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ACP states fear "immense damage" to sugar industries, call on EU to respect joint commitments

ACP sugar supplying states have called on the European Union to honour its commitments under the ACP-EU Cotonou Accord and Economic Partnership Agreements, arguing that abolishing sugar quotas before 2020 could cripple ACP developing economies.

In a letter dated 24 May to the current Chair of the EU Council of Agriculture Hon S. Coveney, the Chairman of the ACP Subcommittee on Sugar (ACP Sugar Group) Ambassador P.I Gomes of Guyana reiterated the ACP Group's strong concerns about the upcoming CAP reform and its effects on small and vulnerable sugar exporting ACP countries.

A December 2012 report by the European Commission Services entitled "**Prospects for Agricultural Markets and Income in the EU 2012-2022**" confirmed the results of earlier studies that the expiry of sugar quotas in 2015 would lead to a reduction of the domestic sugar price in the EU. This would make imports, including preferential access, less attractive. Imports would fall from 3.5 million tonnes in 2012 to 1.5 million tonnes in 2022. Moreover, the report states that the EU would move to self-sufficiency and may even become a net exporter from time to time.

Ambassador Gomes noted that the damage to ACP sugar industries and, more widely, to ACP economies will be immense. With current ACP exports to the EU in the region of 2.3 million tonnes, and considering competition from CXL imports and increasing imports under Free Trade Agreements, the inescapable conclusion is that ACP sugar exports will drop to a negligible fraction of what they are today, or be wiped out altogether of the EU market.

Ambassador Gomes said the Commission's report "*represented a serious disregard, on the part of the Commission, of the commitments made in the Cotonou Partnership Agreement and EPAs in terms of maintenance of preferential market access for the ACP. Of greater concern is the lack of prior consultations on these major developments to assess the impact on ACP countries promptly so that account may be taken of their concerns as to the impact of these measures before any final decision is made, as provided for in the agreements."*

Ambassador Gomes strongly underlined that "*were the EU, now aware of the Commission study, to abolish EU sugar quotas before 2020 it would seriously undermine and call into question the coherence of EU policies and, inevitably, the very basis of our long longstanding partnership and the fundamental interests that bind us will be considerably weakened*."

However, the ACP – along with EU sugar processors and growers - supports the European Parliament's request for the continuation of the beet sugar quota provisions until 30 September 2020. This gives the much needed time to jointly and properly discuss future changes, pursuant to consultations provided for in the Economic Partnership Agreements and Cotonou and to implement measures to improve the competitiveness of our industries.

Ambassador Gomes noted that the United States is currently examining its farm bill with the intention to roll over the sugar programme with quota based imports covering 15% of the country's needs. This essentially guarantees continued market access to the United States from developing and least developed countries.