COMMISSION REGULATION (EC) No 840/2002
of 21 May 2002
adjusting certain compensatory agrimonetary aids granted in the United Kingdom and Sweden

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 2799/98 of 15 December 1998 establishing agrimonetary arrangements for the euro [1], and in particular Articles 4 and 5 thereof,

Whereas:

(1) For various Member States, the maximum amounts of the compensatory aid resulting from the exchange rates applicable on 1 and 2 January 2000 are laid down by Commission Regulation (EC) No 801/2000 [2].

(2) The maximum amounts of the compensatory aid resulting from the exchange rates for the pound sterling applicable on 31 December 2000 and 1 January 2001 are laid down by Commission Regulation (EC) No 653/2001 [3].

(3) The maximum amounts of the compensatory aid for appreciable revaluations of the pound sterling and the Swedish krona in 2000 are laid down by Commission Regulation (EC) No 654/2001 [4].

(4) As regards compensatory aid resulting from the exchange rates applicable for certain direct aid and structural or environmental measures, Article 5(3) of Regulation (EC) No 2799/98 lays down that the amounts paid out under the second and third tranches of aid are each to be reduced, vis-à-vis the level of the previous tranche, by at least a third of the amount paid out in the first tranche and Article 5(4) of that Regulation lays down that the maximum amount of the compensatory aid is to be reduced or cancelled as a function of the effect on income of the development of the exchange rates recorded on the first day of the second and third tranches.

(5) Examination of the exchange rates for the pound sterling and the Swedish krona fixed by Commission Regulation (EC) No 426/2002 of 7 March 2002 fixing the conversion rates applicable to certain direct aids and structural or environmental measures [5] indicates a depreciation of those currencies.

(6) There should therefore be an additional reduction in the maximum amounts of the second tranche of compensatory aid for the United Kingdom linked to the operative events of 31 December 2000 and 1 January 2001. It is also necessary to cancel the amounts of the third tranche of compensatory aid for Sweden linked to the operative events of 1 January 2000 and 2 January 2000.

(7) As regards compensatory aid for appreciable revaluations of national currencies, Article 4(5) of Regulation (EC) No 2799/98 lays down that the amounts paid out under the second and third tranches are each to be reduced, vis-à-vis the level of the previous tranche, by at least a third of the amount paid out in the first tranche and that the amounts paid out under the second and third tranches are to be reduced or cancelled as a function of the effect on incomes of the development of exchange rates recorded until the beginning of the month preceding the first month of the relevant tranche, and taking account of the market situation observed over the same period.

(8) Examination of the average exchange rates fixed for the pound sterling and the Swedish krona between 1 March 2001 and 31 January 2002 indicates a depreciation of those currencies during that period.

(9) In order to take account of the market situation, pursuant to Article 4(6)(a) of Regulation (EC) No 2799/98 the amount of one or more tranches for one or more sectors may be reduced if it is found that the average market price for the Member State concerned is equal to or higher than the average market prices in the Member States whose currencies have not been appreciably revalued during the same period. That condition was met in the United Kingdom's cereals sector during the period 1 March 2001 to 31 January 2002. However, the United Kingdom did not grant the first tranche of that sector's compensatory aid for an appreciable revaluation of the pound sterling in 2000. As a result, it is not possible to grant the second or third tranches of that aid in the cereals sector. The market situation in the United Kingdom's cereals sector does not therefore affect the maximum amount of the second tranche of compensatory aid for an appreciable revaluation of the pound sterling in 2000.

(10) Nevertheless, in view of the development of exchange rates, an additional reduction should be applied to the maximum amount of the second tranche of compensatory aids for the United Kingdom for the appreciable revaluation of the pound sterling in 2000 and payment of the second tranche of compensatory aid for Sweden for the appreciable revaluation of the Swedish krona in 2000 should be cancelled.

[1] OJ L 349, 24.12.1998, p. 1.
[2] OJ L 96, 18.4.2000, p. 34.
[3] OJ L 91, 31.3.2001, p. 62.
[4] OJ L 91, 31.3.2001, p. 64.
[5] OJ L 66, 8.3.2002, p. 8.