

# ACP-LDC Sugar Industry Group

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

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## **Statement in relation to the negotiations for concluding a UK/EU27 Free Trade Agreement**

**9 June 2020**

The ACP/LDC Sugar Industry Group (ACP Sugar) is an organisation open to sugar industries in countries which are eligible to supply duty free and quota free sugar to the EU and which are listed in Annex 1 to EU Regulation 2015/1550 <sup>(1)</sup>, plus South Africa. Currently 19 sugar industries are represented.

- The UK announced in May 2020 its Global Tariff schedules to come into effect on 1<sup>st</sup> January 2021. These schedules contained, for bulk raw sugar, an Autonomous Tariff Rate Quota (ATRQ) of 260,000 metric tons. In order to protect the value of preferential access, ACP Sugar urges the UK to manage and open any ATRQ for sugar only on the basis of an established and verified market shortage and thus in a similar way to the arrangements for the implementation of “Exceptional Measures” in the EU sugar sector.
- The EU continues to subsidise the production of sugar through Voluntary Coupled Support (VCS) measures. In the last year for which statistics are available, in 2017, the EU paid €175,559,640 to sugar beet farmers in eleven member states, supporting the production of sugar beet on 485,991 hectares of land which would otherwise “face difficulties” (Article 52(3) of Regulation (EU) No 1307/2013 <sup>(2)</sup>) with an average subsidy of €361 per hectare of beet, producing around four million tonnes per annum of sugar or fully one quarter of the EU28’s total sugar production <sup>(3)</sup>. Whilst the EU continues to subsidise its sugar producers through VCS, the full MFN tariff should be applied to all EU sugar exports to the UK.
- The ACP/LDC countries have agreed European Partnership Agreements (EPAs) with the EU and/or they may benefit from the “Everything but Arms” (EBA) initiative with the EU. The EPAs and EBA are a foundational basis for the EU to honour its commitments to developing countries and support their development goals. The UK has agreed Continuity Agreements with certain ACP countries identical in virtually every respect to the EPAs and the UK has also undertaken to enact its own EBA initiative in favour of Least Developed Countries. It is therefore logical and indeed essential that Rules of Origin in any UK/EU27 FTA must permit cumulation for ACP/LDC sugar which may be both “sufficiently” or “insufficiently” processed into other products, such as refining, re-packaging or in the manufacture of food products, such that ACP/LDC sugar and products may remain duty free in trade between the EU and the UK in both directions.

For further information, please see our website at <https://www.acpsugarbrexit.com/> or email us at [enquiries.acpsugar@gmail.com](mailto:enquiries.acpsugar@gmail.com)

*Representing the national sugar industries of Bangladesh, Belize, Benin, Dominican Republic, eSwatini, Fiji, Guyana, Jamaica, Lao, Malawi, Mauritius, Mozambique, Sierra Leone, South Africa, Sudan, Tanzania, Togo, Zambia & Zimbabwe.*

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1 <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32015R1550>

2 Report of the High-Level Group on Sugar, 5 July 2019: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02013R1307-20190301>

3 [https://ec.europa.eu/info/food-farming-fisheries/plants-and-plant-products/plant-products/sugar\\_en#highlevelgroup](https://ec.europa.eu/info/food-farming-fisheries/plants-and-plant-products/plant-products/sugar_en#highlevelgroup)