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CAOBISCO PRESS RELEASE

WTO: European confectionery industry sugar users call for full market access for sugar in the EU

The European sugar using industry fully supports the EU's call on industrial countries to offer tariff and quota free access for Least Developed Countries on all products. This would fulfil a key Millennium Development Goal (Goal #8) and contribute to a genuinely pro-development Round.

"The inclusion of this objective in the draft Hong Kong Declaration is a significant step forward", says David Zimmer, Secretary General of CAOBISCO.

"Given that only a handful of European sugar manufacturers control the EU market the price sugar users and consumers have to pay is 3 times the world price. It is essential, therefore, that competition from external sources to the EU is made possible" continued Zimmer.

Classification of sugar as a sensitive product would also put European manufacturers of high value-added sugar containing products at an unfair competitive disadvantage internationally.

"It is neither necessary nor appropriate as part of a Development Round to treat sugar as a sensitive product and in this way maintain prohibitively high tariffs", says Stefan Feit from the German Confectionery Association. *"This would still result in European sugar prices at double world market price as foreseen by recent European reforms."*

The objectives of the Doha Round cannot be achieved without a significant reduction in the EU sugar tariff.

It will be important to ensure that safeguard measures are not used by the EU to keep other sugar suppliers out of the EU market which would lead to continued trade distortions on the depressed world market price.

For our member companies, it is important that export refunds are reduced in step with the gradual move away from domestic agricultural policy support, which keeps domestic prices artificially high and distorts global markets.

Export refunds are granted by the EU to compensate for the fact that we have to pay higher prices than our global competitors for our raw materials.

Note to editor

CAOBISCO represents 2,200 companies and over 300,000 employees in the EU. CAOBISCO is the largest user of sugar in Europe.

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