

WRITTEN QUESTION E-3027/04
by Jean-Claude Fruteau (PSE)
to the Commission

Subject: 'Everything but Arms' initiative and the CMO for sugar

The 'Everything but Arms' (EBA) initiative will, from 2009, allow sugar to be imported onto the European market, completely duty free, from the least developed countries (LDCs).

From the European viewpoint this initiative threatens the cohesiveness of the system for management of the Community market, by contributing to the influx of huge quantities of sugar. In doing this, it will in itself destabilise the whole of the common organisation of the market in sugar, skewing reform of that CMO to a level far exceeding the requirements imposed on Europe by WTO rules.

Although it may appear generous, this measure also has to prove its effectiveness in terms of social progress within the LDCs. The swap mechanism encourages, for example, multinationals from third countries to invest as from now in these poor countries in order to develop sugar processing facilities there. There is therefore a risk that, very soon, raw sugar purchased on the world market will be processed and then illegally returned to the European market via the LDCs, without their inhabitants reaping any benefits from this.

In the light of these problems, does the Commission intend to regulate the arrangements for the EBA initiative, not least because this would tally with the wishes expressed by the least developed countries themselves?