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THE EU SUGAR MARKET CRISIS – EFFAT AND CEFS RESPOND

EFFAT, representing employees of the EU sugar sector, and CEFS, representing EU sugar manufacturers, unite to sound the alarm about the extreme crisis on the European sugar market.

EU white sugar prices are now at their lowest since records began over twelve years ago. Even the most competitive sugar manufacturers are struggling to cover their costs. Substantial losses are already forcing sugar manufacturers to put investment projects on hold, with potentially long-term implications for the competitiveness of the sector.

If this unprecedented situation continues, job losses and factory closures will be the result.

EFFAT and CEFS deplore the prevailing attitude within the European Commission in the face of this crisis. To suggest that it is the sector that has brought this situation on itself is to display a woeful ignorance to the fundamentals of the EU sugar market.

Increased sugar production was a logical and expected consequence of the end of quotas, but current prices are much lower than forecast by the European Commission.¹ The explanation is the deep world market crisis, brought about by substantial production increases in Thailand and India, and by subsidised exports from India and Pakistan.

The EU sugar sector must not be forced to pay for the trade-distorting support offered by third countries. Indeed, it is the duty of the European Commission, the European Parliament, and Member States to defend European industries and jobs.

EU beet sugar production is both an agricultural and industrial activity. It sustains the lives of hundreds of thousands of families in vulnerable rural areas across the EU. The high-quality, remunerative industrial employment it provides is rare in these regions, and not easily replaced.

Once a beet sugar factory is closed, sugar production in that area is highly unlikely to return. Factories are unlikely to receive the significant capital needed to re-open; agricultural expertise is generally lost forever. Failure to take appropriate measures in the face of this crisis could be devastating for rural areas across the Union.

Sugar sector employees and sugar manufacturers call on the European institutions to respond appropriately to this crisis – **the time for inaction is over!**

¹ Cf. European Commission's Agricultural Outlook Report, 2017-2030.