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Hungary

Sugar

Annual Report

2004

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Report Highlights:

Sugar production was low in 2003, due to drought. The Government of Hungary is imposing a high supplemental duty on sugar imports to prevent buildup of speculative stocks.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Vienna [AU1]
[HU]

Production

Drought reduced 2003 beet and sugar crop.

Production Policy

Hungary's sugar production quota in the EU is 400,000 MT. This quota is a bit above the production of the last years, but easy to meet.

Trade

Hungary has a balanced sugar market. Imports regularly come from Germany, Poland, Austria and Slovakia. Export destinations include Bosnia-Herzegovina, Serbia-Montenegro and Croatia.

Trade Policy

The EU sets sugar carryover stocks for the EU-10 countries. The intervention price level of sugar in the EU will be about 12 percent higher than the actual target price (HUF 147/kg [USD 0.71/kg]) in Hungary. To prevent speculation by building excessively high carryover stocks (on the basis of subsidized EU origin sugar), the EU has set a mechanism for handling any "above normal" sugar stocks for the EU-10 countries and will impose fines (See GAIN Report 4013). The GOH imposed a supplemental tariff of 93 percent on top of the 68 percent import tariff as of July 23, 2003 to discourage imports until EU Accession on May 1, 2004.

Sugar "imports" (purchases) from the EU-15 and EU-10 countries may be high in the second half of 2004, as a result of low 2003/2004 production and discouraged imports since the summer of 2003.