Department for
International Trade

Public consultation: Sugar ATQ

Consultation response form

Contents

Privacy notice

Consultation on development of the UK's Autonomous Tariff Quota (ATQ) on Sugar.

This notice sets out your rights with respect to how we will use your personal data. The Department for International Trade (DIT) recognises that it has a duty to people whose information it holds to treat that information responsibly, keep it safe and secure, and process it correctly and proportionately. This Privacy Notice broadly explains what information we collect, the purpose for processing, categories of personal information and who we may share it with.

Purpose

The government is committed to an ambitious, transparent and inclusive UK trade policy that takes account of the views of all sectors of society and international stakeholders; including the general public, devolved administrations and the regions, businesses, civil society groups, consumers, associations and any other interested stakeholders.

In line with this, the government has launched a 3-week public consultation on the UK's raw cane sugar ATQ.

Information provided whilst contributing to this consultation, including personal data, may be published or disclosed in accordance with access to information regimes, primarily the Freedom of Information Act 2000 (FOIA), Environmental Informational Regulations 2004 (EIR), General Data Protection Regulation 2016 (GDPR) and the Data Protection Act 2018 (DPA).

The Department for International Trade will process personal data supplied for this purpose in accordance with GDPR and DPA and guidance from the Information Commissioners Office. The information you provide will be processed on the lawful basis of public interest. If you are providing a response on behalf of a third party, you must ensure you get their consent prior to submission.

If you want the information you provide to be treated confidentially, please be aware that, in accordance with the FOIA and EIR, public authorities are required to comply with a statutory regime and code of practice which deals, amongst other things, with obligations of confidence. In view of this, it would be helpful if you could explain to us why you wish that information to be treated confidentially. If we receive a request for disclosure of information that has been provided, we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances.

Your data

Mandatory Information to be collected as part of the consultation:

- name (first name and surname)

- email address
- name of Organisation / Business / Organisation you represent, if any

We use your personal data to help us identify any responses from bots or other fraudulent sources to maintain the integrity of the consultation. We may also use your contact details, with your consent, to get in touch with you to discuss your response to our consultation or to get in touch to discuss other trade related issues. We may also use your contact details to remove your response if you instruct us to do so.

Your personal data will be processed and shared within the department and with selected third parties for purposes connected with DIT performing a task in the public interest, or to fulfil an official function, and the task or function has a clear basis in law, including to:

- design an effective tariff policy with regards to sugar
- ensure that the UK's tariff policy with regards to sugar captures the views of its stakeholders
- enable HM Government to follow up on the points raised in the consultation

How we may share your information

Your personal data will be processed and shared within the Department for International Trade and with selected third parties.

Third parties with whom information and personal data will be shared with are:

- other government departments including but not limited to: Department for Business, Energy and Industrial Strategy; Ministry of Housing, Communities & Local Government; Department for Transport; HM Revenue & Customs; HM Treasury, Department for Environment, Food and Rural Affairs, Foreign Commonwealth and Development Office, Department of Health and Social Care, Department for Digital, Culture, Media and Sport, Department for International Development and Ministry of Justice
- specialist organisations within government (including the Office for National Statistics) and externally to process the data to provide an aggregated assessment of responses

Aggregated analysis of responses may be shared with the Information Commissioner's Office (ICO), the Government Internal Audit Agency (GIAA), the National Audit Office (NAO) and central Government departments. Should there be a requirement to share your personal data with other third parties not included in this list, you will be notified beforehand via a revised privacy notice.

We will not:

- sell or rent your data to third parties
- share your data with third parties for marketing purposes
- use your data in analytics

We will also share your data if we are required to do so by law or regulation – for example, by court order, or to prevent fraud or other crime.

How long we will retain your information

We will only retain your personal data for as long as necessary to fulfil the purposes we collected it for, including for the purposes of satisfying any legal, accounting, or reporting requirements. We will only retain your personal data for as long as:

- it is needed for the purposes set out in this document
- the law requires us to

Subject to the paragraph above, we will retain your personal data for up to 3 years from the date on which it is provided or subsequently updated and your overall response for up to 10 years, however we conduct regular reviews to ensure we only keep information required for the purpose of which it was collected. Should there be any indication that there will be a business need to extend this retention period, this will be robustly reviewed, and any changes will be clearly outlined and recorded in a revised notice.

Your rights and access to your information

You have the right to request a copy of the personal data that we hold about you. The DPA also gives you additional rights that refer to how the DIT holds and uses your information.

Consequently, under certain circumstances, by law you have the right to:

1) Raise an objection to how your data is processed.
2) Withdraw consent and the right to object and restrict further processing of your data; however, where legally enforceable this may affect the service, we are able to provide to you.
3) Request to have your data deleted where there is no compelling reason for its continued processing and provided that there are no legitimate grounds for retaining it.

- Request your data to be rectified if it is inaccurate or incomplete.
- Not be subject to automated decision-making including profiling.
- Request details about how your personal data is processed and to request a copy of your personal data.

Identity and contact details

The Department for International Trade are registered as a Data Controller under the General Data Protection Regulation and Data Protection Act 2018. Our contact details are:

Data Protection Officer
55 Whitehall Place
Westminster

London
SW1A 2HP
Email: data.protection@trade.gov.uk

You have a right to complain to us if you think we have not complied with our obligation for handling your personal information. You can contact our Data Protection Officer using the same contact.

If you are not satisfied with the DIT response you have a right to complain to the Information Commissioner's Office (ICO). You can report a concern by visiting the ICO website.

For more information about your rights under the Data Protection Act or to request a copy of any data held about you please contact data.protection@trade.gov.uk

Public consultation questionnaire: Sugar ATQ

Please see the questionnaire below for your consideration.

- Section 1 – Privacy and Confidentiality
- Section 2 – Domestic Sugar Production
- Section 3 – Importing Sugar into the UK
- Section 4 – Exporting Sugar to the UK
- Section 5 - Questions on the Sugar ATQs
- Section 6 – Stakeholder Information

Please answer the questions and once completed please email them to: sugarreview@trade.gov.uk

Use X to indicate your answer in the relevant box.

Section 1: privacy and confidentiality

By answering these questions I give my consent for the contents to be used for the purposes of this consultation.

This includes this data being shared with Other UK government departments as necessary to complete this consultation.

Any details of this consultation published will not include any personal identifiable details.

a. **Please provide your name** (This information is mandatory), please see the privacy notice for reasons why this information is needed.

First name	Philip
Surname	de Pass

b. Do you consent for the Department for International Trade, or organisations working on their behalf, to contact you regarding the responses you have given? [For example, to clarify any of your responses or to request additional information]

Yes	X
No	

c. Would you like the Department for International Trade to contact you about wider trade policy and related developments?

Yes	X
No	

d. Who are you responding on behalf of?

An individual - You are responding with your personal views, not as an official representative of any organisation.	
Non-governmental organisation – You are responding on behalf of a non-governmental organisation (an organisation outside of the Public sector set up not for purposes that are primarily to conduct business).	
Public sector body – You are responding in an official capacity as a representative of a Public body either in the UK or Elsewhere (Devolved Administration / Local Government organisation, etc..)	
Business - In an official capacity with the views of an individual business.	
Business association - In an official capacity representing the views of a business organisation	**The ACP/LDC Sugar Industry Group**
Other - please specify	

e. If you are content for your organisation to be identified in the government's response to the consultation, please include it here:

Yes. The ACP/LDC Sugar Industry group is an unincorporated association open to sugar industries in countries that are eligible to supply quota free and tariff free to the EU and who are listed in Annex 1 to EU Regulation 2015/1550, plus South Africa. **Industries from eligible countries that are currently represented are: Bangladesh, Belize, Benin, The Dominican Republic, eSwatini, Fiji, Guyana, Jamaica, Lao, Malawi, Mauritius, Mozambique, Sierra Leone, South Africa, Sudan, Tanzania, Togo, Zambia and Zimbabwe**

Section 2: Domestic sugar production

a. **Do you produce sugar in the UK?** [for example, through processing sugar beet or refining raw cane sugar]

Yes – please specify product (e.g. white sugar, sugar beet, sugar syrups, etc.)	
No	X
Prefer not to say	

[If responded yes to question 2(a)]

b. **In which region(s) in the UK do you produce sugar?**
Please select all that apply

South East England	
Greater London	
South West England	
East of England	
West Midlands	
East Midlands	
Yorkshire and the Humber	
North West England	
North East England	
Scotland	
Wales	
Northern Ireland	
Other country, please specify:	
Prefer not to say	

[If responded yes to question 2(a)]

c. **What is the approximate value and quantity of sugar that you produce annually?**

[If responded yes to question 2(a)]

d. What method of sugar production do you use?

Raw cane sugar refining	
Sugar beet refining	
Other – please specify	

[If responded yes to question 2(a)]

e. What is the intended purpose of the sugar you produce?
Please provide an approximate value or volume against each selected option.

Domestic consumption	
Exports	
Both	
Other – please specify	

Section 3: Importing sugar into the UK

a. Do you import sugar in any form into the UK?

Yes	
No	X

[If responded yes to question 3(a)]

b. Which of the following do you import into the UK?
Please provide an approximate value or volume against each selected option.

Cane sugar for refining (17011310, 17011410)	
Raw cane sugar for other than refining (17011390)	
Sugar beet for refining (17011210)	
Sugar beet for other than refining (17011290)	
Finished white sugar (17019910)	
Sugar syrups – please specify (170220, 170230, 170240, 170260, 170290)	
Sugar confectionary (finished products) – please specify (170490)	

Other – please specify	

[If responded yes to question 3(a)]

c. From which region(s) of the world do you import these products?
Please select all that apply.

Please provide an approximate value or volume against each selected option.

EU (including EEA, EFTA and Turkey)	
Eastern Europe (including Russia)	
Asia	
Oceania	
North America	
Central and South America	
Africa	

[If responded yes to question 3(a)]

d. Which of the following trading arrangements do you use for your imports?
Please select all that apply.

Most Favoured Nation Terms	
Free Trade Agreements	
Generalised Scheme of Preferences	
Other, *please specify*	

[If responded yes to question 3(a)]

e. What is the intended purpose of the products you import?
Please select all that apply.

Please provide an approximate value or volume against each selected option.

Domestic sale/consumption with processing/refining	
Domestic sale/consumption without processing/refining	
Exports with processing/refining	
Exports without processing/refining	
Other – please specify	

Section 4: Exporting sugar to the UK

a. Do you export sugar in any form into the UK?

Yes	X
No	

[If responded yes to question 4(a)]

b. Which of the following do you export to the UK?

Please provide an approximate value or volume against each selected option.

Cane sugar for refining (17011310, 17011410)	344,572 tonnes
Raw cane sugar for other than refining (17011390, 17011490)	77,653 tonnes
Sugar beet for refining (17011210)	0
Sugar beet for other than refining (17011290)	0
Finished white sugar (17019910)	6,932 tonnes
Sugar syrups – please specify (170220, 170230, 170240, 170260, 170290)	n/a
Sugar confectionary (finished products) – please specify (170490)	n/a
Other – please specify	

Total_Quantity				
	2018/19		**2019/20**	
	EU27	**UK**	**EU27**	**UK**
DC raws	153,100	77,653	67,824	27,049
Raw cane sugar for refining	520,051	344,572	342,563	278,748
Refined sugar	182,189	6,932	184,818	11,511
Grand Total	**855,340**	**429,157**	**595,205**	**317,308**

(Note: 2019/20 figures are 10 months 1st October 2019 to 30th July 2020)

Total_Revenue	2018/19		2019/20	
	EU27	UK	EU27	UK
DC raws	€ 71,969,571	€ 31,032,801	€ 38,858,424	€ 19,010,106
Raw cane sugar for refining	€ 143,595,042	€ 100,044,969	€ 108,766,312	€ 105,880,224
Refined sugar	€ 69,957,605	€ 4,844,733	€ 76,756,503	€ 7,276,944
Grand Total	**€ 285,522,218**	**€ 135,922,503**	**€ 224,381,239**	**€ 132,167,274**

Source: Eurostat, ECB and ONS. Data downloaded 16 September 2020.

[If responded yes to question 4(a)]

c. From which region(s) of the world do you export these products into the UK?

Please select all that apply.

Please provide an approximate value or volume against each selected option.

EU (including EEA, EFTA and Turkey)	
Eastern Europe (including Russia)	
Asia	X
Oceania	X
North America	
Central and South America	X Plus the Caribbean
Africa	X

Total_Quantity	EU27 MY 18/19	EU27 MY 19/20	UK MY 18/19	UK MY 19/20
CENTRAL AMERICA AND CARIBBEAN	15,735	45,347	223,506	94,456
PACIFIC AND AUSTRALASIA	34,557	65,669	49,000	23,000
SOUTH AMERICA	5	5	0	0
SUBSAHARA (EAST)	805,039	484,182	156,651	199,852
SUBSAHARA (WEST)	3	2	0	0
Grand Total	**855,340**	**595,205**	**429,157**	**317,308**

(Note: 2019/20 figures are 10 months 1st October 2019 to 30th July 2020)

[If responded yes to question 4(a)]

d. Which of the following trading arrangements do you use for your exports?

Please select all that apply.

Most Favoured Nation Terms	
Free Trade Agreements	X
Generalised Scheme of Preferences	X
Other, *please specify*	Continuity Agreements/EPAs & EBA (Everything but Arms)

[If responded yes to question 4(a)]

e. What is the intended purpose of the products you export? Please select all that apply.

Please provide an approximate value or volume against each selected option.

Domestic sale/consumption with processing/refining	**EUR 100 million**
Domestic sale/consumption without processing/refining	**EUR 25 million**
Exports with processing/refining	**n/a**
Exports without processing/refining	**n/a**
Other – please specify	**n/a**

Total_Revenue	**2018/19 EU27**	**2018/19 UK**	**2019/20 EU27**	**2019/20 UK**
DC raws	€ 59,837,805	€ 20,169,948	€ 37,717,599	€ 19,010,106
Raw cane sugar for refining	€ 143,595,042	€ 100,044,969	€ 108,766,312	€ 105,880,224
Refined sugar	€ 69,957,588	€ 4,844,733	€ 76,756,503	€ 7,276,944
Grand Total	**€ 273,390,435**	**€ 125,059,650**	**€ 223,240,414**	**€ 132,167,274**

Section 5: Questions on sugar ATQs

Autonomous Tariff Rate Quotas (ATQs) allow imports up to a given quantity of a good to come in at a lower or zero tariff for a specified period of time. Once imports exceed this given quantity, the UKGT will apply.

An autonomous quota of 260,000 tonnes was announced on 19 May 2020 as part of the UKGT to apply from 1 January 2021, for 12 months, with an in-quota rate of 0%. Once the quota threshold is met, the out of quota tariff rate, the UKGT MFN rate of £28.00/100kg, will apply. Please note that UKGT MFN rate is not in scope for this review.

a. Are you in favour of an ATQ on Raw Cane Sugar?

[A question on volume will follow]

Yes	
No	X (please see qualification below)
Don't know	
Prefer not to say	

b. Please explain your answer and provide any further comments and evidence to support this view:

We do not support the 260,000 ATRQ at zero tariff and would only support the mechanism of an ATRQ if it was deployed under circumstances when there is a genuine verified shortage of sugar from local production and preferential sources, and in such cases managed in a way that will not impact negatively on the preferential margins intended for sugar from EPA and EBA countries.

It is our understanding that as a trade instrument ATQs are generally utilised as an exceptional market stabilisation measure in the event that supplies from domestic sources and preferential suppliers are insufficient to meet domestic demand. In such circumstances, where business continuity is threatened, an ATQ may be a legitimate response.

This condition for the establishment of an ATQ is not currently applicable to the UK sugar market. As reflected in the tables below, EPA and EPA preferential suppliers annually produce an exportable surplus to domestic consumption of 2.422 million tons (Source ISO) in comparison to an estimated UK deficit of only 419,836 tons, after having taken account of existing access quotas.

The proposed ATRQ of 260,000 metric tons at zero tariff would undermine and devalue both in terms of volume and price the market for refined sugar and for raw sugar for refining from developing countries which negotiated preferences in good faith with the UK.

SUPPLY

- ACP/LDC countries had surpluses, (production less domestic consumption) as follows:

	Million/MT
2014/15	2.019
2015/16	1.617
2016/17	1.868
2017/18	2.105
2018/19	2.450
2019/20	2.422

(Source ISO)

- ACP/LDC suppliers have exported the following tonnages to Europe over the last 5 years:

	Million/MT
2014/15	2.030
2015/16	1.570
2016/17	1.226
2017/18	0.793
2018/19	1.193
2019/20 (to July)	0.910

(Source: Eurostat)

	EU27 Total_Quantity	EU27 Total_Revenue	UK Total_Quantity	UK Total_Revenue	Total Total_Quantity	Tota Total_Revenu
2014/15	1,499,232	€ 599,216,805	530,620	€ 246,678,684	2,029,852	€ 845,895,48
2015/16	1,181,383	€ 485,985,309	389,561	€ 158,178,455	1,570,944	€ 644,163,76
2016/17	951,648	€ 451,893,782	274,154	€ 134,245,191	1,225,802	€ 586,138,97
2017/18	422,664	€ 178,910,485	370,403	€ 128,426,530	793,067	€ 307,337,01
2018/19	810,924	€ 273,390,435	382,349	€ 125,059,650	1,193,274	€ 398,450,08
2019/20	591,324	€ 223,240,414	317,308	€ 132,167,274	908,631	€ 355,407,68

(Note: 2019/20 figures are 10 months 1st October 2019 to 30th July 2020)

- In the context of a single EU market for sugar, including the UK, ACP/LDC suppliers delivered the following tonnages of bulk raw sugar for refining to ports where Tate and Lyle uniquely operate their three European refineries

Total Quantity				
	Italy	Portugal	United Kingdom	Grand Total
2014/15	236,756	274,598	427,380	938,733
2015/16	118,674	140,510	315,558	574,742
2016/17	152,392	186,651	203,142	542,186
2017/18	127,509	63,790	332,507	523,806
2018/19	133,119	171,964	344,572	649,655
2019/20 to July	120,766	117,751	278,748	517,264

The wider European numbers have more relevance than those contained in the information pack because they define the amount of sugar delivered, itself a function of demand and hence the deficit rather than availability. Tate and Lyle refine sugar in Portugal and Italy in addition to the UK. They will normally contract with suppliers on the basis of the buyer having the option to deliver to any of its operations and thus the origin and volumes delivered to the UK are to a great extent controlled by Tate and Lyle. After 1st January 2021, the EU/UK market may no longer represent a homogeneous market for preferential sugar suppliers and the UK market may not be (and indeed should not be) distorted by subsidised overproduction. It would therefore be relatively more attractive as a destination for preferential sugar supplies.

There is therefore more than enough sugar from existing ACP/LDC sources to meet the deficit in the UK.

DEMAND/THE UK BALANCE SHEET

The following shows the existing tariff quotas, Free trade agreement tonnages and thus supply including the proposed 260,000mt but excluding:

- ACP/LDC traditional supplies
- EU27 Supplies

This indicates that, with an ATRQ of 260,000mt, there will be very little market left for the 27 ACP/LDC suppliers against current demand who have traditionally relied on the UK market as one of their largest export destinations.

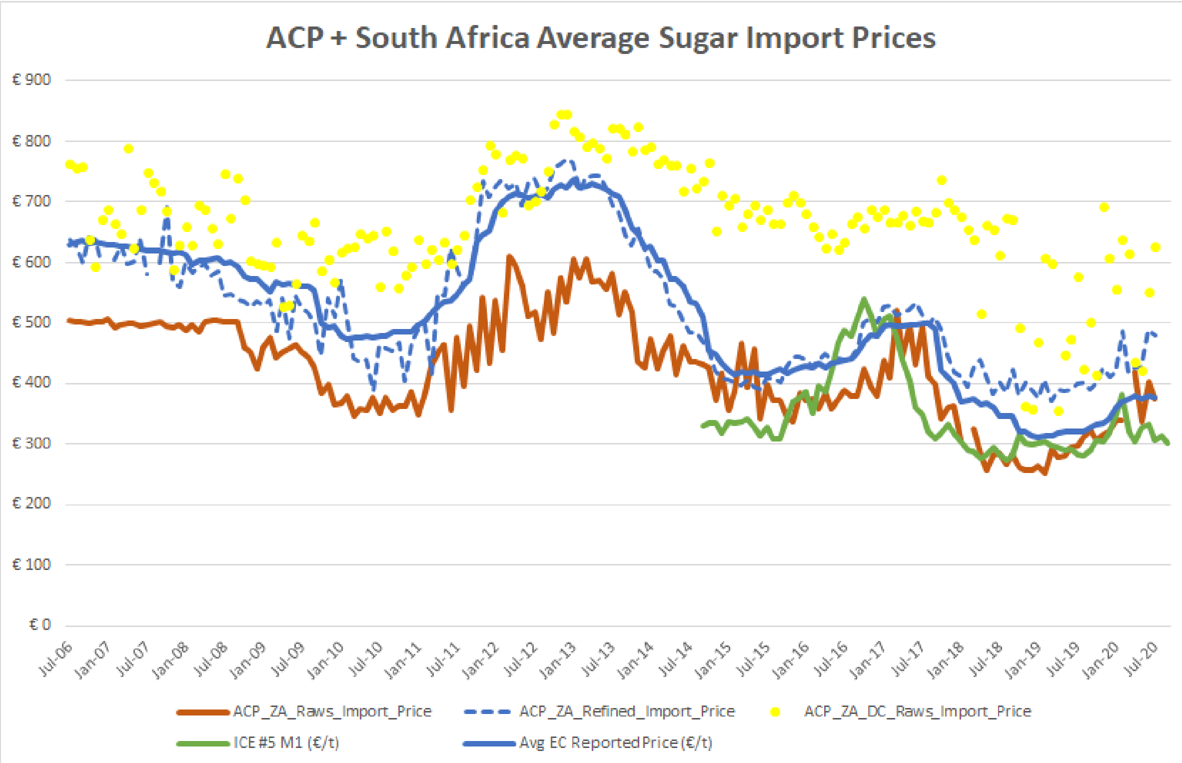
Estimated UK sugar supplies after 1st January 2021

Quotas already agreed	Sugar qualities	UK quantity
CXL quotas	Raws for refining only	66,050
	Any sugar under 1701	4,159
Free trade agreements		
South Africa	Raws for refining or white sugar	22,045
South Africa	Raws for refining only	49,320
Peru	All sugars and syrups	5,095
Colombia	All sugars and syrups	6,903
Ecuador	All sugars and syrups	2,349
Central America	Sugar and goods with high sugar content	66,116
Panama	Sugar and goods with high sugar content	2,272
Autonomous Tariff Quota	Raws for refining only	260,000
UK beet sugar production (3yr average)		1,227,220
Total potential UK sugar supply		1,711,529
Estimate of UK sugar consumption		1,800,000
Room for imports from ACP/LDC countries (excluding South Africa)		88,471

PRICE OF RAW SUGAR FOR REFINING

The world market price for sugar is heavily distorted by subsidies and various other forms of support in virtually all of the largest exporters. It cannot be a benchmark for a sustainable national sugar policy. The world market price rarely exceeds the cost of production even in the lowest cost industries around the world.

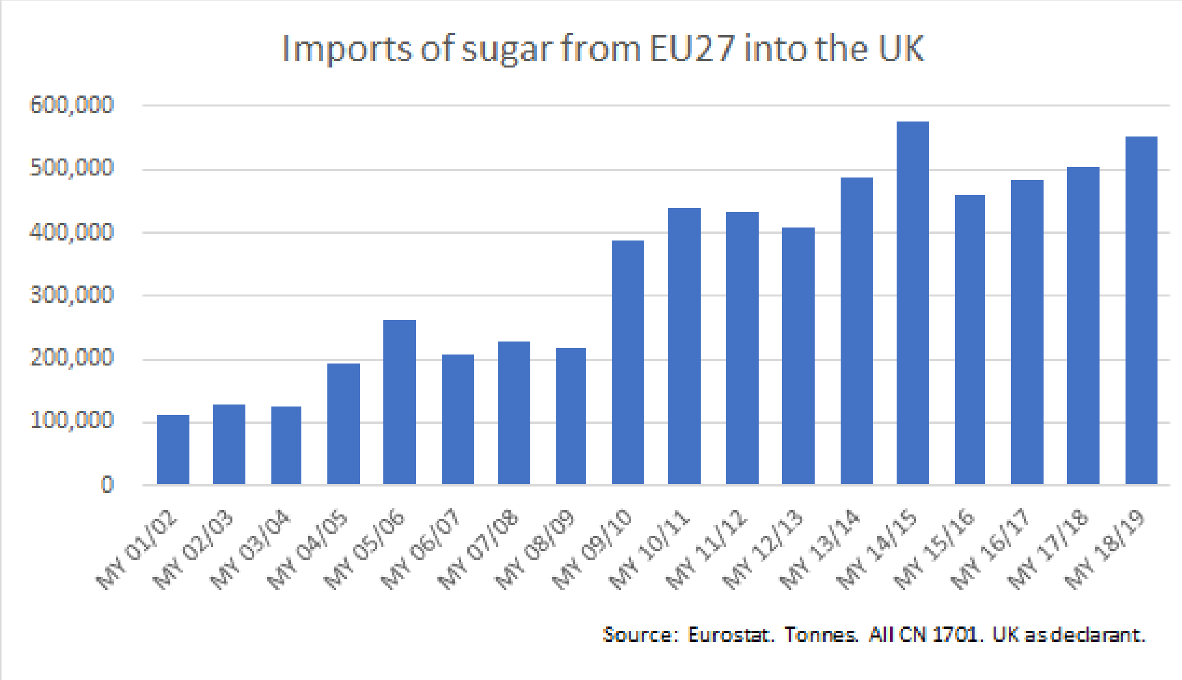
Figure 1 of "The UK Sugar regime" section of the information pack appears to demonstrate that, notably, since the abolition of EU sugar quotas, the price of imported ACP/LDC sugar is regularly above not only the world market price for refined sugar but also the domestic EU refined sugar price. This is misleading. The "ACP/LDC import price" quoted mixes a number of different prices including the price of speciality and organic sugar which trade at significant premiums to bulk raw sugar prices. The mixing of the prices for different types of ACP/LDC sugar therefore gives an inflated and distorted picture of the price paid for raw sugar for refining.



(Source of date: Eurostat, ONS, ICE and ECB)

The information pack repeats the erroneous assertion that the cost of production in ACP/LDC countries is a determinant in pricing of raw sugar for refining. ACP/LDC sugar industries represent many examples of some of the most cost efficient and well managed sugar industries in the world. More importantly, this is fundamentally not the way markets work and the supply of raw sugar for refining is itself a market. There are 27 regular existing suppliers of raw sugar with preferential tariffs (*) that have to compete for the Tate and Lyle's demand in the UK. There is essentially only one full time refiner. Tate and Lyle's bargaining position with its suppliers is therefore very strong. Its refining interests in Europe add to that strength. An ATRQ of 260,000mt at zero tariff would totally undermine the value of the market for raw sugar and a balanced bargaining position for traditional suppliers.

Tate and Lyle's margin, throughput and hence long-term viability are determined not just by the cost of its principle raw material, bulk raw sugar, but also by the market for its final product, refined sugar. The problem that ACP/LDC suppliers and Tate and Lyle share today, in common with domestic beet producers and processors, is the import of surpluses from EU 27. These import volumes have increased exponentially since 2009 and most sharply after 2013 and the introduction of Voluntary Coupled Support subsidies to beet growers in 11 EU member states.



State aid in the form of Voluntary Coupled Support (VCS) is currently paid to farmers on 31% of the EU's beet area. It is estimated that this sustains between 3 and 4 million tonnes of domestic beet sugar production. It is calculated that so far this has cost ACP-LDC suppliers at least €300 million in lost revenue.

Recognising this competitive distortion, it is imperative in order to maintain cane refining capacity in the UK and potential value for ACP-LDC suppliers that UK trade policy in sugar should impose the MFN tariff on EU27 sugar after 1st January 2021 and thus create a level, more equitable playing field for the cane sector and indeed domestic UK beet. This would potentially help to restore market share for the cane sector and hence also increase utilised capacity at Thames refinery and reduce fixed costs, while providing a home for traditional supply.

(*) *Australia, Belize, Brazil, Cambodia, Colombia, Costa Rica, Cuba, El Salvador, eSwatini, Fiji, Guatemala, Guyana, Honduras, Jamaica, Laos, Madagascar, Malawi, Mozambique, Nicaragua, Panama, Paraguay, Peru, Réunion, South Africa, Sudan, Zambia and Zimbabwe.*

If responding yes to question 5(a) being in favour of an ATQ on Raw Cane Sugar:

c. Are you content with the previously proposed volume of the ATQ of 260,000 tonnes?

Yes	

No	
Don't know	
Prefer not to say	

If responding no to question 5(a),

d. Please state the preferred volume you are proposing:

As stated earlier, the ACP/LDC sugar industries do not support the establishment of an ATQ unless it is required under exceptional circumstances to manage market supply in times of a verified shortage. The volume and the tariff should be determined by an independent authority on the basis of accurate statistical information and the prevailing market conditions.

Our group has, for a number of years participated in supplying accurate availability forecasts to the EU Commission and we will be happy to continue to do this to the UK authority. Current verifiable statistical information clearly signals that the establishment of an ATQ would not have been required to date, as sufficient surplus of sugar have been available from ACP/LDC states.

e. Please explain the impact your preferred volume would have on you [Please answer this question based on the viewpoint of how you are responding to this consultation. For example, if you are responding as a business, the answer should focus on the impact it would have to your business.]

The ATQ of 260,000 mt, operated without regulatory control respecting the need to maintain preferential remunerative value for ACP-LDC suppliers, together with continued tariff-free access for subsidised EU27 exports would effectively all but end the trade in sugar from our group of countries, a trade that has been at the heart of the development of our industries and, in many cases our economies, for decades. The end of this trade would have a profound socio-economic impact on the hundreds of thousands of lives that depend on the sugar cane sector in some of the poorest countries in the world (See: https://acpsugar.org/s/acpldc_sugar_cane_development_role_final.pdf)

f. Do you believe there is an alternative option that would be more suitable than an ATQ? Please answer this with consideration and reference to the government's objective of delivering on its trade ambitions and commitment to developing countries and the principles set out in section 8 of the Taxation (Cross-border Trade) Act 2018. The TCBTA principles are below:

- **The interests of consumers in the UK**
- **The interests of producers in the UK of the goods concerned**

- **The desire to maintain and promote the external trade of the UK**
- **The desire to maintain and promote productivity in the UK**
- **The extent to which the goods concerned are subject to competition**

[please specify and provide justifications for your answer]

The ACP/LDC sugar industries group needs the UK to implement a policy that sustains a profitable and healthy future for cane refining in the UK through which sugar from its traditional suppliers can benefit, with consideration being given to the long history the UK has had in the socio-economic upliftment of some of the poorest countries in the world and the positive upliftment on the lives of hundreds of thousands people in these communities.

A tariff imposed on VCS subsidised sugar imports into the UK from the EU, and indeed on other origins, is the right solution to this problem. As mentioned above an ATQ should only be considered when required under exceptional circumstances when there is a genuine proven shortage of sugar from local production and preferential sources, and in such cases managed in a way that will not impact negatively on the preferential margins intended for sugar from EPA and EBA countries.

This combination of measures, together with the mechanism of an ATQ that would only be triggered at times of verified shortage, would ensure that the market is fully supplied, volume and viability is restored to cane refining and traditional suppliers from ACP/LDC countries and ensure that market prices remain competitive.

g. **What would the impact on you be if an ATQ were established for raw cane sugar at 260,000 tonnes:** *[*Please answer this question based on the viewpoint of how you are responding to this consultation. For example, if you are responding as a business, the answer should focus on the impact it would have to your business.]

To the extent that there is ACP/LDC availability, without measures to preserve the value of their sugar, sugar suppliers can be expected to take 100% of the impact of this ATQ. They would be expected to lose 260,000 mt of market share which has associated revenues estimated to be about £81m per annum (*). The loss of preferential outlets in developed markets such as the UK would also have an effect on the ability of ACP/LDC industries to raise finance for working capital and projects to improve their own efficiency and competitiveness and long-term viability. The traditional socio-economic impact in some of the world's poorest countries would also be lost.

(*) 260,000 tonnes × 370 €/t / 1.1 €/£ = £81,000,000 per annum

f. **What would the impact on you be if an ATQ were established for raw cane sugar at a) a lower amount that 260,000 tonnes and b) a higher amount than**

260,000 tonnes and c) no ATQ at all: [Please answer this question based on the viewpoint of how you are responding to this consultation. For example, if you are responding as a business, the answer should focus on the impact it would have to your business.]

a) and b) The impact in terms of market share on ACP/LDC countries will be felt in direct proportion to the tonnage of an ATQ. Every ton granted will be a ton potentially lost by the ACP/LDC. Thus, half the tonnage will have half the impact on market share. However, the implication in terms of pricing of is more complicated. Even small tariff free ATQs are likely to undermine preference and seller's negotiating position.

c) No ATQ would, in the absence of other access being granted, maintain the status quo.

g. If a quota is introduced, do you think the quota should be administered via:

Licence	Yes. The ACP Sugar Group welcomes the recent draft revisions to RPA Leaflet ET1 as a good beginning and requests further detailed implementing rules for sugar as below, including for the ATQ if required.
First come first served	No
Other (please specify)	

h. Please provide any further comments and evidence on your preference:

Any Quota should be

- Based on a verified deficit in supply from preferential sources
- subject to an application for an import licence.
- To promote competition, licences should be potentially available to any operator registered for VAT in the UK.
- Licences should be valid for importation into the UK customs territory during the current month (of application) plus 3 months.
- Individual licences should be valid for a min/max quantity determined by the Bill of Lading weight.
- Licences should be transferable to any suitably qualified operator.

Applications for licences to supply a verified sugar deficit would be opened for each quarter during the first two weeks of the month prior to that quarter with results available by the end of the third week of that month. In the event that the total of valid applications exceeded the quantity available, each application would be reduced pro-rata and the security released for the non-successful quantity.

Applicants should be required to:

a. Establish a guarantee (security) amounting the value of the MFN tariff for raw cane sugar for refining (£28 per 100kg). The security could be lodged as currently with the Rural Payments Agency in Newcastle (RPA).

b. Once issued, licences may not be "sold back" to the RPA.

c. Import the sugar within the validity of the license, failing which the security would be cashed by the RPA.

d. Produce an end-use certificate to prove that the sugar in question was processed and transformed to another product with a different CN code at the 6 digit level within 12 months of importation, failing which the security would be cashed by the RPA.

i. If a quota is introduced, do you believe there should be standard-based restrictions on products this ATQ should apply to and if so why?

The ACP/LDC sugar industries are responsive to (and have invested heavily in) adhering to standards in their production processes that meet their customers' requirements. Many ACP/LDC industries already are certified by organisations such as Proterra, Bonsucro, VIVE and Fairtrade.

We do remain concerned, however, that the issue of Standards could be used as a non-tariff barrier to trade and believe that a simple tariff on subsidised sugar is the correct approach, notably in respect of EU27 & VCS.

j. Please use this space to provide any views or evidence around sugar imports and exports to the UK or UK production that you feel may be relevant to the review - that you do not feel you have had the opportunity to express in any of your previous answers:

We fully support a sugar policy that sustains a refining capacity in the UK, so long as this allows availability from ACP/LDC suppliers to be marketed at preferential/remunerative levels.

An unmanaged ATQ of 260,000 mt at zero tariff will be contrary to the legitimate expectations of ACP/LDC countries who have signed Continuity Agreements and FTAs in good faith with the UK Authorities. Furthermore, it would almost certainly be against the spirit of these agreements.

Sugar should continue to be treated as sensitive in all trade negotiations, especially with the EU. The UK market remains extremely important for ACP/LDC traditional suppliers of cane sugar who have negotiated in good faith preferential trade agreements with the UK, and any additional access in the form of ATQs or access through new FTAs will displace our sugar and directly impact our industries.

k. Do you agree that it is necessary to maintain a diversity of sugar supply and competition between different origins? And to what extent do you feel this contributes to the UK's future food security?

[please provide justifications for your answer]

There is already considerable diversity of supply and competition between origins. These will continue even in the UK market and yes, it is important to maintain such diversity. The sole buyer of raw cane sugar for refining in the UK can chose from active suppliers in more than 27 countries with preferential tariffs to the UK market, and meanwhile, there are a similar number of non-EU suppliers of direct consumption raw and refined sugar currently supplying the UK market. If needed, the ability to open an ATQ for raw sugar for refining and indeed refined sugar in times of shortage – but only in such times – would guarantee food security.

l. What are your views on the Government's preliminary assessment that the previously proposed ATQ would not have a material impact on price incentives for UK sugar beet processors? And that the ATQ meets the level of imports of raw cane sugar and white sugar imports required to meet the UK's sugar deficit?

[please provide justifications for your answer]

We do not support this preliminary assessment, albeit against the background of not having seen the details of any assessment. The ATQ would expose the UK beet sector and preferential suppliers- to world market prices, prices that are heavily subsidised and supported and cannot be considered a sustainable basis on which to establish an independent UK sugar policy. For the reasons stated earlier, preferential suppliers would be forced to compete with this price and thus the whole market, not just the tonnage of the ATQ, and traditional sugar supplies would gravitate to a distorted world market price. This is unsustainable for even the most cost-efficient producer.

There is currently more than enough tonnage available from existing suppliers to meet the market deficit and, whilst remaining a valid mechanism, on the basis of historical production, an ATQ of 260,000mt is not required at present to meet the UKs sugar deficit.

Section 6: stakeholder information

If responding Individual to Section 1(d)

a. Where do you currently live (your main address)?

South East England	
Greater London	
South West England	
East of England	
West Midlands	
East Midlands	
Yorkshire and the Humber	
North West England	
North East England	
Scotland	
Wales	
Northern Ireland	
Other country, please specify:	
Prefer not to say	

b. What is your gender?

Male	
Female	
Other	
Prefer not to say	

c. How old are you?

16-17	
18-24	
25-34	
35-44	
45-54	
55-64	
65+	
Prefer not to say	

d. What is your ethnicity?

White	
Mixed / Multiple ethnic groups	

Asian / Asian British	
Black / African / Caribbean / Black British	
Other (please specify):	
Prefer not to say	

If responding non-governmental organisation to Section 1(d)

a. **What is the name of the organisation you are responding on behalf of?**

(for example trade union, interest group, charity or academic institution)

b. **What is your company number with Companies House?**

If you are content to enter this number, we will be able to link your information to our records and ensure the relevant government officials will be made aware of your concerns and priorities.

Please specify your company house number:	
Don't know	
Prefer not to say	
Do not have a company number	

c. **Which area(s) does your organisation represent?**

This information is mandatory

Please select all that apply.

Education	
Health	
Labour/Workers Rights	
Human Rights	
Religious interests/groups	
International Development	
Food	
Environment	
Animals	
Farmers	
Consumers	
Product regulation/safety	
Manufacturing	

Transport	
Science/Technology	
Digital/Technology	
Broadcasting/Entertainment	
Financial/Business Services	
Defence/Security	
Academic institution	
Other (please specify)	
Prefer not to say	

d. How many members does your organisation represent in total?

0-9	
10-100	
101-250	
251-1000	
1001-5000	
5001-10000	
More than 10000	
Don't know	
Prefer not to say	

If responding Public Sector Body to Section 1(d)

a. What is the name of the public sector body you are responding on behalf of?

b. Which area(s) does your public sector body represent?

This information is mandatory

Please select all that apply

Education	
Health	
Labour/Workers Rights	
Human Rights	
Religious interests/groups	
International Development	
Food	
Environment	
Animals	
Farmers	

Consumers	
Product regulation/safety	
Manufacturing	
Transport	
Science/Technology	
Digital/Technology	
Broadcasting/Entertainment	
Financial/Business Services	
Defence/Security	
Devolved Administration/Local Government UK	
National Government (non-UK)	
Regional/Local Government (non-UK)	
Other (please specify)	
Prefer not to say	

If responding Business to Section 1(d)

a. **What is the name of your business?**

b. **What is your company number with Companies House?**

If you are content to enter this number, we will be able to link your information to our records and ensure the relevant government officials will be made aware of your concerns and priorities.

Please specify your company house number:	
Don't know	
Prefer not to say	
Do not have a company number	

c. **Approximately how many employees are currently on your businesses' payroll in the UK across all sites?**

0 (self-employed with no employees)	
1-9	
10-49	
50-99	
100-249	
250-499	

500-4999	
5000 or more	
Don’t know	
Prefer not to say	

d. Where is your business is located?

This information is mandatory

South East England	
Greater London	
South West England	
East of England	
West Midlands	
East Midlands	
Yorkshire and the Humber	
North West England	
North East England	
Scotland	
Wales	
Northern Ireland	
Other country, please specify:	
Prefer not to say	

e. In what sector(s) does your business predominately operate in the UK?

This information is mandatory

Please select all that apply

Agriculture	Agriculture, Forestry and Fishing	
	Other	
Energy and mining	Energy production and distribution	
	Mining and extraction	
	Other	
Manufacturing	Aerospace	
	Automotive	
	Chemicals	
	Clothing and Textiles	
	Food, Beverages and Tobacco	
	ICT and Electronics	
	Machinery and equipment	
	Metal products	
	Pharmaceuticals	
	Wood, Paper and Printing	
	Other	

Construction services	Construction services	
Business services	Architecture	
	Audit or accountancy	
	Financial services and insurance	
	Legal services	
	Real estate	
	Other	
Broadcasting, creative and digital sectors	Broadcasting	
	Digital and information technology	
	Creative industry	
	Other	
Transport, storage and distribution services	Air transport	
	Water transport	
	Storage and distribution	
	Other	
Public services	Education	
	Health and social care	
	Other	
Retail and Hospitality	Retail	
	Hotels and restaurants	
	Other	
Prefer not to say		

If responding business association to Section 1(d)

a. **What is the name of the trade association or business representative organisation you are responding on behalf of?**

ACP/LDC Sugar Industry Group representing sugar industries in 19 ACP/LDC countries

b. **Please specify**

This information is mandatory

i. **Number of businesses represented**

0-9	
10-100	X
101-250	
251-1000	
1001-5000	
5001-10000	
More than 10000	

Don't know	
Prefer not to say	

ii. Average size of businesses represented

Micro (0-9 employees)	
Small (10-49 employees)	
Medium (50-249 employees)	
Large (250 employees or above)	X

c. Which business area(s) does your organisation represent?

This information is mandatory

Please select all that apply

Agriculture	Agriculture, Forestry and Fishing	X
	Other	
Energy and mining	Energy production and distribution	
	Mining and extraction	
	Other	
Manufacturing	Aerospace	
	Automotive	
	Chemicals	
	Clothing and Textiles	
	Food, Beverages and Tobacco	X
	ICT and Electronics	
	Machinery and equipment	
	Metal products	
	Pharmaceuticals	
	Wood, Paper and Printing	
	Other	
Construction services	Construction services	
Business services	Architecture	
	Audit or accountancy	
	Financial services and insurance	
	Legal services	
	Real estate	
	Other	
Broadcasting, creative and digital sectors	Broadcasting	
	Digital and information technology	
	Creative industry	
	Other	
Transport, storage and distribution services	Air transport	
	Water transport	

	Storage and distribution	
	Other	
Public services	Education	
	Health and social care	
	Other	
Retail and Hospitality	Retail	
	Hotels and restaurants	
	Other	
Prefer not to say		

d. How did you find out about this consultation?

GOV.UK	x
Social Media	
Business Association	
Trade Union	
Word of Mouth	x
Other (please specify)	