

Confédération Internationale des Betteraviers Européens

INTERNATIONALE VEREINIGUNG
EUROPÄISCHER RÜBENANBAUER
*
INTERNATIONAL CONFEDERATION
OF EUROPEAN BEET GROWERS



CONFEDERACION INTERNACIONAL
DE REMOLACHEROS EUROPEOS
*
CONFEDERAZIONE INTERNAZIONALE
DEI BIETICOLTORI EUROPEI

29, rue du Général Foy - 75008 PARIS - FRANCE
Tél. 33 1 44 69 39 00 - Fax 33 1 42 93 28 93
e-mail : cibeurop@easynet.fr & cibeurop@wanadoo.fr

29.4.2005

D. 115 /05

PRESS RELEASE

THE WTO¹ APPELLATE BODY RULING IN THE CONFLICT ON SUGAR EXPORTS OPPOSING THE EUROPEAN UNION AGAINST BRAZIL, AUSTRALIA AND THAILAND ARE DANGEROUS FOR THE DOHA DEVELOPMENT ROUND AND FOR THE AGRICULTURAL MARKET ORGANISATIONS

This ruling leads to a change in the Marrakech Agreement and to the need to revise the European Union's lists of export commitments on sugar, otherwise it will have to reduce its sugar exports by 70 to 80%.

The International Confederation of European Beet Growers (CIBE) takes note of the WTO Appellate Body ruling regarding EU sugar exports.

It considers that this ruling shows that the Marrakech Agreement on Agriculture was badly written since, ten years later, the Appellate Body gives it a different interpretation from that which had been agreed on at the time at political level. The EU's good faith has been abused.

The consequence is a further extension of the definition of export subsidies in the agricultural sector, which questions a country's ability to organise its agricultural markets while maintaining a trade activity at world level.

Even Australia, Brazil and Thailand should be worried about this, since they offer their producers indirect subsidies through competitive devaluations, massive support of bioethanol, the repeated abandoning of debts, systems for putting on the market, not to mention the social and environmental conditions.

So the Appellate Body has been treading on extremely dangerous ground for the very pursuit of the multilateral trade negotiation on agriculture.

¹ World Trade Organisation

It is therefore urgent that a limitative list be established of what is to be understood by “export subsidies” in the context of the agricultural agreements at WTO.

Regarding sugar more specifically, if the re-export of ACP² sugar and the export of C sugar³ are subsidised, as claimed by the Appellate Body, this means that the EU’s export references and its commitments will have to be recalculated before the expiry of the deadline for the implementation of the Appellate Body ruling.

We are counting on the EU Commission to ask for and obtain this.

Regarding the 2004/2005 marketing year underway and the 2005/2006 marketing year for which the beet has just been sown, the International Confederation of European Beet Growers asks the EU Commission to ensure the best management possible, whilst making sure that the maximum exports can be carried out before the end of the deadline for the implementation of the Appeal Body ruling, so that the 2006/2007 marketing year can begin with healthy stocks.

At agricultural level, the variability of yields will always lead to the production of non quota sugar. It will be up to the EU Commission to take this into account in its reform and in the export commitments for which it will obtain the correction at WTO.

Finally, the International Confederation of European Beet Growers notes, with deep regret, that the Appellate Body, by condemning the re-export of ACP sugar, has decided not to take account of the point of view of the ACP themselves.

Contact : Hubert CHAVANES, tel. + 33 1 44694119

² 1.6 million tonnes of sugar imported into the Community under a preferential system from African, Pacific and Caribbean states having signed the Cotonou Convention

³ Between 1.5 and 4 million tonnes depending on the year