

**Question for written answer E-011682/2011
to the Commission
Rule 117
Peter Šťastný (PPE)**

Subject: Preference erosion in ACP countries

The EU currently maintains zero tariff treatment on imported palm oil for food production under the Generalized System of Preferences (GSP) for countries in the African, Caribbean and Pacific (ACP) region. This encourages the sustainable harvesting and export of palm oil from Papua New Guinea (PNG) and the Solomon Islands (SI) to Europe to help meet demand for high-quality, fully traceable food products.

The production of sustainable and traceable palm oil from PNG and SI is highly efficient, with local producers achieving remarkably high yields. However, due to their geographic remoteness, GSP tariff preferences are essential for them to be able to export to the EU and compete with palm oil producers from Malaysia and Indonesia, which are less distant. The EU system of ACP preferences is vital for the sustainable long-term development and economic growth of these Pacific island countries.

The EU is currently negotiating a Free Trade Agreement (FTA) with Malaysia. The launch of FTA negotiations with Indonesia is expected soon. Both will probably seek to reduce import tariffs on Malaysian and Indonesian palm oil entering the EU for food production. The resulting preference erosion would seriously affect the socioeconomic development of vulnerable Pacific Island economies.

1. Did the impact assessment preceding the launch of FTA negotiations with Malaysia take into account the impact of preference erosion on Pacific island nations? Will the assessment for Indonesia take account of these concerns?
2. Under the foreseen FTAs, has the Commission considered excluding palm oil from the list of products for which tariffs will be eliminated, given that Malaysian and Indonesian exports will remain competitive irrespective of tariff elimination?