



PRESS RELEASE

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ACP queries European bid to abolish sugar quotas

The ACP Sugar Group has recently been made aware through media reports of an “impact study” made by and for the European Commission. This study refers to proposals for changes in the European sugar regime. Though Commission consultations appear to be on-going, the press presents these proposals as those the Commission favours.

It is hoped that this is not accurate as some of the key assumptions and results are more than questionable.

In particular, the document advocates the abolition of sugar production quotas. Many concerns mentioned in the study, such as worries about world food supplies and prices, cannot be addressed by this measure. The study acknowledges that this “action” will increase market volatility which seems to run counter to the more general aim of EU reform. Moreover, an abolition of quotas is contrary to the wishes of a majority of industry stakeholders, including the European Parliament’s agricultural committee, European beet growers, the ACP Group of countries and Least Developed Countries.

Structurally, the current sugar regime has shown its capacity to properly manage extreme world market disruptions, by ensuring a safe and reasonably-priced supply of sugar to European consumers. The European Commission’s own data show how average prices in the EU have been protected against the wild fluctuations and rapid increases that have plagued sugar markets recently. Moreover, the current sugar regime, which provides the basis upon which domestic EU producers, traditional foreign suppliers and the poorest countries have already invested in efficiency improvements needed to safeguard the consumer, is only five years old. Indeed, it is less than two years since the major cut in support prices occurred: surely not time enough to declare it a failure or obsolete.

In keeping with the EU’s international commitments in the Cotonou Agreement and the Economic Partnership Agreements, and in view of the apparent lack of coherence between the sugar regime proposals and the EU’s development policy and trade commitments, the ACP Sugar Group urges the Commission to engage the ACP Group at the earliest opportunity in meaningful and official discussions of an analysis of any proposals for changes in the EU sugar regime.

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