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INTERNATIONAL
COFFEE
ORGANIZATION

ICC 111-6

12 August 2013
Original: English

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International Coffee Council
111th Session
9 – 12 September 2013
Belo Horizonte, Brazil

Obstacles to consumption

Background

1. In accordance with Article 24 of the International Coffee Agreement 2007 (Annex I), Members undertake to recognize the importance of the sustainable development of the coffee sector, and of the removal of current obstacles and avoidance of new obstacles which may hinder trade and consumption.
2. This document contains updated information on such obstacles to enable the Council to assess compliance by Member countries with the provisions of Article 24. To that end, tables providing current information on taxes and tariffs imposed on green, roasted and soluble forms of coffee by importing and exporting countries¹ can be found in Annex II.
3. According to the Rules on Statistics – Statistical Reports (ICC-102-10), Members are required to notify the Organization of any changes to taxes and duties on coffee. Reports containing updated information received from Members on these issues are circulated to the Council regularly. All Members are requested to inform the Executive Director of any measures adopted in their countries in connection with the provisions of Article 24, and of any changes to current levels of taxes and duties on coffee exports and/or imports.

Action

The Council is requested to consider this document.

¹ The term 'country' is used in a broad sense for what are officially classed as 'customs territories', but which may not be countries in the usual sense of the word. The denomination and classification used herein do not imply, on the part of the ICO, any judgement as to the legal or other status of any territory, or any endorsement or acceptance of any boundary.

INTERNATIONAL COFFEE AGREEMENT 2007

Article 24

Removal of obstacles to trade and consumption

(1) Members recognize the importance of the sustainable development of the coffee sector and of the removal of current obstacles and avoidance of new obstacles which may hinder trade and consumption, while recognizing at the same time the right of Members to regulate, and to introduce new regulations, in order to meet national health and environmental policy objectives, consistent with their commitments and obligations under international agreements, including those related to international trade.

(2) Members recognize that there are at present in effect measures which may to a greater or lesser extent hinder the increase in consumption of coffee, in particular:

- (a) import arrangements applicable to coffee, including preferential and other tariffs, quotas, operations of government monopolies and official purchasing agencies, and other administrative rules and commercial practices;
- (b) export arrangements as regards direct or indirect subsidies and other administrative rules and commercial practices; and
- (c) internal trade conditions and domestic and regional legal and administrative provisions which may affect consumption.

(3) Having regard to the objectives stated above and to the provisions of paragraph (4) of this Article, Members shall endeavour to pursue tariff reductions on coffee or to take other action to remove obstacles to increased consumption.

(4) Taking into account their mutual interest, Members undertake to seek ways and means by which the obstacles to increased trade and consumption referred to in paragraph (2) of this Article may be progressively reduced and eventually, wherever possible, eliminated, or by which the effects of such obstacles may be substantially diminished.

(5) Taking into account any commitments undertaken under the provisions of paragraph (4) of this Article, Members shall inform the Council annually of all measures adopted with a view to implementing the provisions of this Article.

(6) The Executive Director shall prepare periodically a survey of the obstacles to consumption to be reviewed by the Council.

(7) The Council may, in order to further the purposes of this Article, make recommendations to Members, which shall report as soon as possible to the Council on the measures adopted with a view to implementing such recommendations.

EXPLANATORY NOTE

The three tables in this Annex contain information on tariffs and taxes imposed on coffee by importing and exporting countries. A brief explanation of each table is given below:

- **Table 1** shows taxes on exports and imports of coffee by exporting countries, where such information has been made available. Coffee is grouped into three classifications (green, roasted and soluble), with a range of tariffs given in cases where a group contains more than one tariff line, for example decaffeinated and non-decaffeinated coffee. A blank in the table means that the information is not currently available. In the case of bilateral or regional agreements, such as between the Andean Community of Nations, other rates may be applicable.
- **Table 2** shows tariffs on imports of coffee by importing countries. The first figure shown in each instance is the Most-Favoured Nation (MFN) rate accorded to all members of the WTO. Alternative rates, such as those made available to developing countries or through trade agreements, are then shown below. In certain cases, higher rates are also imposed, for example by the United States on Cuba. These higher rates are known as 'General duty' and are denoted 'General' in the table. Finally, the tariff codes 2101.11 and 2101.12 for soluble coffee contain many subdivisions, depending on such criteria as sugar or milk content. Effort has been made to give the specific tariff for as many of these tariff lines as possible.
- **Table 3** shows domestic taxes imposed on imports of coffee by importing countries, such as VAT rates and excise, where such information is available.

TABLE 1
TAXES ON EXPORTS AND IMPORTS OF COFFEE BY EXPORTING COUNTRIES

	Taxes on exports of coffee			Taxes on imports of coffee		
	Green	Roasted	Soluble	Green	Roasted	Soluble
Angola		3% of FOB value		30%	30%	30%
Benin				20%	20%	10-20%
Bolivia				15-20%	15-20%	15%
Brazil		No export taxes		10%	10%	16%
Burundi				25%	25%	10-25%
Cameroon				5-30%	30%	30%
Central African Republic				5-30%	30%	30%
Colombia				10-15%	10-15%	15%
Congo, Democratic Republic of						
Congo, Republic of				5-30%	30%	30%
Costa Rica	1.50%	0%	0%	9-14%	14%	14%
Côte d'Ivoire				20%	20%	10-20%
Cuba		No export taxes		5-30%	10-30%	20%
Dominican Republic		No export taxes		14%	20%	20%
Ecuador	2% of FOB value		0%	10-15%	15-30%	30%
El Salvador		No export taxes		10-15%	15%	15%
Ethiopia						
Gabon				5-30%	30%	30%
Ghana				20%	20%	20%
Guatemala				10-15%	15%	15%
Guinea				20%	20%	10-20%
Haiti		No export taxes		5%	15%	5%
Honduras				10-15%	15%	15%
India		No export taxes		100%	100%	30%
Indonesia		No export taxes		5%	5%	5%
Jamaica		No export taxes		0-40%	40%	20%
Kenya		No export taxes		25%	25%	10-25%
Liberia				15%	15%	25%
Madagascar				20%	20%	20%
Malawi		No export taxes		25%	25%	25%
Mexico		No export taxes		20%	72%	140.40%
Nicaragua		No export taxes		10-15%	15%	15%
Nigeria				20%	20%	10-20%
Panama				30%	54%	30-40%
Papua New Guinea		No export taxes		25%	25%	25%
Paraguay				10%	10%	16%
Peru				13%	6-13%	0%
Philippines		40%		40%	40%	45%
Rwanda		No export taxes		25%	25%	10-25%
Sierra Leone		No export taxes		5%	20%	20%
Tanzania		No export taxes		25%	25%	10-25%
Thailand				30%	30%	40%
Timor-Leste						
Togo				20%	20%	10-20%
Uganda				25%	25%	10-25%
Venezuela				10-15%	15-20%	20%
Vietnam		No export taxes		15-20%	30%	40%
Yemen						
Zambia				25%	25%	25%
Zimbabwe				40%	40%	40%

TABLE 2
TAXES ON IMPORTS OF COFFEE BY IMPORTING COUNTRIES

	0901.11.00 Green coffee not decaffeinated	0901.12.00 Green coffee decaffeinated	0901.21.00 Roasted coffee not decaffeinated	0901.22.00 Roasted coffee decaffeinated	0901.90.10 Coffee husks and skins	0901.90.90 Coffee substitutes containing coffee	2101.11.00 Extracts, essences & concentrates of coffee	2101.12.00 Preparations with a basis of extracts, essences or concentrates or with a basis of coffee	
Importing Members									
European Union	0%	8.3% GSP: 4.8% EBA, GSP+, EPA: 0%	7.5% GSP: 2.6% EBA, GSP+, EPA: 0%	9% GSP: 3.1% EBA, GSP+, EPA: 0%	0%	11.5% GSP: 8% EBA, GSP+, EPA: 0%	9% GSP: 3.1%* EBA, GSP+, EPA: 0%	11.5% GSP: 8%* Mex: 4% EBA, GSP+, EPA: 0%	
							<i>*Excludes Brazil</i>		
Norway	0%	0%	0%	0%	0%	0%	0%	0%	
Switzerland	0%	0%	63 CHF/100kg gross EU, GSP, LDC, FTA: 0%	63 CHF/100kg gross EU, GSP, LDC, FTA: 0%	0%	70 CHF/100kg gross EU, GSP, LDC, FTA: 0%	182 CHF/100kg gross EU, GSP, LDC, FTA: 0%	2101.12.11 118.95 CHF/100kg gross EU: 65.15 CHF/100kg net GSP: 74.95 CHF/100kg gross LDC: 0% 2101.12.19 182 CHF/100kg gross EU, GSP, LDC: 0%	2101.12.91 87.6 CHF/100kg gross EU: 36.2 CHF/100kg net GSP: 43.6 CHF/100kg gross LDC: 0% 2101.12.99 76.6 CHF/100kg gross EU, GSP, LDC: 0%
Tunisia	15%	15%	36%	36%	36%	Not Roasted: 27% Roasted: 36%	Instant Coffee: 0% Other: 10% EU: 0%	36% EU: 0%	
Turkey	13% EU, LDC: 11%	13% EU, LDC: 11%	13% EU, LDC: 11%	13% EU, LDC: 11%	13% EU, LDC: 11%	13% EU, LDC: 11%	9% EU, LDC: 0% GSP: 3.1%	2101.12.92 11.5% EU, LDC: 0% GSP: 8%	2101.12.98 9% EU: 0%
USA	0%	0%	0%	0%	0% General: 10% of FOB value	1.5¢/kg LDC, AGOA, APTA, NAFTA: 0% General: 6.6¢/kg	0%	2101.12.32; 2101.12.54 10% of FOB value GSP, LDC: 0% General: 20% of FOB value 2101.12.34; 2101.12.44 10% of FOB value General: 20% of FOB value	2101.12.38; 2101.12.48; 2101.12.58 8.5% of FOB value + 30.5¢/kg General: 10% of FOB value + 35.9¢/kg 2101.12.90 8.5% of FOB value GSP, LDC: 0% General: 20% of FOB value

TABLE 2 (Contd. 2)
TAXES ON IMPORTS OF COFFEE BY IMPORTING COUNTRIES

	0901.11.00 Green coffee not decaffeinated	0901.12.00 Green coffee decaffeinated	0901.21.00 Roasted coffee not decaffeinated	0901.22.00 Roasted coffee decaffeinated	0901.90.10 Coffee husks and skins	0901.90.90 Coffee substitutes containing coffee	2101.11.00 Extracts, essences & concentrates of coffee	2101.12.00 Preparations with a basis of extracts, essences or concentrates or with a basis of coffee	
Lebanon	5% EU: 0%	5% EU: 0%	5% EU: 0%	5% EU: 0%	5% EU: 0%	5% EU: 0%	5% EU: 1.4%	5% EU: 1.4%	
Macedonia	5% EU: 0%	5% EU: 0%	15% EU: 0%	15% EU: 0%	30% EU: 0%	30% EU: 0%	20% EU: 0%	20% EU: 0%	
Malaysia	0%	0%	0%	0%	0%	0%	5%	2101.12.00.10 10%	2101.12.00.90 5%
Montenegro	3% EU: 0%	3% EU: 0%	15% EU: 0%	15% EU: 0%	15% EU: 0%	15% EU: 0%	10% EU: 0%	10% EU: 0%	
Morocco	10%	10%	25%	25%	25%	25%	25% EU: 0%	25% EU: 0%	
New Zealand	0%	0%	5%	5%	0%	5%	5%	5%	
Russian Federation	0%	0%	10%, but not less than €0.2/kg	10%, but not less than €0.2/kg	5%	5%	10%, but not less than €0.5/kg	15%	
Saudi Arabia	0%	0%	0%	0%	0%	0%	5%	5%	
Serbia	3% EU: 0%	3% EU: 0%	15% EU: 6%	15% EU: 6%	15% EU: 0%	15% EU: 0%	10% EU: 0%	10% EU: 0%	
Singapore	0%	0%	0%	0%	0%	0%	0%	0%	
South Africa	0%	0%	6.0 cents/kg EU, EFTA, SADC: 0%	6.0 cents/kg EU, EFTA, SADC: 0%	20% FOB value EU 2.6% FOB value EFTA: 5% FOB value SADC: 0%	10.0 cents/kg EU, EFTA, SADC: 0%	2101.11.10 20% FOB value EFTA: 5% FOB value EU, SADC: 0% 2101.11.90 25% FOB value EFTA: 6.2% FOB value EU, SADC: 0%	2101.12.10 20% FOB value EU, SADC: 0% EFTA: 5% FOB value	2101.12.90 25% FOB value EFTA: 6.2% FOB value EU, SADC: 0%
Syria	1%	3%	15%	15%	20%	20%	2101.11.10 3% 2101.11.90 30%	30%	
Taiwan	0% General: 10%	0% General: 10%	0% General: 7.5%	0% General: 15%	0% General: 10%	0% General: 10%	2% General: 12.5%	2% General: 12.5%	
Ukraine	0%	0%	5%	5%	0%	20%	2101.11.11.10 5% 2101.11.11.90 10% 2101.11.19 10%	10%	

TABLE 3
DOMESTIC TAXES AND EXCISE ON IMPORTS OF COFFEE BY IMPORTING COUNTRIES

	VAT		Roasted coffee	Soluble coffee	Excise duty & other taxes
	Standard rate	Reduced rates	not decaffeinated [0901.21.00]	[2101.11.00]	
Importing Members					
European Union					
Austria	20%	10%	10%	20%	
Belgium	21%	12%, 6%	6%	6%	Green: €0.1983/kg net weight Roasted: €0.2479/kg net weight Soluble: €0.6941/kg dry matter
Bulgaria	20%	9%	20%	20%	
Croatia	25%	10%	25%	25%	Green: HRK 5/kg Roasted: HRK 6/kg Soluble: HRK 20/kg
Cyprus	18%	8%, 5%	5%	5%	
Czech Republic	21%	15%	15%	21%	
Denmark	25%	-	25%	25%	Green: DKK 5.95/kg Roasted: DKK 7.14/kg Coffee extracts: DKK 15.47/kg
Estonia	20%	9%	20%	20%	
Finland	24%	14%, 10%	14%	14%	
France	19.6%	7%, 5.5%, 2.1%	5.5%	5.5%	
Germany	19%	7%	7%	7%	Roasted: €2.19/kg Soluble: €4.78/kg
Greece	23%	13%, 6.5%	13%	13%	
Hungary	27%	18%, 5%	27%	27%	
Ireland	23%	13.5%, 9%, 4.8%	0%	0%	
Italy	21%	10%, 4%	21%	10%	
Latvia	21%	12%	21%	21%	LVL 100/100kg pure coffee
Lithuania	21%	9%, 5%	21%	21%	
Luxembourg	15%	12%, 6%, 3%	3%	3%	
Malta	18%	7%, 5%	0%	0%	
Netherlands	21%	6%	6%	6%	
Poland	23%	8%, 5%	23%	23%	
Portugal	23%	13%, 6%	23%	23%	
Romania	24%	9%, 5%	24%	24%	Green: €153/tonne Roasted: €225/tonne Soluble: €900/tonne
Slovakia	20%	10%	20%	20%	
Slovenia	20%	8.5%	8.5%	8.5%	
Spain	21%	10%, 4%	10%	10%	
Sweden	25%	12%, 6%	12%	12%	
United Kingdom	20%	5%	0%	0%	
Norway	25%	15%, 8%	15%	15%	
Switzerland	8%	3.8%, 2.5%	2.5%	2.5%	
Tunisia	18%	12%, 6%	18%	18%	Consumption tax of 25%
Turkey	18%	8%, 1%	8%	8%	
USA		Varies by state			

TABLE 3 (Contd. 1)
DOMESTIC TAXES AND EXCISE ON IMPORTS OF COFFEE BY IMPORTING COUNTRIES

	VAT		Roasted coffee not decaffeinated [0901.21.00]	Soluble coffee [2101.11.00]	Excise duty & other taxes
	Standard rate	Reduced rates			
<i>Other importing countries</i>					
Albania	20%		20%	20%	Green: 30 ALL/kg Roasted: 60 ALL/kg Soluble: 250 ALL/kg
Algeria	17%		17%	17%	Consumption tax of 10%
Argentina	21%		21%	21%	Statistical fee of 0.5% duty Proportional tax on profit of 6% duty
Armenia	20%		20%	20%	Customs clearance fee of 3500 AMD
Australia	10%		10%	10%	
Bosnia & Herzegovina	17%		17%	17%	Green & Roasted: 3 BAM/kg Soluble: 3.5 BAM/kg
Canada	Local Province Sales Tax plus 5% Federal Sales Tax				
Chile	19%		19%	19%	
China	17%, with many variations		17%	17%	
Egypt	10%	5%	5%	10%	
Georgia	18%		18%	18%	Customs clearance fee of €5-60/declaration
Hong Kong		No sales tax			
Israel	18%		18%	18%	
Japan	5%		5%	5%	
Jordan	16%		16%	16%	Service fee of 2%
Korea, Rep. of	10%		10%	10%	
Kosovo	16%		16%	16%	
Lebanon	10%		10%	10%	Customs clearance fee of 50,000 LBP
Macedonia	18%	5%	18%	5%	
Malaysia	6%	5%, 0%	0%	5%	
Montenegro	19%		19%	19%	Excise tax of 20%
Morocco	20%		20%	20%	Parafiscal tax of 0.25% duty
New Zealand	15%		15%	15%	Import entry transaction fee of 25.30 NZD/declaration
Russia	18%		18%	18%	
Saudi Arabia		No sales tax			
Serbia	20%		20%	20%	100 RSD/kg
Singapore	7%		7%	7%	
South Africa	14%		14%	14%	
Syria	10%		3%	5%	
Taiwan	5%		5%	5%	Trade promotion service fee of 0.04% dutiable value
Ukraine	20%		20%	20%	

LIST OF ACRONYMS

AGOA	African Growth and Opportunity Act
APTA	Asia-Pacific Trade Agreement
CCF	Customs Clearance Fee
EBA	Everything But Arms
EFTA	European Free Trade Association
EPA	Economic Partnership Agreement
EU	European Union
FOB	Free On Board
FTA	Free Trade Agreement
GSP	Generalized System of Preferences
GSP+	Generalized System of Preferences Plus
LDC	Least-Developed Country
MFN	Most-Favoured Nation
NAFTA	North American Free Trade Agreement
SADC	Southern African Development Community
VAT	Value Added Tax
WTO	World Trade Organization