



# REFORM OF THE SUGAR REGIME



## Motion of the European Parliament

- Presented by MEPs Jean Claude FRUTEAU and Joseph DAUL. Position of the EP after the Commission's communication of 14th July 2004.
- Adopted on 21st February by the EP committee on agriculture. Final adoption in March at the Plenary session. Will be approved by the EP at the Plenary Session in March.
- Another EP report will be produced after the publication of the legislative proposal.



# REFORM OF THE SUGAR REGIME



## Motion of the European Parliament

The EP motion is a good paper for the whole European sugar sector, as it reiterates the main concerns.

- > Calls for the renegotiation of EBA Regulation and the abolition of triangular trade,
- > Take the reform into account at the WTO negotiations to avoid further commitments,
- > Asks the Commission to make a detailed impact study on social-economical consequences of the reform.



# REFORM OF THE SUGAR REGIME



## Opinion of the Economic and Social Committee

- Joint opinion presented by Mr. BASTIAN and STRASSER and adopted in December 2004 at the Plenary session.
- Also takes into account the main concerns of the European sugar industry
  - > Revision of the EBA Regulation and abolition of SWAP,
  - > Reduction of quotas and prices should be restricted only to the international commitments,
  - > Calls on the Commission to implement an European restructuring fund for the sector.



# Timing of the sugar reform



- **Verdict of the WTO appellate body :  
Mid May**
- **Legislative Commission proposal :  
Likely End of June**



EFFAT

# REFORM PROPOSED IN THE COMMISSION COMMUNICATION OF 14.2.2005 OVER A 2 YEARS PERIOD



## • CURRENT SUGAR COM

- Market price : 655 €/t
- Beet price : 43.6 €/t
- Production quota :
  - 17.4 million
- Subsidized exports :
  - 2.4 million/t

## • COMMISSION PROPOSAL

- . Market price : 421 €/t
- . Beet price : 27.4 €/t
- . Production quota :
  - 14.6 million/t
- . Subsidized exports
  - 0.4 million/t



# FORESEEABLE CONSEQUENCES



## European union

30 % turnover less in 2 years

Closure of 1 factory out of 5 ?

15 000 – 25 000 salaried people less ?

## ACP/LDC countries

Restructuring

Diversification in new activities



# CEFS-CIBE-EFFAT CONFERENCE 28th June 2005



## Chairman

Josef DAUL

## Commissioners invited

- . Mrs Mariann Fischer Boel
- . Mr Vladimir Spidla

## Participants

Members of CEFS, CIBE, EFFAT

MEPs, ECOSOC Members, National Public Authorities –  
Press and media – 200 participants expected



# PLANNED CONTENT



## **SUGAR REFORM AND PROPOSED MANAGEMENT**

- . Agricultural aspect***
- . Industrial Aspect***
- . Employment***

# PRACTICAL INFORMATION

## Place

Brussels – ITUH auditorium

## • Financing

DG EMPL budget heading

Request of financing  
in course of preparation

# **GENERALIZED SYSTEM OF PREFERENCES**

***Trade concessions covering about 150  
countries among which the EBA  
countries***

## **COMMISSION EXPECTATIONS**

- Adoption of revised GSP Regulation on 16th March 2005
- For implementation 1st April 2005

# CEFS CRUCIAL ISSUE : EBA

## CEFS REQUESTS

- *Revision of the transition period and the volume of quotas*
- *Specific EBA safeguard clause referring to the CMO*
- *Abolition of triangular trade (SWAP)*

# REVISION OF RULES OF ORIGIN

***A COMMUNICATION ON REVISION OF  
RULES OF ORIGIN IS EXPECTED IN  
THE COMING WEEKS***

***TWO DIFFERENT APPROACHES AT THE  
COMMISSION : TAXUD AND TRADE***

# TRADE APPROACH

## Relaxation of cumulation rules

**Regional cumulation would be granted as soon as the operation carried out is more than minimal**

**+ a small added value percentage !**

## CEFS REQUEST

***Abolition of cumulation for sugar and some sugared products***

# TRQS for sugar coming from Balkans

**Tariff quotas likely to be adopted by the  
Agricultural Council on 28.2.2005**

- *Serbia Montenegro : 180, 000 t*
- *Bosnia-Herzegovina : 12,000 t*
  - *Albania : 1,000 t*

**Mandate of negotiation required for  
Fyrom and Croatia**

**Implementation : probably 1st July 2005**