



Voluntary Report - public distribution

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GAIN Report #HR3009

Croatia

Sugar

Update

2003

Approved by:

Paul Spencer-MacGregor

U.S. Embassy Vienna

Prepared by:

Andreja Misir

Report Highlights: Croatian sugar production, exports and imports have all increased in the last three years as the result of a 'Stabilization and Accession Agreement' that was signed with the European Union in 2001. The agreement allows for duty free exports of Croatian sugar to the EU.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Unscheduled Report
Vienna [AU1], HR

In 2002 Croatia came under tight scrutiny after the EU discovered that a small percentage of supposedly Croatian origin sugar was in fact made from sugar cane. Croatia does not grow sugar cane and tariff fraud was believed to have occurred. Even before this incident the EU put strict controls on Croatian shipments and exporters are required to pay refundable tariff deposit for every sugar shipment to the EU.

Croatia at the moment has three sugar companies. One is privatized and two are jointly owned by the state, banks and Privatization Investment Funds. At the moment, it is very hard to predict what will happen with the privatization of these two plants but this could affect future sugar production in Croatia.

In 2003 sugar beet production will be subsidized with a minimum per hectare payment of 3000 Kn/ha (\$426/ha).

Exchange rate \$1=Kn7.04 on 04/09/03

Tariffs

For sugar beets, HS code 121291, Croatia's WTO bound rate is 12 percent. WTO countries have TRQ on sugar HS 1701 of 15,000MT with 15 percent in quota duty, and on sugar HS 170111 of 25,000MT with 5 percent in quota duty. The European Union has TRQ on sugar HS 1701 of 5,985MT. Bosnia & Herzegovina have no duties on Croatian sugar under HS 1701, and Macedonia has no tariffs on Croatian sugar under HS 1701 except for HS170199 (17019910, 17019990, 1701999010).

HS	MFN custom rate
170111	
17011110	10+18.8/100kg
17011190	10+18.8/100kg
170112	
17011210	10+21.8/100kg
17011290	10+21.8/100kg
17019100	10+28.4/100kg
	Max 20
170199	
17019910	28.5/100kg
17019990	10
1701999010	8

PSD Table						
Country	Croatia					
Commodity	Centrifugal Sugar				(1000 MT)	
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		09/2001		09/2002		09/2003
Beginning Stocks	38	38	33	68	28	73
Beet Sugar Production	110	139	110	139	0	139
Cane Sugar Production	0	0	0	0	0	0
TOTAL Sugar Production	110	139	110	139	0	139
Raw Imports	0	0	0	0	0	0
Refined Imp.(Raw Val)	25	71	25	71	0	71
TOTAL Imports	25	71	25	71	0	71
TOTAL SUPPLY	173	248	168	278	28	283
Raw Exports	0	0	0	0	0	0
Refined Exp.(Raw Val)	0	40	0	65	0	70
TOTAL EXPORTS	0	40	0	65	0	70
Human Dom. Consumption	140	140	140	140	0	140
Other Disappearance	0	0	0	0	0	0
Total Disappearance	140	140	140	140	0	140
Ending Stocks	33	68	28	73	0	73
TOTAL DISTRIBUTION	173	248	168	278	0	283

Export Trade Matrix			
Country	Croatia		
Commodity	Centrifugal Sugar		
Time period		Units:	
Exports for:	2001		2002
U.S.		U.S.	
Others		Others	
Italy	37339	Italy	61803
Austria	2695	Greece	1608
		Austria	1346
Total for Others	40034		64757
Others not Listed	331		390
Grand Total	40365		65147

Import Trade Matrix			
Country	Croatia		
Commodity	Centrifugal Sugar		
Time period		Units:	
Imports for:	2001		2002
U.S.		U.S.	
Others		Others	
Brazil	27409	Brazil	27347
Austria	15614	Guatemala	11850
Czech	14026	Austria	18062
Germany	11286	Czech	6394
		Germany	4303
Total for Others	68335		67956
Others not Listed	3039		3183
Grand Total	71374		71139