accordingly any

reference in the Agreement to "signature of the Agreement" or to the "deposit of an instrument of ratification, acceptance, approval or accession" by a Government shall, in the case of the EEC, be construed as including signature on behalf of the EEC by its competent authority and the deposit of the instrument required by the institutional procedures of the EEC to be deposited for the conclusion of an international agreement.

CHAPTER III

THE INTERNATIONAL SUGAR ORGANIZATION, ITS MEMBERSHIP AND ADMINISTRATION

ARTICLE 3

ESTABLISHMENT, HEADQUARTERS AND STRUCTURE OF THE INTERNATIONAL SUGAR ORGANIZATION

(1) The International Sugar Organization is hereby established to administer the provisions of the Agreement and to supervise its operation. It shall be the successor to the International Sugar Council which operated under the International Sugar Agreement of 1958.

(2) The headquarters of the Organization shall be in London unless the Council decides otherwise by special vote.

(3) The Organization shall function through the International Sugar Council, its Executive Committee, its Executive Director and its staff.

ARTICLE 4

MEMBERSHIP IN THE ORGANIZATION

(1) Each Contracting Party shall constitute a single Member of the Organization, except as otherwise provided in paragraph (2) of this Article

(2) If any Contracting Party, including the territories for whose international relations it is for the time being ultimately responsible and to which the Agreement is extended in accordance with paragraph (1) of Article 66, consists of one or more units that would individually constitute an exporting Member, and of one or more units that would individually constitute an importing Member, there may be either a joint membership for the Contracting Party together with these territories or, where the Contracting Party has made a notification to that effect under paragraph (3) of Article 66, separate membership, singly, all together or in groups for the territories that would individually constitute an exporting Member and separate membership for the territories that would individually constitute an importing Member.

ARTICLE 5

COMPOSITION OF THE INTERNATIONAL SUGAR COUNCIL

(1) The highest authority of the Organization shall be the International Sugar Council, which shall consist of all the Members of the Organization.

(2) Each Member shall be represented by a representative and, if it so desires, by one or more alternates. A Member may also appoint one or more advisers to its representative or alternates.

ARTICLE 6

POWERS AND FUNCTIONS OF THE COUNCIL

(1) The Council shall exercise all such powers and perform or arrange for the performance of all such functions as are necessary to carry out the express provisions of the Agreement.

(2) The Council shall adopt by special vote such rules and regulations as are necessary to carry out the provisions of the Agreement and are consistent therewith including Rules of Procedure for the Council and its committees and the financial and staff regulations of the Organization. The Council may, in its Rules of Procedure provide a procedure whereby it may without meeting, decide specific questions.

(3) The Council shall keep such records as are required to perform its functions under the Agreement and such other records as it considers appropriate.

(4) The Council shall publish an annual report and such other information as it considers appropriate.

ARTICLE 7

CHAIRMAN AND VICE-CHAIRMAN OF THE COUNCIL

(1) For each quota year the Council shall elect from among the delegations a Chairman and a Vice-Chairman who shall not be paid by the Organization.

(2) The Chairman and the Vice-Chairman shall be elected, one from among the delegations of the importing Members and the other from among those of the exporting Members. Each of these offices shall, as a general rule, alternate each quota year between the two categories of Members; provided however that this shall not prevent the re-election under exceptional circumstances of the Chairman or Vice-Chairman or both when the Council so decides by special vote. In the case of such re-election of either officer, the rule out in the first sentence of this paragraph shall continue to apply.

(3) In the temporary absence of both the Chairman and the Vice-Chairman or the permanent absence of one or both, the Council may elect from among the delegations new officers, temporary or permanent as appropriate, taking account of the principle of alternating representation set out in paragraph (2) of this Article.

(4) Neither the Chairman nor any other officer present at meetings of the Council shall vote. He may, however, appoint another person to exercise the voting rights of the Members which he represents.

ARTICLE 8

SESSIONS OF THE COUNCIL

(1) As a general rule, the Council shall hold one regular session each half of the quota year.

(2) The Council in addition to meeting in the other circumstances specifically provided for in the Agreement shall also meet in special session whenever it so decides or on the request of: