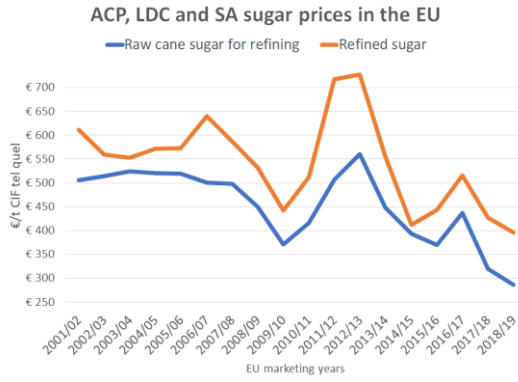
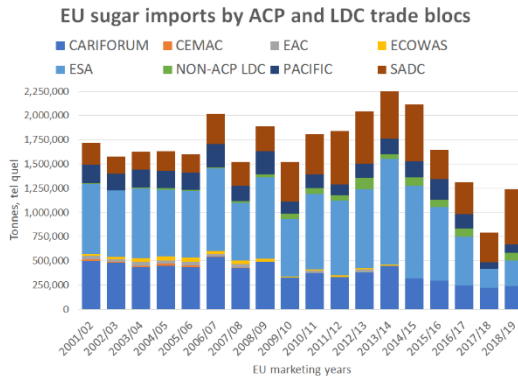
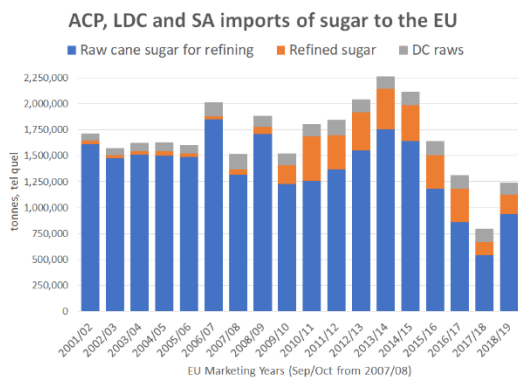


Some statistics:



ACP-LDC Sugar Industry Group

Representing the ACP and LDC sugar industries supplying the EU



ACP and LDC cane sugar in the EU market

Aide Memoire produced by the ACP /LDC Sugar Industries Group

November 2019

Email: enquiries.acpsugar@gmail.com
 Twitter: [@acpsugar](https://twitter.com/acpsugar)
 Website: www.acpsugar.org
 EU transparency register number: 052002725608-03

Source for all statistics: Eurostat, 15th November 2019.

There is a long history of supply of sugar between ACP-LDC countries and the European Union. The EU remains the largest export market for ACP-LDC sugar. Despite the end of The Sugar Protocol and successive reforms of the EU sugar regime, the most significant being in 2017, ACP and LDC countries delivered 1,241,000 tonnes of raw, refined and speciality sugars to EU countries in 2018/19.

Sugar cane industries provide many vital roles in ACP and LDC countries:

- 🌱 Sugar cane is a proven, sustainable crop that is unique in its ability to withstand the extremes of weather in tropical regions.
- 🌱 Sugar cane industries are important sources of renewable energy in the form of electricity and ethanol: bagasse (cellulose) provides energy to mill the cane and surplus energy from bagasse is exported as electricity to the local grid. Hence efficient sugar cane industries are often net sequestrators of CO₂.
- 🌱 The expansion of cane sugar industries in developing countries goes hand-in-hand with the establishment of small grower schemes and projects.
- 🌱 It is an agro-industrial process that supports the development of a range of engineering skills that readily transfer to other parts of the economy.
- 🌱 It contributes to large scale, dependable employment in rural areas.
- 🌱 The multiplier effect on employment and the economy is significant.
- 🌱 Cane sugar industries provide much needed export earnings and tax revenues.
- 🌱 Sugar industries often provide healthcare, education, housing and infrastructure for their employees and the wider communities.

Prices within the EU have fallen dramatically since 2017 whilst EU production has increased by about

26% to as much as 21.3 million mt in 2017/18 before falling back to about 17.5mmt due to weather factors. These low prices are having a real impact on returns for ACP-LDC sugar farmers and millers and thus on hundreds of thousands of ACP-LDC citizens.

In the Caribbean alone, over 400,000 people depend on the sugar industry for their livelihoods. In eSwatini, around 50% of production is exported to the EU and sugar production amounts to 13% of GDP and 35% of private sector employment. The fall in EU prices and demand has led to a stagnation in many ACP and LDC regions, affecting communities and services and forcing governments to consider social transfers. Access to education and healthcare are all negatively impacted.

ACP-LDC nations accept that, following the various reforms, they will have to compete with domestic producers of sugar to supply the EU market. However, this competition must be on a level playing field.

There are two factors overall that will affect the size and value of the EU market for developing countries. These are the volume of EU domestic production and the level of access granted under new Free Trade Agreements (FTAs) with third countries.

New FTAs: Every tonne of new access granted through FTAs competes directly with ACP-LDC sugar and indeed EU domestically produced sugar. The recently negotiated Mercosur agreement contained a provision reducing tariffs to zero on 190,000 tons of sugar. This is equivalent to around 15% of ACP-LDC deliveries and is likely to lead to an equivalent loss of ACP-LDC market share.

The International Confederation of European beet growers (CIBE) has stated, "*The [Mercosur] deal will entrench unfair competition on the EU market, and hamstring alternative and developing outlets for sugar beet. And it will undermine the three pillars of European sustainability: social, economic and environmental*".

EU Sugar production: Voluntary Coupled Support (VCS) is currently paid to farmers on 29% of the EU's beet area. It is estimated that this sustains between 3 to 4 million tonnes of domestic beet sugar production. It is calculated that so far this has cost ACP-LDC suppliers at least €300 million in lost revenue.

Indeed, the report of the High-Level Expert Group on Sugar set up by the EU commission in November 2018 noted the views of 6 EU Member States not granted VCS for sugar beet, (DE, AT, SE, NL, DK, UK) that, "*the measure distorts competition by artificially maintaining sugar beet cultivation in less efficient and competitive areas. This hampers the creation of a level playing field in the EU and negatively affects those Member States with a competitive sugar sector who are not granting VCS*".

We therefore urge the EU to:

- 🌱 **Treat sugar as a sensitive product during the negotiation and before ratification of all new FTAs.**
- 🌱 **Remove VCS for sugar beet from the 2021-2027 CAP.**
- 🌱 **Implement "Policy Coherence for Development" meaningfully.**