



Association des Industries de la Chocolaterie,
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**CAOBISCO STATEMENT ON THE COMPROMISE PROPOSAL
OF THE REFORM OF THE EU SUGAR REGIME**

CAOBISCO, the Association of the Chocolate, Biscuits and Confectionery Industries of the EU and one of the major industrial sugar users, is deeply concerned by attempts by certain agricultural ministers to dilute Everything But Arms on sugar just at the same time as the EU is rightly making EBA the centre piece of its approach to trade and development ahead of the Hong Kong Ministerial.

The agricultural ministers' meeting is ongoing and is due to conclude tomorrow. We would request that safeguard measures against LDC's should not be allowed on the basis of increased imports. The only reason for the Commission to take action against LDC imports should be fraud - and that should be taken against the fraudsters. It is not acceptable to harm the prospects of genuine LDC producers and exporters. Similarly origin rules should not be designed to prevent genuine LDC imports.

To quote AGRAFACTS on the state of play (23/11/2005):

"Concerns from member states that the EU could be flooded with sugar from EBA states after 2009 had led the Commission to add assurances to the reform proposal. It stated that if in any marketing year sugar imports from EBA countries increased by more than 25% year-on-year, then the Commission would investigate whether market control measures needed to be implemented.

But this was not good enough for some delegations who wanted the import safeguard clause to be triggered whenever there was any large surge in imports - not necessarily as large as 25%. Moreover, they did not see why the UK compromise stated that suppliers only had to prove that 80% of their refined produce came from the supposed country of origin, and wanted this percentage to be raised to 100% to ensure that Everything But Arms countries were not trading any sugar that had not been grown within their borders."

For the sugar using industry bringing competition into the EU market is vital for future competitiveness. LDC imports are a vitally needed potential source of competition, given high tariff barriers keeping the rest out, and given a highly concentrated market, characterized by anti competitive behaviour.

It would appear that their proposal would mean that their proposal means that if one of the poorest countries in the world actually manages to make a break in building production and export capacity in one of the few areas where they have a natural comparative advantage, the EU could slam down and stop them. Besides the hypocrisy, such statements take away any incentive to invest in this potentially competitive sector in Africa.

Implementing EBA (Everything But Arms) as it is, i.e. ensuring quota and tariff free access for LDC exports to the EU, is essential for providing the opportunity for sustainable development. Indeed, quite rightly Millennium Development Goal 8 calls for tariff and quota free access for LDC's to all Developed country Markets.

Sincerely,

David Zimmer, Secretary-General CAOBISCO

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