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PRESS STATEMENT

CLEAN INDUSTRIAL DEAL & AFFORDABLE ENERGY ACTION PLAN: A FIRST STEP, BUT ENERGY-INTENSIVE PRIMARY FOOD PROCESSING MUST NOT BE FORGOTTEN IN FUTURE INITIATIVES

The European Association of Sugar Manufacturers (CEFS) welcomes the European Commission's Clean Industrial Deal and Affordable Energy Action Plan as important signals for the EU sugar and primary food processing industries as we move towards climate neutrality.

The food industry is the EU's biggest industrial energy consumer. Within it, primary food processing is the energy-intensive link in the food supply chain. Sugar, along with starch and vegetable oils and proteinmeal, is a carbon leakage sector covered by the EU's Emissions Trading System. Our sectors sit at the intersection of agriculture and industry, and are a pillar of the EU's food security.

Just like other industrial sectors, the EU beet sugar industry is under pressure from higher energy costs and intensifying global competition. We must not be left by the wayside in future initiatives to support European industry.

CEFS fully supports measures that improve access to affordable energy, streamline State aid rules, and provide targeted investment through the Competitiveness Fund. In particular, we welcome the Industrial Decarbonisation Accelerator Act, which must ensure that primary food processing industries benefit

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from access to renewable energy (both on- and off-site), streamlined permitting, and financial support for electrification and efficiency improvements.

The focus on circularity is also crucial. Sugar producers have long embraced circular economy principles, using all of the beet in a zero-waste process to produce sugar, bioethanol, animal feed, molasses, biomethane, and more. The Circular Economy Act must recognise and support these efforts.

We caution that on trade, the EU must do better when it comes to sugar. The market availability of third country sugar on the EU market has been increasing for decades, and the ratification of the EU-Mercosur agreement is a looming threat. Meanwhile, the Carbon Border Adjustment Mechanism (CBAM) will not provide protection for sugar manufacturing in Europe, and will only result in additional costs for operators via the loss of free emissions allowances. Sugar must not be recommended for inclusion in the scope of CBAM when the policy is reviewed this year.

CEFS Director General Marie-Christine Ribera said: "We welcome the initiatives set out in the Clean Industrial Deal. Now the real work begins. As the Clean Industrial Deal is implemented, we call for continued engagement with our sector to ensure an economically sustainable transition. The sugar industry and other primary food processors stand ready to contribute to the EU's climate goals, but we must be recognised and addressed in future supporting initiatives."

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For more information on the EU beet sugar industry, please consult:

[European Sugar Statistics Report for the marketing year 2021/22](#)

[The EU Sugar Industry Corporate Social Responsibility Report 2020-21](#)

About CEFS:

CEFS, the European Association of Sugar Manufacturers, is an international non-profit organisation and a recognised interlocutor for the EU Institutions since 1953, sharing knowledge and technical expertise on sugar.

CEFS' membership is composed of sugar-producing companies in the EU and Switzerland.

Find out more about CEFS and the EU beet sugar industry [here](#).