

REPUBLIC OF LITHUANIA

LAW ON SUGAR

Article 1. Purpose of the Law

The purpose of the present Law is to standardize the relations of sugar beet growers, processors, participants in the sugar market and government institutions, which are not regulated by other laws of the Republic of Lithuania, and to create preconditions for implementation of the State sugar policy.

Article 2. Main definitions

As used in the present Law:

"sugar" means a sweet crystalline or liquid product processed from sugar beet or semi-manufactured sugar products;

"semi-manufactured sugar product" means a product of the unfinished sugar production, which is obtained upon having processed sugary plants;

"sugar market" defines the sphere of exchange comprising wholesale and retail trade of sugar and semi-manufactured sugar products;

"participants in the sugar market" are sugar manufacturers, users and traders of sugar and semi-manufactured sugar products; and

"sugar manufacturers association" is an association of sugar beet processors, sugar beet growers and processors, which is formed on the basis of voluntariness and economic independence.

Article 3. State Sugar Policy

The State shall support the development of the domestic industry of growing and processing of sugar raw materials.

The State shall guarantee and protect the provision of the country with sugar, which does not depend on the foreign market.

Article 4. Protection Measures of the Domestic Sugar Market

While protecting sugar manufacturers, the Government of the Republic of Lithuania or institutions authorized by it shall:

- 1) study market conditions and prices, and publicly announce this information;
- 2) develop projects concerning the balance of sugar producing, importation and exportation, and their economic substantiation;
- 3) carry out the state customs duties policy on sugar and semi-manufactured sugar products;

- 4) approve threshold sugar prices taking into consideration the changes of retail sugar prices; and
- 5) establish import quotas for sugar and semi-manufactured sugar products.

The processing industry shall be prohibited from importation of semi-manufactured sugar products into the country until the time it purchased sugar beets according to quotas set forth by the Government of the Republic of Lithuania. In cases of natural calamities and poor crop importation of semi-manufactured sugar products shall be regulated by the Government of the Republic of Lithuania.

Article 5. Measures for Regulating of the Domestic Sugar Market

The following measures for regulating of the sugar market shall be applied in the Republic of Lithuania:

- 1) local quotas and prices of purchase of sugar raw materials;
- 2) minimal price of the production which is manufactured from the raw materials purchased according to the quotas;
- 3) wholesale sugar trade - only in factories and commodity exchange;
- 4) State quality control of sugar and its certification; and
- 5) recovery of damages inflicted due to the illegal sugar trade in favor of domestic sugar manufacturers.

The Government of the Republic of Lithuania shall establish the procedure for applying of these measures and conditions. It may apply other control measures as well.

Article 6. Centralization of the Sugar Production

Upon founding a sugar manufacturers association, the sanctions of the Law of the Republic of Lithuania on Competition, which are established for dominant market entities, shall not be applied.

A government institution authorized by the Government of the Republic of Lithuania shall coordinate founding of the Lithuanian sugar manufacturers association and its activities.

Article 7. Centralization and Utilization of Resources

The Sugar Fund shall be founded for the technical reorganization of growing and processing of sugar raw materials.

The Sugar Fund shall be founded as a non-profit-seeking institution.

The capital of the Sugar Fund shall consist of contributions of sugar factories; resources obtained from the sale of sugar import licenses; payment of duties imposed upon the import of semi-manufactured sugar products; State resources and the resources of Lithuanian and foreign legal and natural persons; as well as loans and other resources, appropriated for implementation of purpose-oriented sugar programmes.

Article 8. Crediting of Purchase of Sugar Beets

Sugar beet processors shall be granted preferential seasonal credits, which allow to pay for not less than 40 per cent of sugar beets purchased according to quotas.

I promulgate this Law passed by the Seimas of the Republic of Lithuania.

Algirdas Brazauskas
President of the Republic

Vilnius
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