



14 May 2018

CEFS, CIBE and EFFAT react to the conclusion of the EU-Mexico negotiations

Dear Ms Malmström,

CEFS, CIBE and EFFAT take note of the conclusion of the EU-Mexico negotiations, in particular the offer of a sugar import quota to Mexico of 30,000 tonnes of sugar at 49 EUR/tonne duty to be phased in over a period of three years.

The unprecedented step the Commission has taken to introduce an in-quota duty for sugar is the only way to level the playing field between the EU and Mexico. Mexico's sugar market is supported by marketing arrangements, minimum prices, and direct subsidies, all of which unfairly disadvantages EU sugar manufacturers and sugar beet farmers.

It must be stressed that maintaining an in-quota duty for any quota offer on sugar is immeasurably more important in the context of the EU-Mercosur negotiations. In these discussions, the duty must be set at 98 EUR/tonne, to reflect the government assistance that the Brazilian sugar and ethanol sector receives.

The Brazilian sugar industry benefits from an array of support that, while not always falling into the WTO's definition of subsidy, skews the playing field heavily in its favour.

We urge you not to concede to Brazilian requests to offer a duty-free sugar import quota in the EU-Mercosur negotiations.

Yours Sincerely,

Johann Marihart,
President
European Association of Sugar Manufacturers (CEFS)

Bernard Conzen,
President
International Confederation of
European Beet Growers (CIBE)

Harald Wiedenhofer,
Secretary General
European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT)