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## **PRESS STATEMENT**

## CEFS AND CIBE OPPOSE ANY FURTHER CONCESSIONS ON SUGAR IMPORTS FROM INDIA

The European Association of Sugar Manufacturers (CEFS) expresses strong concerns regarding the ongoing negotiations for a Free Trade Agreement (FTA) between the EU and India, particularly in relation to potential concessions on sugar market access. India, one of the world's largest sugar producers and exporters, operates under a heavily subsidised regime that has been repeatedly condemned by the World Trade Organisation (WTO)¹ for distorting global sugar markets.

CEFS firmly opposes any further opening of the EU sugar market to Indian sugar, including price supports and export incentives, which artificially inflate production and disrupt fair competition. Additionally, Indian sugar production has been linked to severe environmental degradation, such as excessive water consumption,<sup>2</sup> chemical pollution, and air contamination from cane burning. Labour rights violations, including child and forced labour,<sup>3</sup> further raise ethical concerns that should not be overlooked in trade negotiations.

The European Commission's own Trade Sustainability Impact Assessment (SIA)<sup>4</sup> has highlighted these challenges, emphasising that Indian sugar production is inconsistent with the EU's sustainability and social justice objectives. The

<sup>&</sup>lt;sup>1</sup> WTO. 24 December 2021. DS580: India — Measures Concerning Sugar and Sugarcane. https://www.wto.org/english/tratop\_e/dispu\_e/cases\_e/ds580\_e.htm

<sup>&</sup>lt;sup>2</sup> Water and Science Technology, January 2006: Effects of soil erosion on water quality and water uses in the upper Phong watershed.

<sup>&</sup>lt;sup>3</sup> U.S. Department of Labor, September 2022: List of Goods Produced by Child Labor or Forced Labor.

<sup>&</sup>lt;sup>4</sup> European Parliament, July 2022: Resolution of 5 July 2022 on EU-India future trade and investment cooperation.





European Parliament has also previously taken a firm stance against such concessions.

CEFS Director General Marie-Christine Ribera said: "The EU beet sugar sector is under pressure. EU white sugar prices as reported by the European Commission have fallen by 35% in one year. We face further uncertainty as the major trade deal with Mercosur awaits ratification and the Association Agreement with Ukraine is renegotiated. Additional market access for sugar via an agreement with India would pour oil on the fire, putting further strain on an industry that has closed an average of two factories per year since the end of quotas in 2017."

CIBE Director Elisabeth Lacoste added: "Our sector cannot continue to be negatively affected by trade concessions granted to partners which obviously don't respect WTO rules and which standards of production are too far from ours. What would be the objectives of the Commission in such a case and how could the Commission further explain to growers that they would have to bear the costs of such concession?

CEFS therefore calls on the European Commission to uphold these principles and categorically reject any requests for additional access for Indian sugar to the EU market. The integrity of the EU sugar sector, which operates under stringent environmental, social, and economic standards, must not be compromised by unfair competition that undermines European farmers, processors, and rural communities.

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