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JOINT STATEMENT

European ethanol and sugar sectors call for zero market access for India

As the European Commission advances negotiations on a Free Trade Agreement (FTA) with India, the European ethanol and sugar sectors strongly urge the Commission to safeguard the EU market from subsidized and unsustainable imports originating from India.

- **Ethanol**

Over recent years, the EU ethanol sector has faced increasing pressure due to a surge in imports from third countries that often fail to meet the EU's stringent sustainability, environmental, and labour standards. While EU demand has not grown in due proportion, this unfair competition has significantly impacted the profitability and viability of EU producers, who operate under strict regulatory compliance and face among the highest production costs globally (energy, raw material, labour, environmental costs etc.).

India, now the third-largest ethanol producer worldwide, has nearly tripled its production in the last five years and is expected to triple it again by 2029 hence granting a tremendous support to its sugar producers. This dramatic expansion, fuelled by substantial domestic subsidies, looser labour and environmental regulations, and state-supported agricultural and fertilizer policies, poses a direct threat to the smaller and already vulnerable European ethanol sector. The existing ethanol policies in India which, inter alia, forbids the import of ethanol for blending with domestic fuel supplies, will further boost the competitiveness of the Indian ethanol in international markets.

Against this backdrop, opening the EU ethanol market to India under the FTA would further undermine the competitiveness of European producers and jeopardize the long-term sustainability of the EU ethanol and sugar sectors. It would ultimately impact EU farmer's revenue as sugar beet production provides much-needed additional income while CAP's budget is under discussion.

Conversely, EU ethanol producers strongly recommend to update the EU's ethanol import duties which have not been revised since 2000. They are now outdated and inadequate in offsetting the cost advantages enjoyed by most foreign producers as a result of local policy choices.

Besides, India has adopted a protectionist and strategic policy framework to support its domestic ethanol industry. This includes price guarantees (e.g. current government price for

fuel corn ethanol is 7186 INR (718.6€/m³) vs EU price 599€/m³), a.m. import restrictions, and incentives for domestic production (in the form of subventions, loans, grants and government schemes). The government emphasizes import substitution as part of "Atmanirbhar Bharat" (Self-Reliant India).

Considering defensive interests of EU and India, it should be both sides best interest to exclude ethanol from a duty-free agreement.

- Sugar

Similar to ethanol, India is in the top three largest sugar producers and exporters in the world, benefitting from extensive price subsidies, export incentives, and quota management systems, policies that the [World Trade Organisation \(WTO\) has already condemned for violating global trade rules](#). In March 2025 India authorised the export of 1 million tonnes of sugar, once again using the world market as an outlet for artificial structural surpluses. These policies depress global sugar prices and plead against any inclusion of sugar in the EU-India FTA.

Furthermore, the exclusion of sugar from the EU-India FTA has been supported by various analysis such as the European Commission's own [Trade Sustainability Impact Assessment \(SIA\)](#) which clearly recommends that sugar should be excluded from the negotiations due to serious social and environmental concerns. Such concerns are also valid for the ethanol production in India, ethanol production being directly linked to sugar production. These findings align with those of the European Parliament, which in its 2022 resolution, opposed concessions for Indian sugar while its subsidy regime and non-compliance with EU-equivalent standards persist. The recent conclusion of the UK-India FTA, which excludes sugar from its scope, sets a significant and prudent precedent.

EU sugar beet growers and manufacturers operate within the world's most rigorous framework of sustainability and labour rights. Including Indian sugar in the FTA would legitimise a production model that runs against the EU's Green Deal, the Farm to Fork Strategy, and our broader European sustainability goals. We therefore urge the European Commission to follow WTO findings, and the SIA's recommendations as well as the EP's 2022 resolution. We also note that the U.S. Department of Agriculture has recently announced no additional imports of specialty sugars beyond what U.S. international obligations dictate, on the basis of increasing imports and closure of sugar factories in the US.

Furthermore, our associations highlight the importance of launching a comprehensive impact analysis on the EU sugar and ethanol sectors in a context of ongoing and future trade agreements – including those with Mercosur, Ukraine, Thailand, Indonesia and Australia. These agreements, when combined with both the current geopolitical landscape dynamic and actual EU market demand, add significant pressure to EU producers and pose a significant risk to our sensitive sectors and farmers' revenue. In this context, it is essential that a **careful and restrictive approach to India negotiations** is adopted to ensure that EU **ethanol and sugar** producers, who already face challenges from cumulative trade impacts and unlevel playing field, are not further disadvantaged.



We therefore call on the European Commission to grant zero market access to Indian ethanol and sugar under the FTA and to prioritize the competitiveness of high-standard, sustainable, and locally produced ethanol and sugar which contribute to the EU's food and energy sovereignty.

On behalf of the following associations:

CEFS – European Association of Sugar Manufacturers

CIBE – International Confederation of European Beet Growers

ePURE – European Renewable Ethanol Association

iEthanol - European Industrial & Beverage Ethanol Association

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