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PRESS STATEMENT

EUROPEAN SUGAR MARKET: EQUAL TREATMENT AND ADJUSTMENT OF MANAGEMENT TOOLS IN THE CAP ARE REQUIRED TO ENSURE A SUSTAINABLE FUTURE

Historically and globally the EU-27 is a region of excellence for sustainable beet sugar production due to its agronomic and industrial performance. This was largely boosted by the former common market organization with guaranteed prices for beet, quotas and a protective customs duty for non-preferential sugar.

With the end of quotas, this protected system no longer exists. The shock was immense with the closure of, so far, more than 10% of EU-27's sugar beet factories. Since 2017 already 12 factories (103 to 91) in rural areas in the EU-27 closed indefinitely with a significant loss of rural employment and a decrease in the number of sugar beet growers. Sugar production has been declining since the 2017/2018 campaign; consequently, exports to outside EU-27 are also in sharp decline.

Our tariff protection is almost non-existent. The EU has concluded more bilateral trade agreements than any other trading block, not to mention the duty-free access granted to ACP-LDCs under the *Everything But Arms* initiative. Over the last decade the available volume of preferential sugar imports at zero duty has nearly doubled, being close to 3 million tonnes per year. Above all, for almost 3 years the average European price, tracking more closely the distorted world market price, is at levels below the reference threshold, an indicator of crisis.

The end of the sugar quotas has led the sugar sector to a liberal logic. Our sector has made huge efforts to strengthen our competitiveness. However, the same does not apply to our competitors (India, Brazil, Australia, Thailand, Canada…). We therefore demand equal treatment in terms of access to markets, innovation, social and environmental constraints. It is imperative for the EU to act against the distortions of competition, artificial volatility and environmental sub-standard imports from the world market, in order to preserve our domestic economy and jobs. In addition, the EU-27 must facilitate access to innovation for sugar manufacturers, alternative and sustainable plant protection products for beet cultivation. So, we can build further to remain one of the most sustainable sugar producers in the world and contribute in the best possible way to the EU-27's greener and future goals.

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Equal treatment needs to be structural and established for the long term. In the short term, we need *a minima* protection against the high volatility i.e., major depression of international prices caused by trade distorting measures of other sugar producers like India. **Therefore, we urgently need – and ask for – an adjustment of the Common Agricultural Policy (CAP) management tools such as Articles 219 and 222 of the single Common Market Organization (CMO) to address market imbalances timely and successfully in the future when supply and demand do not align.**

The Green Deal introduces new challenges for the sector: considerable investments are required to ensure carbon neutrality and we insist on the urgent need of a thorough and transparent impact assessment to have an objective analysis of the present situation and the gap to close.

All the points briefly outlined above, whether it is the Green Deal, introducing a new economic paradigm for our sector or distortions of competition penalizing European sugar vis-à-vis its competitors, justify a renewed partnership between our industry and public authorities. We trust the EU sugar sector can play an imperative role in achieving a sustainable future together with its stakeholders. We are ready and at your disposal to engage in reflection and constructive dialogue.

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Founded in 1953, **CEFS** represents **European beet sugar manufacturers**, cane sugar producers and refiners covering sugar production in 18 EU countries (Austria, Belgium, Croatia, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Lithuania, Poland, Romania, the Netherlands, Slovakia, Spain, Sweden) plus the United Kingdom and Switzerland.

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