

*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.*

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## **The EU sugar market needs to be monitored on a monthly basis and market measures introduced with immediate effect if estimated supplies endanger minimum end stock level**

On 27 March, the single CMO Management Committee decided not to introduce market measures for additional sugar supplies for the time being but decided to introduce measures whenever market signals would indicate a supply issue.

End users are disappointed by this outcome and believe the best way to see if measures are needed is to launch them to see if they are taken up. If there is sufficient sugar on the market, producers and refiners will not bid as there is no market opportunity.

It remains vitally important that complacency does not set in, the market remains delicately balanced and small changes in import levels or consumption could quickly push us back the shortages of 2010/11.

With this in mind, the European Sugar Users call on Member States and the European Commission to introduce adequate measures with immediate effect as soon as market data indicate that the estimated end stock level falls below 2.4 million T (reached end of MY 2012/13).

There are several factors this year that could lead to a lower than expected end stock level:

- The CXL import quota has still not reached its full capacity. The import quota attributed to Brazil has still not been filled, a volume of around 300 000 T.
- The recent increase of applications for import licenses may be temporary and needs to be closely scrutinised. At the end, physical imports need to match the granted applications.
- The EU sugar consumption figure could still increase due to the EU's economic recovery and needs to be regularly updated.

This will require a thorough and regular monitoring and publication of market data by the Commission, more frequently than it is currently undertaking.

It is vital that market management measures be taken in order to ensure that the improvement in end stock levels is sustained: **end stock levels should not fall below 2.4 million tonnes**. The market measures should allow for additional sugar balanced between imports and out-of-quota release at zero duty.

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