

CIUS is the Committee of European Sugar Users – representing the European sugar-using food and beverage industries. CIUS members purchase and use almost 70% of the European annual consumption of sugar and provide direct employment for over 350,000 people.

CIUS concerned about limited supply of additional sugar resulting from first tranche of import tender and out of quota release

Despite the announcement of the Commission in November 2012 to release an additional 1.2 million tonnes onto the EU market, the additional amount released in the first tranche of the import tender procedure and out of quota release resulted in an additional supply of only 200 000T.

CIUS is disappointed of the limited volume released although it recognises the reduction applied to duties. CIUS calls upon the Commission and Member States to release the total volume of out of quota sugar onto the market for the next tranche (expected end of February), in order to have a real impact on the market and alleviate the tensions on supply.

Sugar users are unable to plan forward their needs until the end of the marketing year if the market is held artificially tight. Furthermore, the EU cannot expect, if the total volume is divided into tranches, that these measures will have an impact on price inflation. Indeed, the reported EU average market price has risen again reaching a record level since 2006 of 728€/t, while the world market price has fallen below 400€/T. 1.1 million tons of sugar are exported in processed products. These exports are at risk if the price gap stays too high.

CIUS again request the European Commission and the Sugar Management Committee to release quota at ZERO levy and put in place a TRQ at ZERO duty (instead of tenders at reduced duties). This should apply to the balance of the volume left.

Duties and levies still apply

Although CIUS recognises that the duty applied to the first tender on imports is lower than the ones applied last year, adding a duty on to the additional imports will only further increase price inflation. This is exactly the opposite of what the Commission intends to achieve and will only further reduce EU competitiveness. The consequences on end users are dramatic, especially for SMEs.

CIUS believes that the current heavily managed market system yet again fails all in the EU sugar value chain. Policy decisions have established a market which does not promote long term management, increases market volatility and reduces market confidence particularly for SMEs. CIUS sees the current CAP reform negotiations are a great opportunity to end this and move to a market structure which meets the current and future opportunities and demands by creating a new EU sugar market without quota and one that gradually reduces import tariffs. This would create a market which benefits all stakeholders by reducing market volatility, promoting EU processing and suppliers (from all sources) and secures true supply chain partnerships.