

**IMPLEMENTATION OF THE CODE  
OF CONDUCT IN THE SUGAR  
INDUSTRY  
IN 2008**

**PLENARY MEETING OF THE  
SOCIAL DIALOGUE  
COMMITTEE FOR SUGAR**

**27.2.2009**

# **I - ECONOMIC AND POLITICAL CONTEXT**

## **• Sugar Reform**

- Compared to the production quota of 17.4 Mio t of sugar in 2005, 6 millions tons had to be relinquished before marketing year 2009/2010, otherwise the Commission will make a compulsory linear reduction in February 2010.**
- 5 773 364 t have been relinquished on 31 1.2009 (provisionnal status), which is the end of the restructuring fund.**

***From net exporter the EU has become net importer.***

# TRENDS IN EXTERNAL TRADE POLICY HAVING A CONTRADICTIONARY EFFECT ON THE SUGAR REGIME

## Processed products

(additional presentation further on )

***Request from users to use the sugar from the world market and reexport it in form of processed product. This could result in one additional million tons of quota sugar to the 6 Mio already required.***

## Negotiation at the WTO

(Additional presentation further on)

***Hope that the package already negotiated can be respected in future negotiations with a longer period of tariff reductions and customs duties not reduced by 85 %.***

# EPA and other free trade agreements

*Continued*

## EPA

*(Further presentation later on)*

**Duty free, unlimited imports from LDC and EPA countries will take place as from October 2009 extending at the same time the EBA regime to ACP, LDC and EPA countries.**

*It is essential that the volume of imports under EPA and LDC remains compatible with the production absorption level of the EU.*

## OTHER FTAs

**It is extremely important that the so called « new generation agreements « in course of negotiation in Asia, Central America, Ukraine, as well as the current revision of GSP rules of origin do not favour additional imports into the EU, which would imbalance the management of sugar and sugar products into the EU and increase considerably the efforts required to the sugar sector so that it remains viable.**

# **II - MANAGEMENT OF RESTRUCTURING**

**31.1.2009 : Relinquishment (provisional status) of  
5 773 364 t within the frame work of restructuring fund,  
from the 6 Mio tons demanded.**

## **Forecast :**

***Closure of 47 % of factories***

***Loss of 25,000 direct jobs***

***Reduction in production of about 35 %***

***Loss in manufacturing margin of about 20 %***

***All EU regions affected***

***6 producing countries have already given up all production***

***Speed of reform rendered very difficult made it difficult to implment preventive  
management of jobs.***

# **III – IMPLEMENTATION OF CODE OF CONDUCT IN 2008**

**Current joint project conducted on improving employability in the sugar industry, with the support of Commission**

**1.12.2008 - 31.11.2009**

- ***Highlight a number of examples of good practice inside or outside***
- ***Analysing the industry's present and future needs in skills and qualifications***

# **CONCERTED ACTION OF SUGAR PARTNERS**

- **Joint letters and actions vis-à-vis the Institutions regarding the main economic interests of the industry.**
- *Joint action in the framework of the high level group on competitiveness with successful results (mentioning that the social dialogue has been successfully developed in the sugar industry).*
- **Final recognition by Commission of the official representativeness of the social partners in the sugar industry**

# MAIN CONCLUSIONS

- **All measures have to be taken to maintain a balanced CMO allowing the EU to remain self sufficient in its raw material to the extent of 80 % as foreseen by the reform.**

- **External trade measures**

*WTO, FTAs, additional tariff quotas, rules of origin, should in no case endanger the very existence of the COM.*

***EVERYBODY SHOULD TAKE HIS RESPONSIBILITIES.***

***The operators and social partners make their maximum to develop employabilty and find altenative solutions.***

***The politicians should achieve consistent choice so that the sugar industry can continue to offer employees prospects of employment and employability.***