

From: B NEWTON [REDACTED]
Sent: 10 February 2014 11:49
To: [REDACTED]
Cc: [REDACTED]
Subject: Mancom

Dear [REDACTED]

In sending out the notes and papers of the Mancom meeting of 30th January you asked for any views on the Commission proposals for increasing market supply by either a bid for raw sugar or release of OOQ beet/isoglucose.

On behalf of the ACP/LDC London Sugar/Group I would observe that there seems no justification for increasing supplies at this time. Balance Sheet supplies and stocks are comfortable in relation to demand and as reported at the 30th Jan Mancom prices are well down on last year and expected to fall further. Although the warning note that price forecasts are unreliable is generally true it is a strange comment on a system in which the reported prices are 3 months in arrears. Reports from the market suggest that current prices are falling very fast in many parts of the EU and already are reaching levels at which after Oct 2015 imports are deemed to threaten to cause disturbances in the markets as defined in Reg 1528/07. This quotes conditions which

in the markets for products of tariff heading 1701: situations where the Community average market price of white sugar falls during two consecutive months below 80 % of the average Community market price for white sugar prevailing during the previous marketing year.

We are as EPA EBA suppliers protesting the retention of this clause as the trigger to impose restrictions solely on ACP non LDC imports. However the presence of the wording in current Regulations clearly

indicates market conditions which the EU regard as damaging to market equilibrium . It is therefore difficult to understand any further intervention to increase supply -whether imports or OOQ releases

On a linked issue we have already written to the Commission to oppose any reduction in the Euro 98 duty on CXL supplies on the grounds that it undermines ACP/LDC preference . We would reiterate this and if despite our comments above the Commission proceeds to issue tenders for exceptional import supplies we would ask you to note that we extend our opposition to include any relaxation of duty below Euro 98 on the separate proposal for raw import tenders and equally for any consequential levy to be calculated for OOQ releases

If this is not clear please do not hesitate to contact me

Kind Regards

Barry Newton

Chairman

EPA/EBA London Sugar Group