



Economic Partnership Agreements

Plenary session of the Sectoral Social
dialogue committee for the sugar industry

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Economic Partnership Agreements

1. Introduction on Economic Partnership Agreements
2. Overview of the provisions applied to the EU sugar sector for the campaigns:
 - 2007/2008
 - 2008-2009
 - 2009-2015
 - 2015-onwards
3. Conclusions

The end of the Cotonou Agreement and of the Sugar Protocol

- Currently the Sugar Protocol provides for quotas (1.294 million tonnes) for a certain number of Africa Caribbean Pacific (ACP) countries
- The Sugar Protocol has been unilaterally denounced by the EU Council and will practically end from 1st October 2009
- This preferential agreement in force between the EU ACP countries was part of a limited concession by WTO members
- This concession has ended on 1 January 2008. The European Commission has been willing to replace the preferential agreements with regional Free Trade Agreements.

The particular treatment of the Least Developed Countries (LDCs)

- Least Developed Countries (LDCs) benefit of the particular treatment foreseen under the Everything But Arms (EBA) initiative
- The Everything But Arms (EBA) initiative provides for a progressive elimination of the import duty applied to sugar imported into the EU.
- From 1st October 2009 duty free quota free will apply to all imports from all Least Developed Countries
- The Everything But Arms (EBA) initiative is expressly recommended in the context of the WTO

Regional Configuration of ACP Countries

- **ACP countries have been grouped in 6 regions: 4 in Africa, Caribbean and Pacific**

The Commission has for the moment reached interim agreements on goods with:

- Eastern African Community (EAC), Eastern and Southern Africa (ESA), Southern African Development Community (SADC),
- West Africa: Ivory Coast and Ghana
- Papua New Guinea and Fiji
- A "Full EPA" has been reached with Cariforum countries
- **Countries which export sugar such as Ethiopia, Malawi, Sudan, Zambia have not yet signed any agreement but will follow applying the Everything But Arms (EBA) initiative**

Outcome of EPAs negotiations

- The 20 December 2007 the Council formally approved the regulation implementing the EPAs agreements concluded with ACPs group of countries at that date (Council Regulation 1528/2007 entered into force on 1.1.2008-O.J. L 348 of 31.12.2007).
- Annex 1 of the Council Regulation lists the countries to which it applies from 1.1.2008
- Only 9 (of which 7 sugar producers) among 41 ACP-Least Developed countries signed an agreement in view of an EPAs
- 26 (of which 15 sugar producers) among the 36 ACP-Non LDCs countries signed an agreement in view of an EPAs

Africa Overview



LDCs Sugar Producers

NON LDC Sugar Producers

NON Sugar Producers

South Africa

The African Regions



The Caribbean Region



Sugar production in most relevant ACP sugar producers (2000-2005)

Source: International Sugar Organization – Sugar Year Book 2005

Country	2000	2001	2002	2003	2004	2005	Modification 2000-2005
Sudan	670.000	719.000	743.000	686.000	789.000	728.000	8,60%
Swaziland	553.000	567.000	675.000	616.000	594.000	653.000	18%
Mauritius	603.000	685.000	553.000	538.000	606.000	523.000	-13%
Zimbabwe	571.000	548.000	565.000	482.000	456.000	430.000	-24,70%
Ethiopia	250.000	305.000	287.000	295.000	325.000	345.000	38%
Fiji	353.000	327.000	334.000	330.000	333.000	306.000	-13%
Tanzania	130.000	115.000	186.000	217.000	211.000	278.000	113,80%
Mozambique	45 000	60 000	170 000	225 000	205 000	265 000	489%
Malawi	209.000	205.000	261.000	257.000	255.000	265.000	26,80%
Zambia	190000	199000	233000	230000	245000	247000	30%
Guyana	273.000	284.000	331.000	302.000	320.000	246.000	-9,80%
Total	3.847.000	4.014.000	4.338.000	4.178.000	4.339.000	4.286.000	Increase 2000-2005 11,40%



Overview for Campaign 2007/2008

(1st October-30 September)

- **Due to Everything But Arms (EBA) initiative=> 80% reduction of duty from 1st July 2008:**

High risk of sugar imports for the 3 months period 1st July-30 September 2008 due to the reduction in the reference price planned for 1st October 2008

Overview for Campaign 2008/2009

(1st October-30 September)

- Conformity of sugar campaign (1st October /30 September) with ACP and Least Developed Countries liberalization from 1st October 2009

But

- Additional quantities (230 000 tonnes) for ACP countries signatory of Economic Partnership Agreements
- Additional quantities for Least Developed countries not signatory of EPAs (about 50 000 tonnes) linked with the postponing until 1st October 2009 of full liberalization

Overview for Campaigns 2009/2015

1. Concerning ACPs non Least developed Countries:

- Elimination of the Sugar Protocol= No more quotas
- Duty Free quota free access subject to double threshold Safeguard clause.
- Imports of products of tariff heading 1701 may be suspended when (art.9 Council Reg 1528/2007):
 - ✓ Imports originating in ACPs non LDCs reach: 1,38 million tonnes in 2009/2010; 1,45 million tonnes in 2010/2011; 1.6 million tonnes in 2011/2012 to 2014/2015 and
 - ✓ Imports originating in all ACPs states (LDCs and Non LDCs) exceed 3,5 million tonnes



Overview for Campaigns 2009/2015

2. Concerning all LDCs (ACPs and Non ACPs):

- Duty free quota free access for all LDCs due to EPAs agreements and EBA
- The Commission declaration on EBA has been recalled by the Council in December 2007 and should be applied to all LDCs:
 - ✓ *"If in any given year from the marketing year 2008/2009 onwards, sugar imports into the Community from a third country under the EBA arrangements increase by more than 25% in comparison with the imports from that country in the previous marketing year, the Commission will automatically open the procedure to decide whether measures such as suspension or temporary withdrawal of trade concessions, surveillance or other safeguard measures need to be applied."*

Overview for Campaigns 2009/2015 (1.10-30.09)

3. Concerning prices for the period 1.10.2009-30.09.20012 (Article 8 of Council Reg 1528/2007):
 - The importer undertakes to purchase at price not lower than 90% of reference price of art. 3 Reg 318/2006
4. Surveillance mechanism for 5 products with high sugar content such as (mixing of sugar with cacao for example)

Overview for Campaigns 2009/2015 (1.10-30.09)

5. General Safeguard Provisions applied to both ACPs LDCs and ACPs non LDCs (chapter IV Council Reg 1528/2007):

- A safeguard measure may be imposed when imports can cause or threaten to cause disturbances on the markets of agricultural products or mechanisms
- The application of safeguard measures will be considered on the basis of objective factors (*"the volume of imports as compared to previous calendar or marketing years' levels, internal production and consumption, and future levels planned in accordance with the reform of the CMO"*)



Overview for Campaigns 2015 onwards (1.10-30.09)

1. Duty Free quota free for all imports from all ACPs
2. General Safeguard provisions based on prices



Conclusions

Campaign 2007-2008

High risk of sugar imports on top for the 3 months period 1st July-30 September 2008 due to the reduction in the reference price planned for 1st October 2008

It is necessary to :

- **Postpone the application of the Everything But Arms 80% tariff reduction applied to all least Developed Countries (instead of applying it from 1st July 2008)**

Conclusion

For the campaigns 2008/2015, the Commission will produce the implementing provisions of the Safeguard Measures

It is necessary:

- **An Efficient application of Safeguard Measures to avoid any circumvention and possible market crises**
- **The double threshold safeguard clause for ACPs Non Least Developed Countries must be operational**
- **The Commission declaration on the 25% increase of imports coming from Least Developed Countries must be applied**



THANK FOR YOUR ATTENTION!!