

Brussels, Friday 28th June 2024

Suspension of EU sugar imports from Ukraine fails to take into account the interests of EU sugar buyers, consumers and economic growth and competitiveness as well as those of Ukraine.

Duty Free Quota Free access to sugar from Ukraine was good for both Ukraine and the EU. It helped to:

- > plug the chronic gap between EU sugar supply and demand
- sustain the EU's healthy agrifood export surplus
- bring better balance to the EU sugar market

An automatic safeguard mechanism against imports was introduced earlier this year under inordinate pre-election pressure. No impact assessment was carried out.

"This automatic safeguard is economically unjustified for sugar and incoherent with the EU's promise to support Ukraine and pave the way towards accession" says Yuriy Sharanov, president of CIUS. "We hope that free trade with Ukraine can be restored as soon as possible."

Not only have imports of sugar from Ukraine now been effectively suspended until the end of this year, but only 109 438 tonnes will be allowed between January and June next year. This is a drastic cut as over 400 000 tonnes were imported during the marketing year 2022/2023.

CIUS estimates that permanent duty free access to more than 500 000 tonnes extra sugar is needed annually because:

- Insufficient EU sugar production combined with excessive restrictions on imports had resulted in a chronic sugar deficit and distorted EU market.
- > Even with the surge of imports from Ukraine there were still shortages.
- Imports of sugar from Ukraine did not cause sugar price decline and economic hardship as implied by the agricultural lobby communications. In fact EU sugar prices hit record highs and EU sugar production profitability grew substantially during the time that duty free quota free imports were allowed from Ukraine.
- Insufficient sugar supplies have undermined industry competitiveness stymied production and export of high EU value add sugar containing food and drinks and negatively impacted the EU's export surplus and economy.

The <u>Commission committed</u> "to take the necessary steps under the Association Agreement with Ukraine, as soon as the new ATMs are adopted, to pursue, through consultations with Ukraine, the process of reciprocal tariff liberalisation." CIUS hopes that all stakeholder interests will be taken into account.

The Committee of European Sugar Users (CIUS) represents more than 15 000 sugar using companies, ranging from artisan, small and medium sized enterprises to multi-nationals. 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. Products made by our members include fine bakery wares, chocolate, confectionery, soft drinks, canned fruits and jams.

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