



Organización Internacional del Café  
Organização Internacional do Café  
Organisation Internationale du Café

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### Obstacles to consumption

1. The Executive Director presents his compliments and wishes to remind Members that, in accordance with Article 33 of the International Coffee Agreement 2001 (see attached document) Members should recognize the utmost importance of achieving the greatest possible increase of coffee consumption as rapidly as possible, in particular through the progressive removal of any obstacles which may hinder such increase.
2. Document ICC-90-7 (attached) was circulated in May 2004 containing the latest information available to the Organization on taxes and duties, laws and regulations applied to coffee exports and imports by Member countries. According to the Rules on Statistics (contained in document EB-3830/02) Members are required to keep the Organization up to date when revisions on this matter take place in their countries.
3. All Members are requested to examine the information presented in this document with a view to updating their specific situation. Exporting Members, in particular, are requested to provide information on the Value Added Tax (VAT) applied on coffee in their countries. Countries which became Members of the EU and thus the ICO on 1 May 2004 are also particularly requested to ensure that they send the Organization all relevant information.
4. It would be appreciated if this information could be received by **20 August 2005** so that a full report on this subject can be circulated to the Council in September 2005



Organización Internacional del Café  
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Agreement

International Coffee Council  
Ninetieth Session  
19 – 21 May 2004  
London, England

## Obstacles to consumption

### Background

1. Article 33 of the International Coffee Agreement 2001 (attached as Annex I) states that Members should recognize the utmost importance of achieving the greatest possible increase of coffee consumption as rapidly as possible, in particular through the progressive removal of any obstacles which may hinder such increase.
2. This document contains information to enable the Council to assess compliance by Member countries with the provisions of Article 33.
3. Annexes II-A and II-B contain information on taxes and duties, laws and regulations applied to coffee exports and imports by Member countries. Annex II-B also contains information on the VAT applied to coffee in the retail sector in importing Member countries and in selected non-member countries where information is available. According to the Rules on Statistics (contained in document EB-3830/02) Members are required to keep the Organization up to date when revisions on this matter take place in their countries.
4. It should be noted that E.U. member states charge a Common Customs Tariff (CCT) applied on all goods imported from outside their borders. However, each E.U. member may apply excise duty and VAT at different levels. Detailed information on the CCT applied by E.U. members can be obtained from [www.europa.eu.int](http://www.europa.eu.int). Annexes III-A, III-B and III-C contain information on import duties for green, roasted and soluble coffee imported into the E.U., from selected origins, based on the system of duty reduction (Generalised System of Preference – GSP) under specific classification of the Harmonized System (HS).
5. Reports containing updated information received from Members on these issues will be circulated to the Council annually. All Members are requested to inform the Executive Director of any measures adopted in their countries in connection with the provisions of Article 33, 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 report.

**INTERNATIONAL COFFEE AGREEMENT 2001**

## ARTICLE 33

**Removal of obstacles to consumption**

- (1) Members recognize the utmost importance of achieving the greatest possible increase of coffee consumption as rapidly as possible, in particular through the progressive removal of any obstacles which may hinder such increase.
- (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.

Exporting countries						
	Taxes on exports of coffee			Taxes on imports of coffee		
	Green	Roasted	Soluble	Green	Roasted	Soluble
Angola	3% on FOB value			not applicable		
Benin @						
Bolivia						
Brazil						
Burundi						
Cameroon @						
Central African Rep. @						
Colombia						
Congo, Dem. Rep. of						
Congo, Rep. of @						
Costa Rica						
Côte d'Ivoire @						
Cuba	no export taxes					
Dominican Republic	no export taxes			no coffee imports (15-30% CIF+12%VAT)		
Ecuador	2% on FOB value		0%	10%	15%-20%	20%
El Salvador	no export taxes			10-15%	15%	15%
Equatorial Guinea @						
Ethiopia						
Gabon @						
Ghana						
Guatemala						
Guinea						
Haiti						
Honduras						
India						
Indonesia						
Jamaica	no export taxes - TBC			0%	40%	-
Kenya						
Madagascar @						
Malawi	no export taxes					
Mexico	no export taxes					
Nicaragua	no export taxes			5%; 15% on decaf (10% if imported from Mexico)	15% (10% if imported from Mexico)	15% (non-Central America); 10% from Mexico; 0% Dom Rep
Nigeria						
Papua New Guinea	no export taxes					
Paraguay						
Philippines	40%			30%	35%	35%
Rwanda						
Tanzania	no export taxes			no import taxes		
Thailand				30% in quota; 90% out quota		40% in quota; 49% out quota
Togo @						
Uganda						
Venezuela						
Vietnam	no export taxes			20%	50%	50%
Zambia						
Zimbabwe						

A blank denotes that the information is not available

@ denotes member of the OAMCAF group

TBC - to be confirmed

<b>Importing countries</b>		
	<b>Import duty and VAT</b>	<b>Excise duty</b>
Austria	EU legislation applies - VAT: 20%	
Belgium	EU legislation applies - VAT: 6%	Green: €0.20/kg; Roasted: €0.25/kg; Extracts: €0.69/kg
Cyprus	Green: 0%; Roasted: 92.1% on Greek type coffee and 36% others; Soluble: 9% to 20% pending on HS code	
Denmark	EU legislation applies - VAT: 25%	Green: DKr 5.45/kg; Roasted: DKr 6.54/kg; Extracts: DKr 14.17/kg
Finland	EU legislation applies - VAT: 17%	
France	EU legislation applies - VAT: 5.5%	
Germany	EU legislation applies - VAT: 7%	Roasted: €2.19/kg; Extracts: €4.78/kg
Greece	EU legislation applies - VAT: 8%	
Ireland	EU legislation applies - VAT: to be confirmed	
Italy	EU legislation applies - VAT: 20% on green/roasted; 10% on soluble	
Japan	information on file - VAT: 5% (consumption tax)	
Luxembourg	EU legislation applies - VAT: 3%	
Netherlands	EU legislation applies - VAT: 6%	
Norway	Duty of 1.43% - VAT: 12%	
Portugal	EU legislation applies - VAT: 17%	
Spain	EU legislation applies - VAT: 7%	
Sweden	EU legislation applies - VAT: 12%	
Switzerland	information on file - VAT: 2%	Special national fees apply on coffee
United Kingdom	EU legislation applies - VAT: 0%	
Australia	Green: 2%; Roasted: A\$0.07/kg; Soluble: A\$0.66/kg	
Canada	Green: 0%; Roasted: Can\$ 0.0415/kg; Soluble: Can\$0.1432/kg	
USA	No duty on green and roasted; preparations with a basis of coffee between 10%-20%; VAT (sales tax) varies from state to state	

A blank denotes that the information is not available

## Coffee under the HS Tariff Classification 901.110.00 (Green coffee not-decaffeinated)

Country of origin	Full rate of duty	Quota	Preferential rate
Australia	0%		
Brazil	0%		
Canada	0%		
Colombia	0%		
Costa Rica	0%		
Ethiopia	0%		0% with Form A; 0% EUR.1 (LOME)
Honduras	0%		
India	0%		
Indonesia	0%		
Jamaica	0%		0% with Form A; 0% EUR.1 (LOME)
Kenya	0%		0% with Form A; 0% EUR.1 (LOME)
Kuwait	0%		
Norway	0%		0% (EEA)
Papua New Guinea	0%		0%EUR.1 (LOME)
Phillipines	0%		
Romania	0%		
Saudi Arabia	0%		
Singapore	0%		
South Africa	0%		0% EUR.1 (Agreement EU)
South Korea	0%		
Switzerland	0%		
Taiwan	0%		
Tanzania	0%		0% with Form A; 0% EUR.1 (LOME)
Uganda	0%		0% with Form A; 0% EUR.1 (LOME)
USA	0%		

## Coffee under HS Tariff Classification No. 901.120.00 (Green coffee decaffeinated)

Country of origin	Full rate of duty	Quota	Preferential rate
Australia	8.3%		
Brazil	8.3%		
Canada	8.3%		
Colombia	8.3%		0% with Form A (GSP)
Costa Rica	8.3%		0% with Form A (GSP)
Ethiopia	8.3%		0% with Form A (GSP); EUR.1 (LOME) 0%
Honduras	8.3%		0% with Form A (GSP)
India	8.3%		4.8% with Form A (GSP)
Indonesia	8.3%		4.8% with Form A (GSP)
Jamaica	8.3%		4.8% GSP EUR.1 (LOME) 0%
Kenya	8.3%		4.8% GSP EUR.1 (LOME) 0%
Kuwait	8.3%		4.80%
Norway	8.3%		0% (EEA)
Papua New Guinea	8.3%		4.8% GSP EUR.1 (LOME) 0%
Phillipines	8.3%		4.80%
Romania	8.3%		0% (Agreement EU)
Saudi Arabia	8.3%		4.8% GSP EUR.1 (LOME) 0%
Singapore	8.3%		
South Africa	8.3%		4.8% GSP EUR.1 (EU agreement) 0%
South Korea	8.3%		
Switzerland	8.3%		
Taiwan	8.3%		
Tanzania	8.3%		0% GSP EUR.1. (LOME) 0%
Uganda	8.3%		0% GSP EUR.1. (LOME) 0%
USA	8.3%		

GSP = Generalised System of Preference

EUR.1 = movement certificate

EEA = European Economic Area

## Coffee under the HS Tariff Classification 901.210.00 (Roasted coffee not-decaffeinated)

Country of origin	Full rate of duty	Quota	Preferential rate
Australia	7.5%		
Brazil	7.5%		
Canada	7.5%		
Colombia	7.5%		0% with form A (GSP)
Costa Rica	7.5%		0% with form A (GSP)
Ethiopia	7.5%		0% GSP; 0% EUR.1 (LOME)
Honduras	7.5%		0% GSP
India	7.5%		2.6% GSP
Indonesia	7.5%		2.6% GSP
Jamaica	7.5%		2.6% GSP 0%EUR.1 (LOME)
Kenya	7.5%		2.6% GSP 0%EUR.1 (LOME)
Kuwait	7.5%		2.6% GSP
Norway	7.5%		0% (EEA)
Papua New Guinea	7.5%		2.6% GSP 0%EUR.1 (LOME)
Phillipines	7.5%		2.6% GSP
Romania	7.5%		0% (Agreement EU)
Saudi Arabia	7.5%		2.6% GSP
Singapore	7.5%		
South Africa	7.5%		2.6%GSP 0% EUR.1 (Agreement EU)
South Korea	7.5%		
Switzerland	7.5%		
Taiwan	7.5%		
Tanzania	7.5%		0% GSP 0% EUR.1 (LOME)
Uganda	7.5%		0% GSP 0%EUR.1 (LOME)
USA	7.5%		

## Coffee under HS Tariff Classification No. 901.220.00 (Roasted coffee decaffeinated)

Country of origin	Full rate of duty	Quota	Preferential rate
Australia	9.0%		
Brazil	9.0%		
Canada	9.0%		
Colombia	9.0%		0% GSP
Costa Rica	9.0%		0% GSP
Ethiopia	9.0%		0% GSP EUR.1 (LOME) 0%
Honduras	9.0%		0% GSP
India	9.0%		3.1%
Indonesia	9.0%		3.1%
Jamaica	9.0%		3.1% GSP EUR.1 (LOME) 0%
Kenya	9.0%		3.1% GSP EUR.1.(LOME) 0%
Kuwait	9.0%		3.1%
Norway	9.0%		0% (EEA)
Papua New Guinea	9.0%		3.1% GSP EUR.1.(LOME) 0%
Phillipines	9.0%		3.1%
Romania	9.0%		0% (Agreement EU)
Saudi Arabia	9.0%		3.1%
Singapore	9.0%		
South Africa	9.0%		3.1% GSP EUR.1 (EU agreement) 0%
South Korea	9.0%		
Switzerland	9.0%		
Taiwan	9.0%		
Tanzania	9.0%		0% GSP EUR 1. (LOME) 0%
Uganda	9.0%		0% GSP EUR 1. (LOME) 0%
USA	9.0%		

GSP = Generalised System of Preference

EUR.1 = movement certificate

EEA = European Economic Area

**Coffee under HS Tariff Classification No. 210.111.11.00 (Coffee extracts, essences and concentrates with a coffee-based dry matter content of 95% or more by weight)**

Country of origin	Full rate of duty	Quota	Preferential rate
Australia	9%	0%	
Brazil	9%	0%	
Canada	9%	0%	
Colombia	9%	0%	0%GSP
Costa Rica	9%	0%	0%GSP
Ethiopia	9%	0%	0%GSP EUR.1 (LOME) 0%
Honduras	9%	0%	0%GSP
India	9%	0%	3.1%GSP
Indonesia	9%	0%	3.1% GSP
Jamaica	9%	0%	3.1% GSP EUR.1 (LOME) 0%
Kenya	9%	0%	3.1% GSP EUR.1.(LOME) 0%
Kuwait	9%	0%	3.10%
Norway	9%	0%	
Papua New Guinea	9%	0%	3.1 % GSP EUR.1 (LOME) 0%
Phillipines	9%	0%	3.1% GSP
Romania	9%	0%	
Saudi Arabia	9%	0%	3.1% GSP
Singapore	9%	0%	
South Africa	9%	0%	3.1% GSP EUR.1 (EU agreement)
South Korea	9%	0%	
Switzerland	9%	0%	0% EUR.1 (EU agreement)
Taiwan	9%	0%	
Tanzania	9%	0%	0%GSP EUR.1. (LOME)0%
Uganda	9%	0%	0%GSP EUR.1 (LOME)0%
USA	9%	0% + 7%	

**Coffee under HS Tariff Classification No. 210.111.19.00 (Other coffee extracts, essences and concentrates)**

Country of origin	Full rate of duty	Quota	Preferential rate
Australia	9%		
Brazil	9%		
Canada	9%		
Colombia	9%		0% GSP
Costa Rica	9%		0% GSP
Ethiopia	9%		0% GSP; 0% EUR.1 (LOME)
Honduras	9%		0% GSP
India	9%		3.1% GSP
Indonesia	9%		3.1% GSP
Jamaica	9%		3.1% GSP 0%EUR.1 (LOME)
Kenya	9%		3.1% GSP 0% EUR.1 (LOME)
Kuwait	9%		3.1% GSP
Norway	9%		
Papua New Guinea	9%		3.1%GSP 0% EUR.1 (LOME)
Phillipines	9%		3.1% GSP
Romania	9%		
Saudi Arabia	9%		3.1% GSP
Singapore	9%		
South Africa	9%		3.1%GSP 3.7% EUR.1 (EU Agreement)
South Korea	9%		
Switzerland	9%		
Taiwan	9%		
Tanzania	9%		0% GSP 0% EUR.1 (LOME)
Uganda	9%		0% GSP 0%EUR.1 (LOME)
USA	9% + 7%		

GSP = Generalised System of Preference

EUR.1 = movement certificate