

(10) "Initial export quota" means the quantity of sugar allotted for any quota year under Article 18 to each country listed in Article 14(1).

(11) "Export quota in effect" means the initial export quota as modified by such adjustments as may be made from time to time.

(12) "Stocks of sugar", for the purposes of Article 13, means either:

- (i) All sugar in the country concerned either in factories, refineries, warehouses, or in the course of internal transportation for destinations within the country, but excluding bonded foreign sugar (which term shall be regarded as also covering sugar "en admission temporaire") and excluding sugar in factories, refineries and warehouses or in the course of internal transportation for destinations within the country, which is solely for distribution for internal consumption and on which such excise or other consumption duties as exist in the country concerned have been paid; or
- (ii) All sugar in the country concerned either in factories, refineries, warehouses, or in the course of internal transportation for destinations within the country, but excluding bonded foreign sugar (which term shall be regarded as also covering sugar "en admission temporaire") and excluding sugar in factories, refineries and warehouses or in the course of internal transportation for destinations within the country which is solely for distribution for internal consumption:

according to the notification made to the Council by each Participating Government under Article 13.

(13) "Price" and "prevailing price" have the meanings specified in Article 20.

(14) "The Council" means the International Sugar Council established under Article 27.

(15) "The Executive Committee" means the Committee established under Article 37.

(16) "Special Vote" has the meaning specified in paragraph (2) of Article 36.

CHAPTER III

GENERAL UNDERTAKINGS BY PARTICIPATING GOVERNMENTS

1. SUBSIDIES

Article 3

(1) The Participating Governments recognize that subsidies on sugar may so operate as to impair the maintenance of equitable and stable prices in the free market and so endanger the proper functioning of this Agreement.

(2) If any Participating Government grants or maintains any subsidy, including any form of income or price support, which operates directly or indirectly to increase exports of sugar from, or to reduce imports of sugar into its territory, it shall, during each quota year, notify the Council in writing of the extent and nature of the subsidization, of the estimated effect of the subsidization on the quantity exported from or imported into its territory and of the circumstances making the subsidization necessary. The notification referred to in this paragraph shall be given at the request of the Council, which request shall be made at least once each quota year in such form and at such time as may be provided in the rules of procedure of the Council.