PRESS RELEASE: ACP and LDC sugar suppliers deplore EC's CAP proposals

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PRESS RELEASE, 18 October 2011: The ACP and LDC cane sugar suppliers express their profound concern and dismay at the Commission's proposals in respect of the elimination of sugar quotas in the context of the CAP reform announced on 12 October 2011.

The ACP and LDCs are of the view that the elimination of sugar quotas as from 2015 disregards the EU market reality, the economic development objectives of the EU's commitment to their countries as well as the key CAP objective of food security. Indeed these proposals seriously jeopardize the EC market balance and the future of the sugar industries of the ACP/LDCs.

Much has changed since the 2005 Reform of the EU sugar Regime was introduced and it is only 2 years since the final and largest cut in sugar prices occurred. Market conditions have been difficult and it is only thanks to market management tools (of which quotas are the core) that it has been possible to cushion the impact of world market disturbances. The removal of quotas at this time would be premature, unnecessary and almost certainly counterproductive. The Commission offers no valid justification for its proposals or for their timing. Its "Impact Study" which purports to illustrate the benefits that might accrue is flawed in many aspects and insufficient care has been taken to ensure policy coherence as mandated by Article 208 of the treaty of Lisbon

The Commission's proposals also ignore the June Resolution of the European Parliament. They constitute a deterrent to ACP and LDC to invest in increased efficiency- encouragement which EU supported with an allocation of 1.2 Bn Euros of Accompanying Measures. As it is, investment in the sector require 10 years to come to full fruition and the Commission's proposal will undermine all potential growth as a result of a lower priced and more volatile EU sugar market. For those who have already ratified and are implementing respective EPAs, these changes are tantamount to a unilateral modification of an international treaty. For those countries still in negotiation, they will increase doubts about the benefits of EPAs since duty free quota free access is worthless without a remunerative and predictable market price which for many EPA EBA suppliers represents the only source of income. Not to mention that the proposed lowering of price will seriously hurt the prospects of these countries to achieve their Millennium Development Goals.

The ACP and LDC sugar suppliers consider that while the drive to greater liberalization is understandable, time is needed to secure the benefits already under way in the industries. Consequently, they consider that maintenance of quotas until at least 2020 is fully justified. They therefore join the other stakeholders to urge the Commission to reconsider its proposals. -END-

(Pictured: Head of the ACP Sugar Group Ambassador PI Gomes of Guyana)

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