

**General Secretariat of the  
African, Caribbean and  
Pacific Group of States  
(ACP Group)**



**Secrétariat Général du  
Groupe des Etats d'Afrique  
des Caraïbes et du Pacifique  
(Groupe ACP)**

## **PRESS RELEASE**

### **ACP Sugar Group Expresses Extreme Disappointment in WTO's Appellate Body Ruling on EU Sugar Regime**

Brussels, 3 May 2005 – The ACP Group says it is extremely disappointed with the ruling of the WTO's Appellate Body on the EU Sugar Regime, saying it ignores arguments crucial for the survival of small vulnerable economies.

The ACP was reacting to the ruling which was handed down by the WTO's Appellate Body last Friday, April 29, 2005.

In a statement issued after a one-day meeting in Brussels on Tuesday, May 3, 2005, the ACP Group said it had participated as third parties throughout the proceedings, strongly arguing that upholding the claims of the complainants would "have serious adverse consequences on the trade and economic benefits" which the ACP countries derived from the export of sugar to the EC under the Sugar Protocol.

"It would seem to us that the Appellate Body did not take into account our arguments so crucial for the survival of our small vulnerable economies," the Statement said.

The Statement said the ruling may have systemic implications for the three pillars which underpin the Agreement on Agriculture, and warned that it "has created an element of uncertainty which now needs to be addressed in the ongoing Doha Round".

"In our view the Appellate Body findings and recommendations, when taken into consideration with the WTO July 2004 framework agreement, may not require the drastic cut in prices which the Commission has proposed for the reform of the EC Sugar Regime.

"The ACP is not [not] against the reform of the EC Sugar regime. It wants a reform which is fair and equitable to all stakeholders and one which complies fully with the legal and political commitments of the EU vis-à-vis the ACP sugar supplying states, particularly under the ACP-EU Sugar Protocol and Article 36[4] of the Cotonou Agreement," the statement said.

At the same time it welcomed the decision by the Appellate Body not to make a ruling on the complainants' claims under the SCM Agreement.

"We also wish to recall the suggestion made by the Panel as regards the concerns and interests expressed by the ACP third parties with regard to their continued preferential access to the EC market for their sugar exports.

“In this regard the Panel noted that the statement made by the EC on 14 July 2004 that the European Communities “fully stands by its commitments to ACP countries and India” and that with the reform of its sugar regime, the ACP countries and India will “get a clear perspective, keep their import preferences and retain an attractive export market” “.

The ACP Group said it is convinced that the Commission would take the above points into account when they finalize the reform proposals.

“We are indeed encouraged by Commissioner Fischer Boel’s statement following the release of the Appellate Body report that the Commission will continue to defend the valid interest of sugar producers and consumers in both the EU and ACP countries. Furthermore, the assurance by the Commission that the ACP farmers won’t be out of pocket is heartening,” the ACP Group statement said.