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Food and Agricultural Import Regulations and Standards

Russia Applies Import Duties and TRQ on Raw and White Sugar for 2003

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Report Highlights:

GOR Resolution #536 applies import duties on white and raw sugar for the year 2003. Seasonal import tariffs will be not applied in 2003. Differentiation of basic tariff between the first and second half of the year was applied instead. The same resolution describes the TRQ for 2003. Its volume will grow up from 3.65MMT in 2002 to 3.95MMT in 2003.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Moscow [RS1], RS

Russia Applies Sugar Import Duties

Russian Governmental Resolution No. 536 of July 15, 2002 partially amends Resolution No. 830, dated November 30, 2001, and fixes beginning January 1, 2003 up to June 30, 2003 import tariff on raw sugar (HSC 1701 11 100 1, 1701 11 900 1, 1701 12 100 1, 1701 12 900 0, 1701 91 000 1) at the level of 0.2 euro per kilo, and from July 1, 2003 until December 31, 2003 at the level of 0.23 euro per kilo (HSC 1701 11 100 9, 1701 11 900 9, 1701 12 100 9, 1701 12 900 9, 1701 91 000 9). Import tariff on white sugar (HSC 1701 99 100 1 and 1701 99 900 1) were fixed at the level of 0.24 euro per kilo in the period from January 1, 2003 until June 30, 2003 and at the level of 0.27 euro per kilo from July 1, 2003 until December 31, 2003 (HSC 1701 99 100 9 and 1701 99 900 9).

Russia Applies Sugar Import Quota Regime

The resolution also partially amends the Governmental Resolution No. 414, dated May 25, 2000. According to the amendment, 3.95 million tons of raw sugar (HSC 1701 11 100 1, 1701 11 100 9, 1701 11 900 1, 1701 11 900 9, 1701 12 100 1, 1701 12 100 9, 1701 12 900 1, 1701 12 900 9, 1701 91 000 1, 1701 91 000 9), imported from developing countries under the Russian system of preferences will be subject to tariff of 0.095 euro per kilo in the period from January 1, 2003 until December 31, 2003. Quota rights will be sold to the Russian importers at public auctions, and distributed in 158 allotments of 25,000 MT. The minimum price for any lot is 700,000 Euros.

A precondition of participation in the auction is a 100% deposit of the sum expected to be spent on lots. The auction will take place in September 2002.

The local producers hope, that such a measures will protect local sugar production from sugar beets and at the same time will keep sugar processing plants busy through the year.

Russia launched an investigation into increased imports of confectionery goods made from sugar and containing cocoa

On July 8, Russia launched an investigation into increased imports of confectionery goods made from sugar and containing cocoa on the basis of an appeal from the association of confection industry enterprises, and is directed at all countries that export such goods to Russia. The reason for the investigation is the fact that imports of sugar-based confections from 1999 through 2001 increased by more than 1000%. This rate of growth outstripped the expansion of such production in Russia itself by 500%.

The effect of growing imports on domestic production further hurts an industry already facing low prices; the difference in average import and Russian prices for these products in 1999-2001 was 29-32%. Furthermore, an annual trend towards lower prices in dollar equivalent is being observed. From 1999 to 2001, import prices dropped 10.2%, Russian prices by 6.6%.

Table 1: Basic and seasonal import duties raw and white sugar in 2003

	Resolution	Date	Applied Tariff
Basic Import tariff			
Raw sugar (HSC 1701 11 100 0, 1701 11 900 0, 1701 12 100 0, 1701 12 900 0, 1701 91 000 0)	Old	January 1,2002 - December 31,2002	40%, but not less than 0.12 Euro per kilo
	New	January 1,2003 - June 30, 2003	0.2 Euro per kilo
		July 1, 2003 - December 31, 2003	0.23 Euro per kilo
White sugar (HSC 1701 99 100 0, 1701 99 900 0)	Old	January 1,2002 - December 31,2002	40%, but not less than 0.14 Euro per kilo
	New	January 1,2003 - June 30, 2002	0.24 Euro per kilo
		July 1, 2003 - December 31, 2003	0.27 Euro per kilo
Seasonal tariffs			
Raw sugar (HSC 1701 11 1000, 1701 11 9000, 1701 12 1000, 1701 12 900 0, 1701 91 000 0)	Old	July 1, 2002 -- December 31, 2002	50%, but not less than 0.15EUR/kilo
White sugar, (HSC 1701 99 100 0, 1701 99 900 0)		July 1, 2002 -- December 31, 2002	50%, but not less than 0.18 EUR/kilo
Raw sugar (HSC 1701 11 100 0, 1701 11 9000, 1701 12 1000, 1701 12 900 0, 1701 91 000 0)	New	No seasonal tariffs will be applied in 2003	
Raw sugar (HSC 1701 11 1000, 1701 11 9000, 1701 12 1000, 1701 12 900 0, 1701 91 000 0)			

Source: Rossiiskaya Gazeta, July 20, 2002

Table 2: Tariff rate quota on imported raw sugar for the year of 2003

Resolution	Date	Quota in Million MT	Applied Tariff
Old	January 1,2002 - June 30,2002	3.35 million MT	5 percent, but not less than 0.015EUR/kilo
	October 1,2002 - December 31, 2002	0.3 million MT	5 percent, but not less than 0.015EUR/kilo
New	January 1,2003 December 31, 2003	3,95	0.095 euro per kilo

Source: Rossiskaya Gazeta, July 20, 2002

For further information on sugar import tariffs and TRQs, please see Gains report number RS1028.