

EU food and drink industry favours clear trade rules and a balanced agriculture agreement

WTO Hong Kong Ministerial Conference
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CIAA expectations for the Hong Kong WTO Ministerial Conference

CIAA, the Confederation of the Food and Drink Industry of the EU, supports the multilateral approach. This commitment stems from the EU food and drink industries' ambition to secure future industry investment levels in Europe and to effectively compete on foreign food and drink markets.

For CIAA, it is essential to achieve a comprehensive, balanced outcome at the Hong Kong Ministerial Conference in December 2005. The round must be successful because of the following reasons:

- the prospects of a clear set of rules in support of fairer world trade and strengthened disciplines applicable to agriculture;
- the opening up of new trade opportunities for food and drink industries and their products;
- the pressure on other trade partners to reform their agricultural policy following the example of the EU in recent years.

CIAA calls upon all WTO members to pursue constructive negotiations with the aim to ambitious solutions built on multi-lateral consensus.

CIAA priorities in the agriculture negotiations

The European Union has, as a global leader, decided in favour of substantial agricultural reform processes and called on other trade partners to follow. CIAA emphasizes that following aspects are particularly important in agriculture negotiations:

- **Overall coherence:** The three pillars and fundamental areas of the WTO negotiations on agriculture - market access, internal support and export competition - must be dealt with in a coherent and balanced way throughout the 3 pillars. Equally important is that agricultural raw materials and their processed products be treated in a consistent way.
- **Market access:** The chosen tariff reduction must create real improvements in market access opportunities for EU food and drink industry products. No tariff lines should be exempted from reduction commitments, but flexibility has to be provided. When "special" and "sensitive" product categories are identified, they should not be so broad as to negate the key objective of providing substantial improvements in market access. All WTO members, including advanced developing

countries, should address tariff peaks and tariff escalations. It must be possible to keep specific duties for agricultural and processed products.

- **Export competition:** It is essential that all forms of export support measures, such as export credits, food aid, and the functioning of state trading enterprises be disciplined to avoid new distortions in the world market. With regard to export refunds, the timing and manner in which they are phased-out will be critical to the competitiveness of the EU's food and drink industry and commitments must be based only on values rather than quantities. It will be equally critical to ensure that the phasing out is coherent with internal reform steps. Export taxes need to be addressed, in particular, differential export taxes need to be eliminated.
- **Domestic support:** A substantial reduction in all forms of trade-distorting domestic support - amber box, blue box and de minimis - is needed with a view to reduce instruments that are particularly distorting, such as marketing loans and

The food and drink industry is the largest manufacturing sector in Europe, with a yearly turnover of around € 800 billion, some 4 million employees and comprising a large number of SMEs.

The EU food and drink industry is an important contributor to world trade of foodstuffs with exports of € 45 billion a year. The EU is also the largest importer of agricultural raw materials globally, notably from developing countries.

counter-cyclical payments. Green Box measures must not be subject to any new discipline.

- **Special and differential treatment:** The benefit for less developed countries that will result from the agreement on the DDA (Doha Development Agenda) is a key priority and it

will be essential to ensure that benefits are spread widely among developing countries. Hence, certain advanced developing countries with strong agricultural sectors should be called to make more efforts in opening up their markets, also in view of favouring south-south trade.

CIAA specific interests in other negotiations

- **Trade facilitation:** Increased harmonisation and simplification of customs procedures and documentation is indispensable to all trading partners. Improved transparency, single window (one-time submissions), reduction of time and unnecessary duplication in customs, reduced administrative costs, border agency cooperation and the implementation of concrete actions will directly enhance trade and decrease transaction costs.
- **Non-agricultural market access:** Significant progress in the industrial market access negotiations including for products such as fish and fish products are supported.
- **Geographical indication:** The majority of CIAA members consider that the existing TRIPs agreement should lead to an effective and continuous protection of the specific character of products using particular denominations (geographical indications and denomination of origin), in the form of a multilateral register for wines and spirits as a priority and possibly extension of protection to other food-stuffs later on. The absence of progress in current negotiations gives rise to concern. Answers need to be found to fight the misuse of product names, to ensure fair competition and protect consumers' interests.



CIAA

Confédération des industries agro-alimentaires de l'UE
Confederation of the food and drink industries of the EU

CIAA is the voice of the European food and drink industry - first manufacturing sector, major employer and exporter in the EU. CIAA's mission is to represent the food and drink industries' interests, at the level of European and international institutions, in order to contribute to the development of a legislative and economic framework addressing the competitiveness of industry, food quality and safety, consumer protection and respect for the environment. CIAA membership is made up of 24 national federations, including 2 observers, 32 European sector associations and 21 major food and drink companies.

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