

ACP-LDC Sugar Industries Group

Representing the ACP and LDC sugar industries supplying the EU and UK markets

PRESS RELEASE

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In the face of poorly regulated Ukrainian sugar imports, ACP and LDC sugar suppliers demand policy coherence for development from the EU and an end to preference erosion

The agreement of the European Council presidency and of the European Parliament of 20 March 2024 – likely to be ratified by the European Union in the next few days – to permit up to ≈ 459,320 tonnes of sugar from Ukraine, duty free and inadequately regulated, into the European Union sugar markets in 2024 and until 5 June 2025 will – as the trade data shows has already happened from June 2022 to date – **displace an equivalent quantity of preferential sugar exports to the EU** originating in Africa, Caribbean, Pacific (ACP) and Least Developed Countries (LDCs).

The ACP/LDC Sugar Industries Group therefore urges the EU authorities to:

- 1) Support the transit of Ukraine's sugar exports through the EU to its traditional markets in north Africa and the Mediterranean, supported by subsidies as may be required.**
- 2) Limit Ukrainian sugar imports into the EU in accordance with the EU's international commitments, particularly with respect to developing country sugar sectors. Such limitation could be achieved by taking a benchmark average of Ukrainian imports in 2021, 2022 and 2023.**
- 3) Ukrainian sugar trade to and through the EU must be carefully monitored via a suitable licensing system, with safeguards being swiftly applied.**

Background information

The huge displacement of ACP/LDC sugar caused by increasing imports from Ukraine, amounting to perhaps around a third of all anticipated ACP/LDC sugar exports to the EU markets, will now doubtless have to find less remunerative and riskier outlets in the global markets, at great cost to socio-economic development in ACP and LDC countries. The sugar industries of ACP and LDC countries provide secure, relatively well-paid and decent employment for more than 500,000 people – supporting many more family members and downstream jobs ⁽¹⁾. These industries also play a vital

¹ https://acpsugar.org/s/acpldc_sugar_cane_development_role_final.pdf

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role in the transition to a more sustainable, pollution-free and biodiverse environment globally. These industries deserve coherent policy for development, not the opposite.

Moreover, it remains possible by means of strengthened regulation of import licences and the EU-Ukraine Solidarity Lanes, to support Ukrainian sugar farmers and processors by enabling them to regain their remunerative outlets in the North African and Middle East markets which were open to Ukrainian sugar prior to Russia's invasion and the disruption of sea freight operations.

Under the terms of the Economic Partnership Agreements with ACP countries, for example under Article 42 of the Agreement between the CARIFORUM States and the EU ⁽²⁾, the EU commits to "undertake prior consultations on trade policy developments that may impact on the competitive positions of traditional agricultural products, including bananas, rum, rice and sugar, in the market of the EC Party". Have such consultations taken place with the CARIFORUM states as required?

We call on the European Union to adopt such strengthened regulation as may be necessary to enable Ukrainian sugar to be exported to the North African and Middle East markets, and in line with current trade treaty obligations, to permit ACP and LDC sugars to maintain significant preferential access within the European markets for as long as is feasible, and to ensure that any unavoidable reduction in preference is phased in over as long a period as possible.

About the ACP/LDC Sugar Industries Group

- The ACP/LDC Sugar Industries Group is a group open to sugar industries in all countries which are eligible to supply sugar duty free and quota free to the EU and the UK markets – "Preferential Sugar" – under the ACP Economic Partnership Agreements, and/or is a beneficiary country of the special GSP arrangement for the least-developed countries – "Everything But Arms".
- Currently, the following countries are represented by the Group: Belize, Benin, Dominican Republic, Eswatini, Fiji, Lao PDR, Malawi, Mauritius, Moçambique, Sierra Leone, South Africa, Sudan, Tanzania, Togo, Zambia and Zimbabwe.
- Through its member organizations and companies, the Group seeks to represent all ACP/LDC sugar farmers and millers.
- The Group liaises closely with the Organization of African, Caribbean and Pacific States (OACPS), notably through the OACPS Working Group on Sugar and Rum.
- The Group meets annually in the margins of the International Sugar Organization annual seminar in London.
- The group is led by an Executive Director and an Executive Committee, elected annually, currently comprising 12 persons, which meets once every two months.

For further information, please contact the Executive Director of the ACP/LDC Sugar Industries Group, Mr Julian Price by email to julian@julianprice.com or WhatsApp +44 7768 908347.

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² Official Journal of the European Union L289 of 30.10.2008