

PFP ahead of the 9th WTO Ministerial Conference in Bali in December 2013

PFP (Primary Food Processors) represent the first-processing sectors of agricultural raw materials. Industries in these sectors transform agricultural raw materials into vital ingredients to be sold to the second transformation sectors in food, feed and non-food applications. **Sustainable raw materials availability and supply** is therefore the main concern of PFP members, who must secure constant and regular access to quality and safe raw materials in sufficient quantities.

Within this context, PFP members favour **multilateralism over the bilateral agreements** which are currently being negotiated across the globe. PFP recognises the value of a multilateral rules-based trading system in providing a level playing field for all countries in a global economy. As a result PFP supports a single undertaking over a mini-package as the best means to securing balance and coherence between the different elements of this multilateral rules-based trading system.

Recognising that there could be a so called “mini-package”, the EU should pursue a **responsible imports policy** in the WTO negotiations to enable the EU to meet its objectives e.g. food security and sustainability. If other WTO members see that the EU is willing to start dismantling its import protection unilaterally ahead of the 9th WTO Ministerial Meeting in Bali in December 2013, this could only give them more reason to press on other issues without making any concessions themselves. There are three elements to this:

Firstly, PFP reminds the Commission that **the elimination or reduction of export subsidies in terms of budgetary outlays and quantities, and export competition more generally, should not be dealt with in a so-called “mini-package”**. All forms of export subsidies and disciplines on all export measures with equivalent effect should be dealt with in a progressive and parallel manner as part of an agreement on the Doha Round, as agreed at the 6th WTO Ministerial Conference in Hong Kong in 2005¹. Until other WTO members remove their export competition measures (such as export credits, export credit guarantees or insurance programmes, agricultural exporting state trading enterprises and food aid), the EU should maintain the provision to use export subsidies, as part of its toolbox of market measures.

Secondly, PFP reminds the Commission that the Everything But Arms (EBA) initiative provides duty-free, quota-free access for all products for the 49 Least Developed Countries (LDCs). The negotiations should **maintain duty-free, quota-free access for LDCs**. Moreover, the EU is one of the few developed countries to grant such comprehensive market access to LDCs, despite similar declarations from other WTO members in Hong Kong in 2005², and the Commission should encourage others, such as the US, to make progress.

¹ Ministerial Declaration, Hong Kong, 22nd December 2005 (WT/MIN(05)/DEC), paragraph 6

² Ministerial Declaration, Hong Kong, 22nd December 2005 (WT/MIN(05)/DEC), paragraph 47

The Vital Link in the Food Chain

Thirdly, a distinction should be made between developing countries and the advanced status of countries such as the BRICs should be taken into consideration at the 9th Ministerial Conference. In terms of agricultural production and exports, some of these countries are among the largest and most competitive agricultural producers and exporters (for example Brazil represents almost 60% of world sugar exports). Yet emerging economies are still able to self-select the status of developing countries in the WTO even though their statuses are increasingly out-of-date. The updated list of beneficiary countries under Regulation (EU) No 978 2012 applying a scheme of generalised tariff preferences which comes into force on 1st January 2014 provides a basis for discussions – it reduces the number of GSP beneficiaries from 176 to 89, removing those countries which have been listed in the World Bank classification as high or upper middle income economies during the most recent three years, e.g. Brazil and Russia. No further flexibilities should be granted to these emerging economies when it comes to domestic support for agriculture, including food stockholding.

Finally, differential export taxes (DET) are a systemic problem and should be dealt with in the framework of multilateral trade negotiations. PFP recognises that DET are not on the agenda of the 9th WTO Ministerial Conference and calls on the EU, which has repeatedly voiced its opposition to differential export taxes, to work towards their elimination on a bilateral level.

The **Primary Food Processors of the EU (PFP)** consists of six trade associations:

- European Starch Industry Association (AAF)**
- European Committee of Sugar Manufacturers (CEFS)**
- European Cocoa Association (ECA)**
- European Flour Milling Association (European Flour Millers)**
- European Vegetable Protein Federation (EUVEPRO)**
- European Vegetable Oil and Proteinmeal Industry (FEDIOL)**

PFP represents the European primary food processing industries. It provides the link between agricultural raw materials and final products (secondary processors in the food, feed and non-food sectors). PFP members process approximately **220 million tonnes of raw materials** (cereals, sugar beet, rapeseeds, soybeans, sunflower seeds, cocoa beans, crude vegetable oil, starch potatoes...) **employing over 120,000 people** in the European Union.

