

WRITTEN QUESTION E-0646/06
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to the Commission

Subject: Commercial conflict regarding instant coffee - trade preferences

The Brazilian instant coffee industry, via the chairman of Abics, recently renewed its attacks on the system of trade preferences of the European Union, saying it wished to bring a complaint against the EU in the WTO in order to obtain equal treatment with all the other poor exporter countries (Brazilian are currently subject to a 9% duty).

Today's system of trade preferences allows the majority of countries in Africa and South America, which are among the poorest in the world, to sell their products under conditions which favour their economic and social development. To place all states that export goods on an equal footing would render this differentiated approach useless and would put an end to coffee production in the most vulnerable countries, in which it plays a crucial role.

Because of its current economic dynamism, Brazil can no longer be treated in the same way as the other 'poor' countries. Its status as an 'emerging power' underpins this. Besides, there are considerable doubts concerning the reasons that allow its industry to sell instant coffee on the world market at such a competitive price. The recurring accusations of dumping regarding Brazilian instant coffee production have not yet led to any official reaction from the Commission.

Given this context, and considering Brazil's wish, expressed straight after the WTO conference in Hong Kong, to attack European customs barriers, how does the Commission intend to handle the future trade conflict regarding instant coffee?

What place does it intend to give to the system of trade preferences in the medium to long term?

How does it plan to respond to the practice of dumping by a number of exporting countries, which are the most hostile opponents towards the European Union in the WTO?