




# **SECTORAL SOCIAL DIALOGUE COMMITTEE FOR THE SUGAR INDUSTRY**

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**Plenary session 28 February 2008**





# **FIFTH IMPLEMENTING REPORT OF THE CSR CODE OF CONDUCT FOR 2007**

- **I – ECONOMIC AND POLITICAL  
CONTEXT**
- **II – MANAGING RESTRUCTURING**
- **III – IMPLEMENTATION OF THE  
CODE OF CONDUCT**

# I - ECONOMIC AND POLITICAL CONTEXT

October 2007

*Revision of the sugar reform*

By 2010 at the latest 6 million tonnes of sugar had to be reduced from the 17.4 million tonnes production in 2005

In 2006/07 only 2.2 million tonnes were abandoned instead of the 4.5 million hoped by Commission

⇒ ***Revision of the reform provides for a number of incentives aimed at accelerating the reform***

# RESTRUCTURING FACED WITH MAJOR OBSTACLES DUE TO EU EXTERNAL TRADE POLICY

UE choices of external trade policy often incompatible with sustainability of the sugar COM, for instance :

- . WTO : latest DDA proposals could give rise to additional sugar imports
- . EPAs : as from 1.10.2009 imports from ACP countries will be liberalized, extending the EBA Regulation to all ACP countries.

**Sugar imports into the Union exceeding what the European market can absorb reduces production quotas and entail additional factory closures.**



# II – MANAGING RESTRUCTURING

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## State of play of factory closures on 31.12.2007

***During 3 campaigns***  
*(2005/06- 2006/07 – 2007/08)*

***50 factories closed***

***Since 1.1.2008 :***

***Already 21 closures announced***

*Belgium, France, Germany, Hungary, Italy, Lithuania, the Netherlands, Poland,  
Spain, United Kingdom*

***All EU regions affected :***

***Northern, Southern, Eastern Europe***



# RESTRUCTURING

## Probable social impact

- From net sugar exporter in 2005, UE is becoming net importer.

*With 6 million tonne reduction in production  
by 2010*

+

*Additional imports imposed by  
External Trade Policy*

=>

**More than 47 % of factory closures are expected  
with the loss of more than 25 000 direct jobs**

# III – IMPLEMENTATION OF THE CODE OF CONDUCT IN 2007

2007 report focuses on « Vocational training » and « Restructuring » standards.

## Vocational training

*Trends to improve skills and develop personal abilities  
with a view to greater employability.*

*This is also hoped to offer a better attractiveness  
to skilled labour.*

## Restructuring

*Depending on local conditions, labour market and company culture  
numerous measures are taken to help employees  
to find another job as far as possible.*

*Retraining, relocating of personnel, personalised support in the search for a  
job, financial aid to form a business plan, preretirement, part time work...*



# **2007 CODE OF CONDUCT**

## **EXAMPLES OF GOOD PRACTICE**

### **HEALTH AND SAFETY**

#### **France**

*Updating of professional state-of-art guides :  
working in silos, spread of legionnaire's disease, use of  
formalin, good practice in safe unloading of beets*

***Creation of a website***

#### **Czech Republic**

Free vaccination plan against influenza,  
jaundice, meningitis.



# EXAMPLES OF GOOD PRACTICE

(Continued)

## RESTRUCTURING

### Italy

*In 2006 13 of the 19 sugar factories were closed down.*

*A fourteenth will be in 2008.*

*Sugar companies are trying to develop alternative projects enabling a maximum number of people to be reemployed (biomass, energy...).*

***An agreement was signed in February 2006 and reconfirmed in December 2007.***

# **CONCLUSION : MAJOR MESSAGES AND** **UNCERTAINTIES**

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**An acceleration of the restructuring process is under way to reach a total reduction in sugar production of 6 million tonnes by 2010.**

**This reduction in production of about 35 % should lead to the closure of about 47 % of sugar factories.**

**In addition there are major uncertainties linked to the EU External Trade Policy.**

**The Commission is tending to offer third countries possibilities of imports into the EU which are incompatible with the proper functioning of the sugar regime.**

# **CONCLUSION AND MAIN MESSAGES**

(Continued)

- The social partners have constantly underlined the absence of coherence between EU agricultural policy and trade policy.
- ***Trade decisions to be shortly taken will be crucial for the future of the sector.***
  - ***The social partners call on European and national decision makers to adopt a clear and concerted vision establishing coherence between trade and agriculture in order to ensure the survival of the sugar industry and the capacity of industry to remain competitive.***