



Brussels, Wednesday, 24 February 2021

THE SUGAR SECTOR IN THE FUTURE EU TRADE POLICY

On 18 February 2021, the European Commission published a Communication on the new EU Trade Strategy based on openness, sustainability, and assertiveness.¹

CIBE (International Confederation of European Beet Growers), CEFS (Association of European Sugar Manufacturers), and EFFAT (European Federation of Food, Agriculture and Tourism Trade Unions) welcomed the EU Trade Policy Review and are ready to contribute with their shared expertise in shaping the future trade policy framework for the EU sugar sector.

A LEVEL PLAYING FIELD, SUSTAINABLE TRADE, AND ENFORCEMENT OF FTAS IS KEY FOR THE FUTURE

In January 2021, the Joint Research Centre released an updated study on the cumulative impact of Free Trade Agreements on EU agriculture, which concluded and confirmed that the EU sugar sector is one of the few sectors that have suffered negative consequences from existing EU agreements.² To stop and reverse this trend, the following imperatives and concrete actions should be established within the scope of the new EU trade policy:

- 1) **Conditional Openness:** The EU sugar market today is a liberalised market, and offers duty-free or reduced-duty access to more than 100 sugar suppliers from around the world. In principle, the EU sugar sector relishes the opportunity to compete with global competitors, provided that *fair* competition based on a level playing field is ensured, avoiding negative consequences on working conditions and employment. Where these conditions cannot be met, no duty-free market access concessions should be granted to third countries through preferential FTAs or through unilateral trade concessions.
- 2) **Integrated Sustainability:** The European Green Deal – and the Farm to Fork and Biodiversity Strategies – strive to enhance the economic, environmental, and social commitments of EU operators even further and manifest the EU's pioneering role in mitigating climate change. The objectives of these initiatives must be integrated into the EU's trade policy to guarantee coherence and preclude that international trade undermines the accomplishments of the EU sugar sector in implementing sustainability goals. The ILO core Conventions and the respect of labour rights in line with EU standards should constitute an essential element of all EU agreements. Imports of sub-standard means of production should not be granted preferential market access to the EU.
- 3) **Vigorous Assertiveness:** To the detriment of the EU sugar sector, illegal market-distorting export subsidies in India and unjustified sugar import measures against EU white sugar imposed by Egypt prevent EU sugar manufacturers from benefiting from EU trade policy and threaten established trade flows. The EU should emerge as a more proactive player in trade disputes, should rapidly put in place the legal instruments and tools to protect EU businesses from such coercive actions and distortions, and enforce binding negotiated agreements to institutionalise rules-based international trade.

CIBE, CEFS, and EFFAT note that the EU-Mercosur Agreement does not meet the above imperatives as far as sugar is concerned and, therefore, remain opposed to this deal. We need clear and rapid actions and remain ready to offer our concrete contributions, for example to the ex-post evaluations of existing and ex-ante impact assessments of future deals to quantify the cumulative effects of all EU agreements on key economic, environmental, and social aspects.

¹ https://trade.ec.europa.eu/doclib/docs/2021/february/tradoc_159438.pdf

² https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/trade/documents/jrc-cumulative-economic-impact-of-trade-agreements-on-eu-agriculture_en.pdf