

WRITTEN QUESTION E-1255/09
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to the Commission

Subject: Competitiveness of the European fermentation industry - permanent customs quota

Since the reform of the sugar market organisation in 2006 the European fermentation industry has been facing sugar prices in the EU that are damaging its response to international competition. Moreover an adequate supply of sugar, the fermentation industry's most important raw material, has not been guaranteed in some parts of Europe. The Commission recognised this as a problem area and last summer adopted a regulation (No 901/2008¹) suspending the application of import duties on certain quantities of industrial sugar for the 2008/2009 marketing year (October 2008 to September 2009). In return the European sugar industry was allowed to export a specific quantity of sugar.

This measure introduced a market element into the negotiations between the European fermentation industry and the sugar industry, and the fermentation industry has managed to remain competitive. To ensure the market element continues there is a need to maintain the customs quota for sugar. The Commission has recently decided to prolong the customs quota until September 2010, and should be duly congratulated. This is the second time that such a measure has been taken and shows the need for a permanent measure. But that raises the following questions.

Is the Commission planning to create the required legal basis for setting up an instrument of this kind on a permanent basis? Does the Commission not agree that a permanent measure is needed to continue to safeguard the existence of a market element and provide some planning certainty (not least to enable longer-term contracts to be concluded)?

¹ OJ L 248, 17.9.2008, p. 18.