



25 October 2017

## **CEFS-EFFAT JOINT DECLARATION ON PRESIDENT JUNCKER'S INDUSTRIAL POLICY STRATEGY**

Sugar production in the EU is an industrial activity.

The construction of a sugar factory entails high capital costs, typically of several hundred million euros. Not the least of these costs is the specialised equipment and heavy machinery required to produce sugar at scale.

The process of sugar production is also highly technical, and requires skilled engineers, experienced process managers, and highly-qualified chemists to run smoothly.

CEFS and EFFAT – representing EU sugar producers and workers – therefore welcome the Industrial Policy Strategy presented by President Juncker at his recent state of the union speech. Two aspects of these strategy strike us as relevant to our sector:

- 1) The Skills Agenda. The EU beet sugar sector sometimes has difficulty recruiting skilled workers. The promotion of vocational training and the introduction of a Skills Profile Tool Kit for Third Country Nationals are welcome.
- 2) The circular economy. Sugar producers are key contributors to the circular economy. No part of the sugar beet is wasted: the pulp is used for animal feed, and the moisture in the root is used to provide almost all of the requirements in the factory. Increasingly, EU sugar producers are undertaking research into the production of bioplastics and biochemicals. Any action to promote the circular economy is welcome.

The EU sugar industry has made giant steps forward in recent years. Investment in technical improvements and cost reductions have resulted in a decrease in real terms of production costs since 1990. But the industry is at a turning point.

With the end of quotas the EU beet sugar sector faces a prolonged period of uncertainty. This could threaten the livelihoods of the 28,000 direct employees and many more indirect jobs that depend on the sector.

We call for an Industrial Policy Strategy that supports the EU sugar sector and recognises it as an industrial sector that contributes to rural economic activity and employment. We consider, notably, the protection of our sector in ongoing bilateral trade negotiations as essential in this regard.

CEFS and EFFAT stand ready to engage with the European Commission to ensure that the Industrial Policy Strategy is a success for the EU sugar sector.