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PRESS RELEASE

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2100 M Street Northwest, Suite 707, Washington, D.C. 20037 Telephone: (202) 872-8350
New York Office: 245 East 47th Street, New York, N.Y. 10017 Telephone: (212) 371-3890

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US COUNTERVAILING DUTIES ON SUGAR

The European Commission have learnt with regret that the US Treasury has decided to apply a countervailing duty of 10.8 cents a pound on imports of sugar from the Community with effect from July 28.

The Commission consider that this countervailing duty is unjustified. Sugar exports of the Community to the United States represent a negligible share of that market and for that reason cannot possibly have resulted in any material injury for domestic procedures (as required by the rules of GATT). Total sugar import requirements of the US are in the order of 4 million tonnes. Community exports to the US market in recent years have been substantially below 100.000 tonnes and in most years even under 10.000 tonnes.

Moreover, the price at which this sugar was offered on the US market was certainly not inferior to the average world market price. The Commission point out that export rebates granted to Community exporters are fixed by competitive tender. This system ensures that the export rebate granted may in no case be higher than the difference between Community and world market prices.