



The EU's structural sugar deficit:

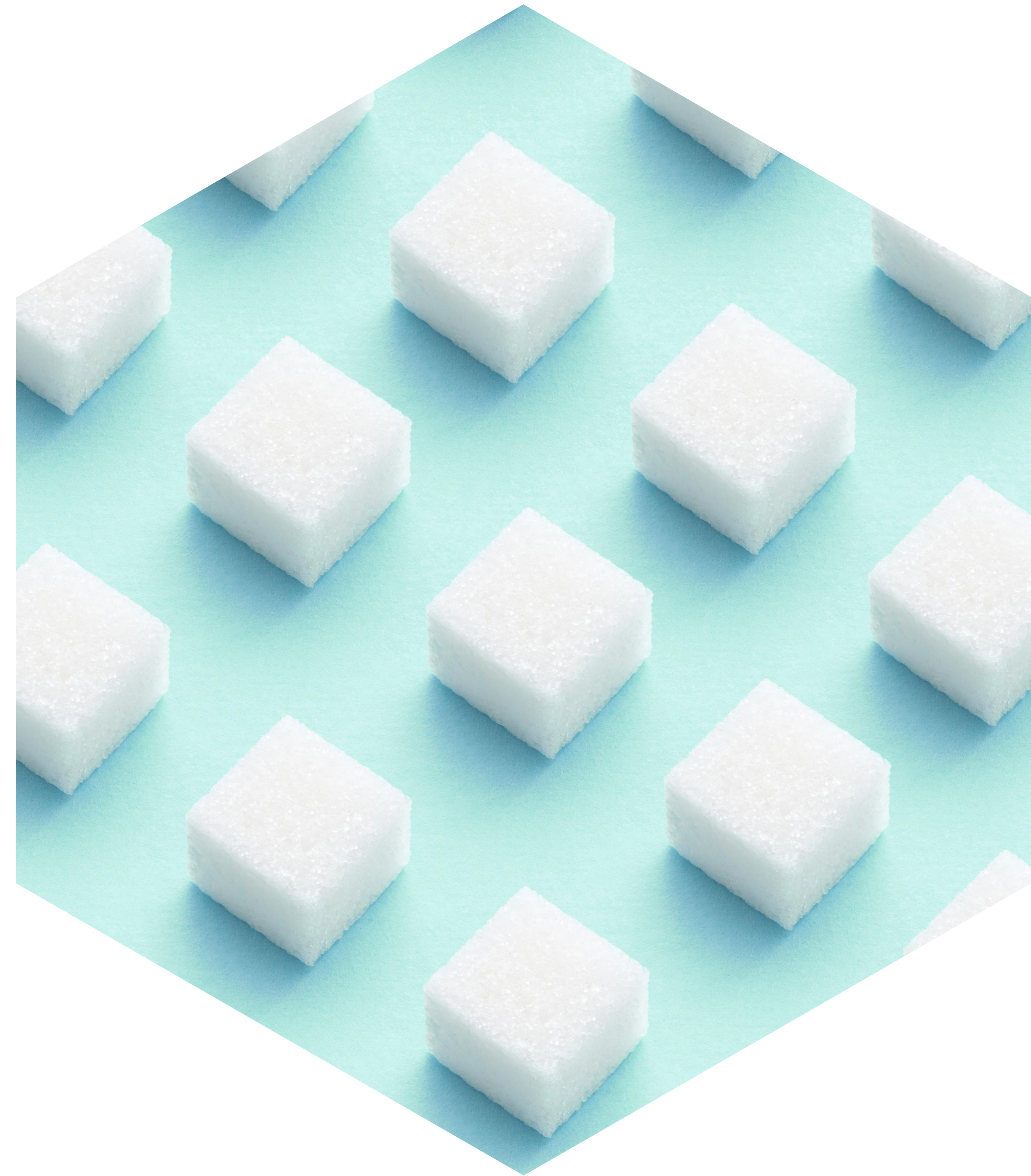
Need for more access to imports to help Europe
overcome sugar shortages

About CIUS

CIUS represents more than 15 000 sugar using companies, ranging from artisan, small and medium sized enterprises to multi-nationals

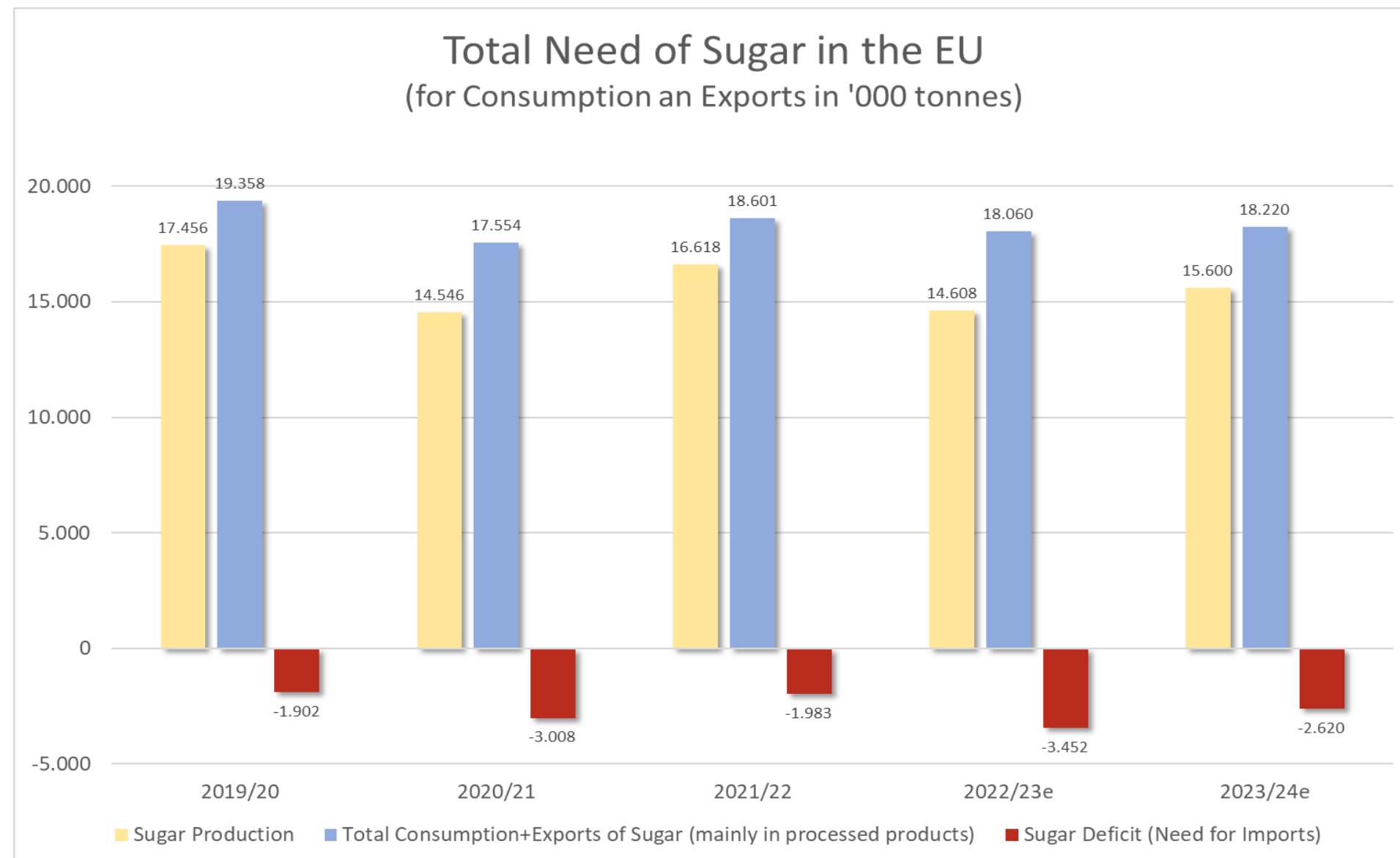
Products made by our members include fine bakery wares, chocolate, confectionery, soft drinks, canned fruits and jams.

Together our members purchase about 70% of the EU's annual production of sugar and provide direct employment to over 700.000 people in Europe.



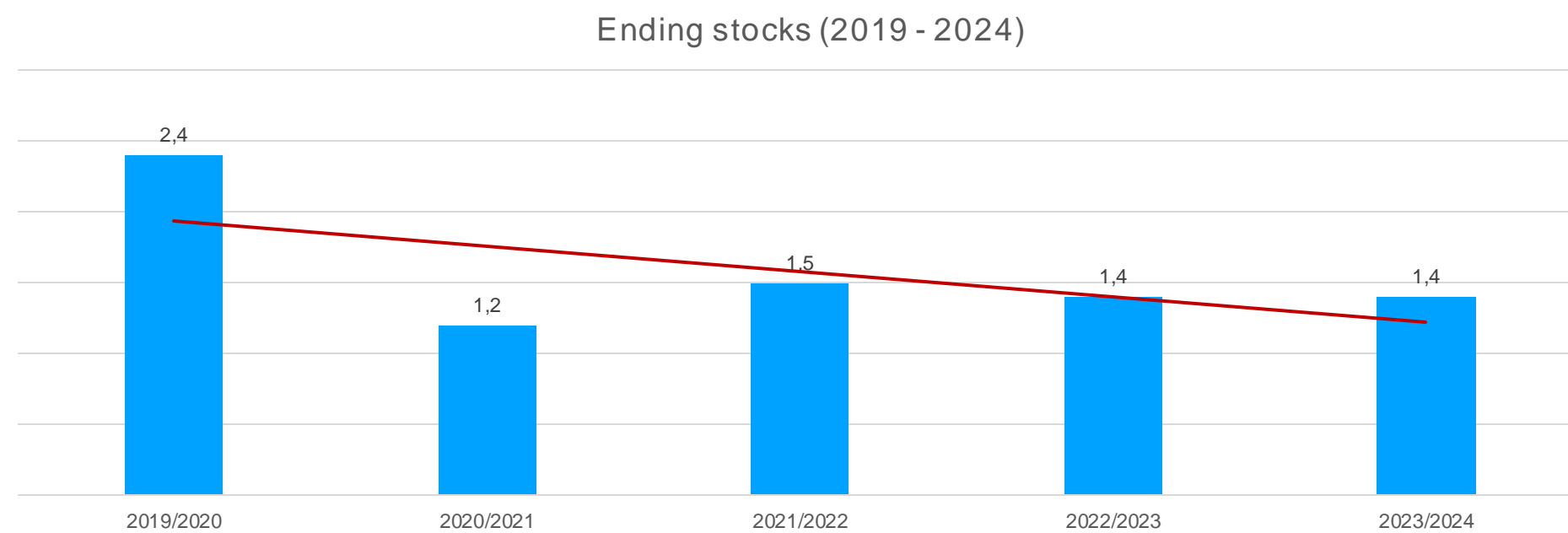
Sugar market in Europe: - insufficient supply

European sugar producers do not produce enough sugar to cover the market's demands



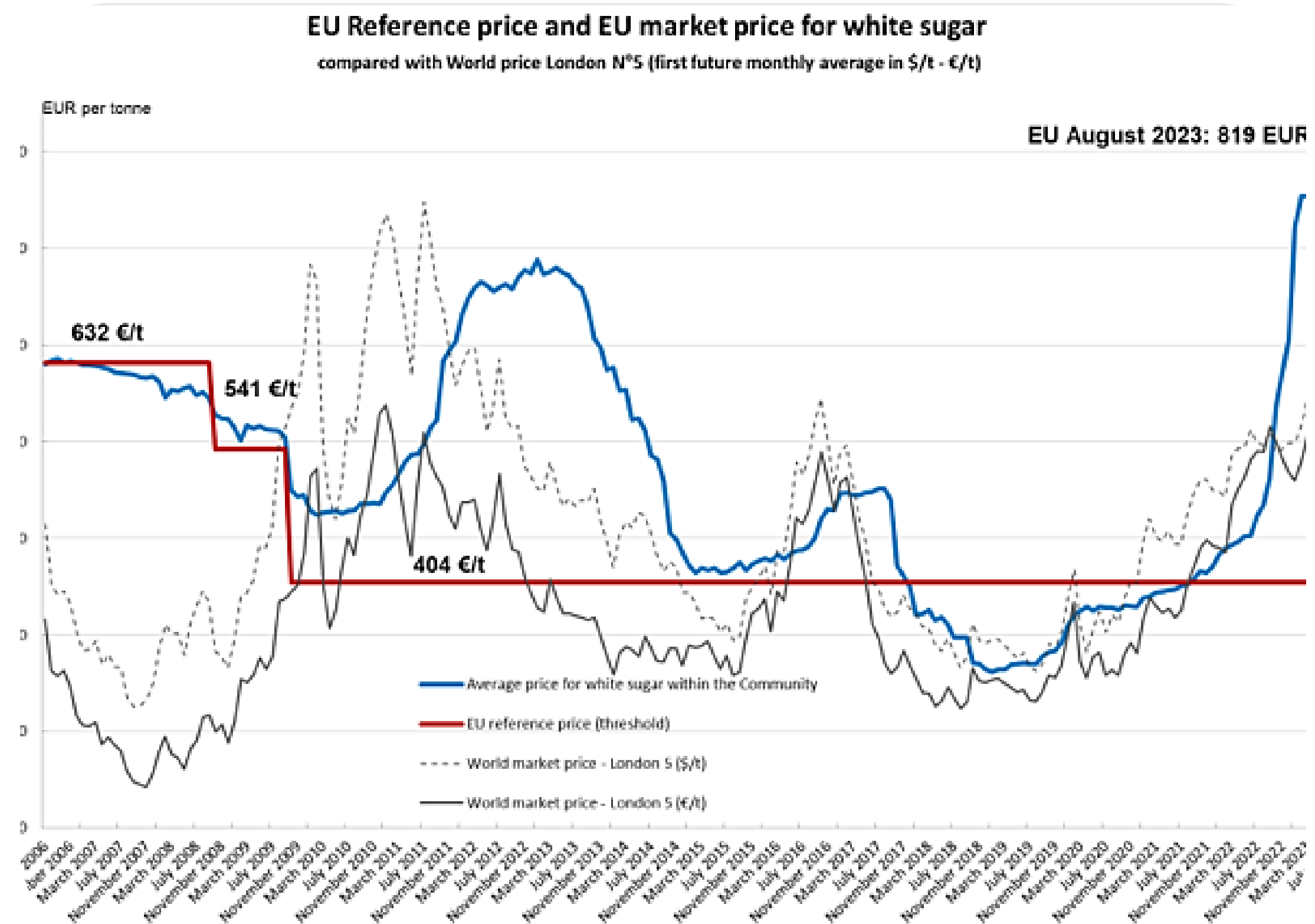
- EU sugar production has consistently fallen short over last few years. (by 2 - 3.5 million tonnes)
- EU sugar stock levels have been on a downward trend for years and are now too low to cushion shortfalls. Prospects for replenishing them are poor due to:

- Deliberately insufficient beet planting in EU
- Impact of recent ECJ decision on Neonicotinoids making crop yields more uncertain
- Climate change
- Excessive restrictions on imports



Sugar market in Europe: – Prices skyrocketed

Comparatively high costs undermine competitiveness of EU final products



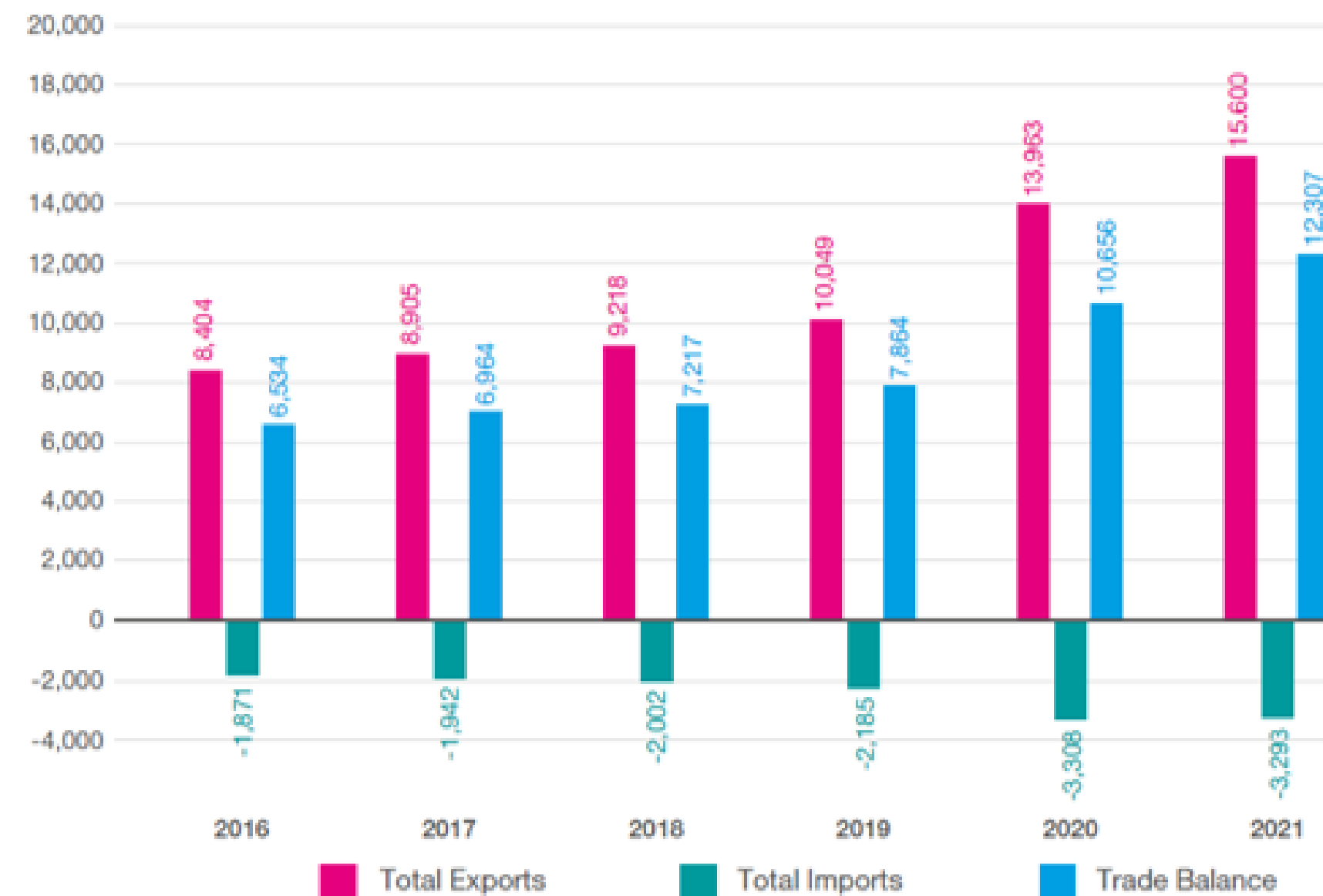
- 80% sugar price increase in space of few months
- Much higher sugar prices in EU than elsewhere undermine competitiveness of high value add products such as those of CIUS members
- Adds to inflation within the EU
- Negative impact on EU economy/Trade balance

High value add exports grow EU economy

Raw material shortages and uncompetitive costs constrain export growth

TRADE BALANCE OF CAOBISCO PRODUCTS (Million €) - EU28 (2017-2019) & EU27 (2020-2021)

SOURCE: EUROSTAT



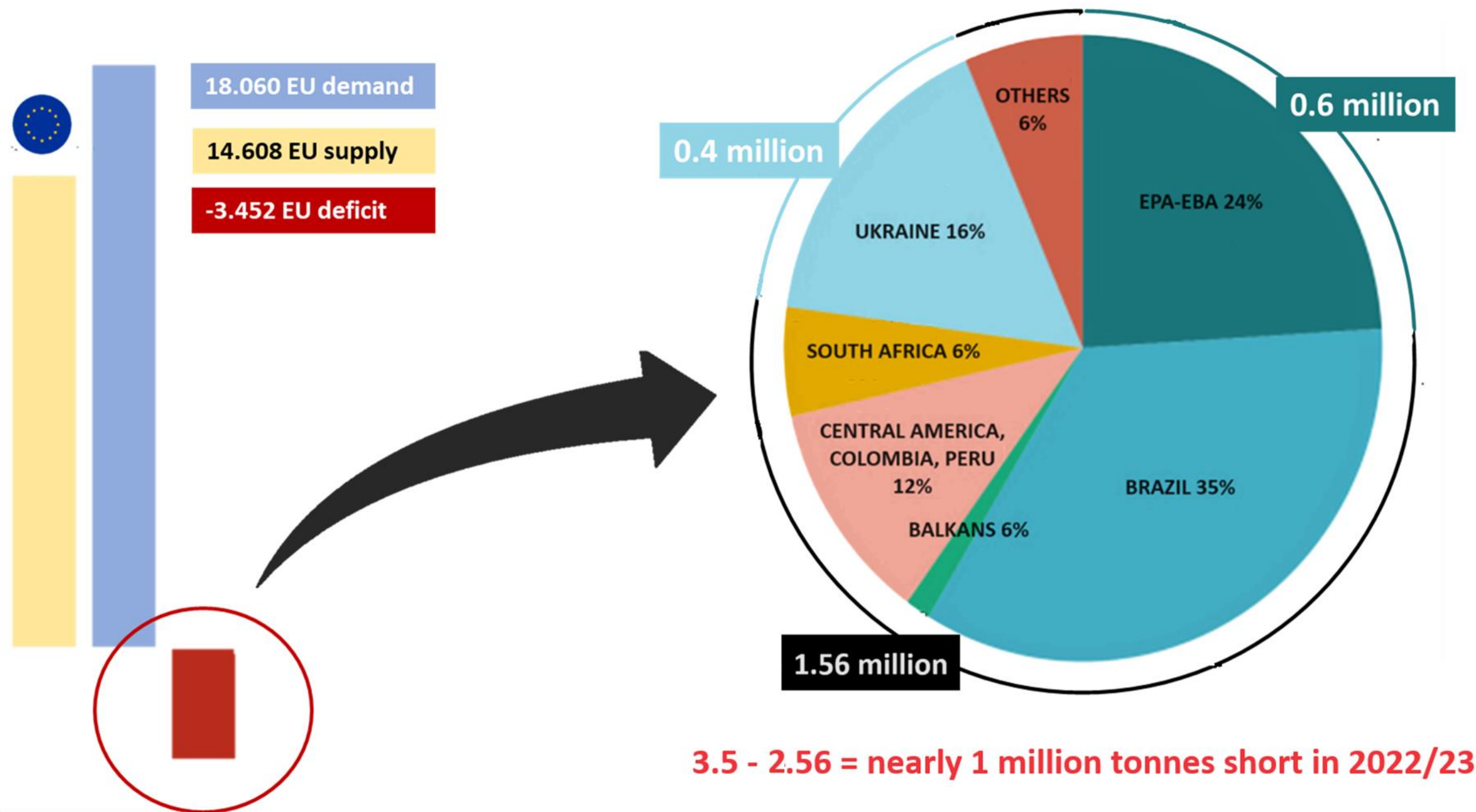
- Exports of CAOBISCO products (chocolate, confectionery and fine bakery wares) alone bring more revenues to the EU economy than the entire EU sugar crop. Such exports:
 - Grow provided there is sufficient sugar
 - Contribute to health of EU sugar supply chain as the vast majority of sugar in goods produced in the EU is of EU origin
 - Positively impact EU trade balance

Source CAOBISCO statistical bulletin: <https://caobisco.eu/facts/>

Diversity of Supply provides Security of supply

Dependency on a handful of EU sugar processors for both EU and imported sugar creates bottleneck

EU sugar supply 2022/23



Source for [data and more detailed information](#) on TRQ's etc: European Commission sugar market situation sept 28th 2023

- Sugar Users depend on imports to fill the annual gap of **2 -3.5 million tonnes** between EU supply and demand.

Prohibitive tariffs make it impossible to import except via:

- Import quotas (TRQ's), **limited** to **1.56 million tonnes/year** in total, and mostly to EU factories that can refine raw sugar into white sugar.
- Duty Free/Quota Free access only available from [Ukraine](#) and [EPA/EBA](#) countries (**Constrained** by their production levels and commitments to others).
- IPR **limited** to use for exports and costly to organise, so not an option for most sugar users who are SME's.

Users need duty free access to 0.5 - 1 million tonnes more sugar:

- Meeting quality and sustainability standards.
- Including readily useable white sugar – to enable direct access to a diversity of suppliers.

- **Further opening of EU market is needed for sugar**