

SUGAR IMPORTS CRUCIAL IN THE EU-AUSTRALIA AND EU-MERCOSUR FTAs TO COMPENSATE DOMESTIC SUPPLY DEFICIT

04 July 2023

ESRA, the European Sugar Refineries Association and CIUS, the European Sugar Users Association of the food and drink industries would like to express their support for an EU-Australia Free Trade Agreement (FTA) and the pending EU-Mercosur FTA.

We believe that these agreements will not only have a positive impact on the European Union's trade agenda, opening new markets, but would help in securing more sugar supply channels for the EU that is experiencing a supply deficit situation for the last 6 years. This is crucial for ensuring the competitiveness of the EU cane refining and food and drink industries. These agreements will help to ensure food security in the European Union and provide access to two of the most sustainable sugar producing countries in the world, certified by trustworthy sustainability schemes.

The situation of the European market calls for alternative ways of supplying sugar, as the current context and the existing access routes are not sufficient. In this sense, it is fundamental for our sectors to have access to alternative duty-free sources for sugars to ensure continued production of high value-added sugar containing products in Europe and be competitive on the world market. We are now facing an historic opportunity to ensure security of supply and access to the world's most sustainable cane sugar.

The EU-Australia FTA represents the value of a strategic relationship between two partners that have a common interest in working towards free, sustainable, and secure access to markets. We understand that market access for sensitive products is one of the current topics being discussed, and we would like to emphasise the need for securing access to Australian sugars, which is one of the most sustainable sources in the world. We are inviting EU negotiators to consider increasing market access for Australian sugars so that we may continue to meet the growing need for sustainably sourced cane sugar and the demands of the EU Market.

The EU-Mercosur FTA would allow 180,000 tonnes of South American sugar to have free access to the EU market. This is a step in the right direction as it would ensure more sustainable supplies to the sugar users, but would contribute to saving both the cane refining industry and the sugar users (representing more than 99% of SMEs) economically from job losses, delocalisation of production, suspension of production lines and factory closures.

Moreover, this FTA is an additional instrument to maintain the level playing field: projecting the EU values, including in the field of labour rights and the environment, onto trade partners. Together, we believe these agreements will help secure a competitive and sustainable supply of sugar for the European Union.

Both ESRA and CIUS call on the co-legislators and the European Commission to recognise the important opportunity that these FTAs present to foster mutually beneficial relationships with two long-term partners of the European Union. We are confident that the final decisions taken in Brussels will bring tangible market access benefits as well as long term advantages in terms of creating sustainable relationships with our key trading partners.

There is no longer a justification to treat sugar as a sensitive product in FTA negotiations, as the EU has become a net importing region and needs to guarantee sufficient sustainable supplies from imports to respond to the demand in the European Union.

European Sugar Refineries Association

A 52 Rue Defacq, 1050 Brussels, Belgium

T + 32 (0)2 899 93 94

E secretariat@sugarrefineries.eu

W sugarrefineries.eu

CIUS - European Sugar Users

📍 Ave des Nerviens 9-31,

B - 1040 Brussels, Belgium

☎ +32 2 511 27 81

✉ cius@cius.org

🌐 www.cius.org