

CEFS-EFFAT-CIBE CONFERENCE

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REFORM OF THE SUGAR REGIME
IMPACT AND SOCIAL MANAGEMENT
OF RESTRUCTURING

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IMPACT OF THE SUGAR REFORM ON INDUSTRY CURRENT SITUATION

**After Enlargement, 21 EU countries
producing sugar are concerned by the reform
(+ Switzerland).**

with

234 factories

60.000 industrial direct jobs

500.000 indirects jobs

*(agriculture + subcontracting, transport, logistic
etc)*

REFORM OF THE SUGAR REGIME

Foreseeable impact

With a 39 % fall in the sugar price over 3 marketing years
and a similar fall in the sugar production

**at least 25.000 direct industrial jobs
& 125.000 indirect jobs could be lost in the EU**

*Loss of 1 direct job generally leads to the loss of 5
indirect jobs*

Rural areas mainly affected

***Anticipation and restructuring management difficult
over a short period***

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WHY A CHANGE IN THE SUGAR REGIME ?

Incompatibility of the current sugar regime with the globalization of economy and the policy of liberalization of exchanges.

=>

Negative Impact on the import-export balance :

increase in sugar imports (EBA)

decrease in sugar exports (sugar panel)

=> lowering of EU production

A reduction in quotas of 100.000 t means the closure of 1 factory in the old EU 15 and of 2 or 3 factories in the new countries.

**COMMUNICATION OF THE COMMISSION ON
RESTRUCTURING OF 31.3.2005
A new responsible vision**

*Changes in the regulatory framework
can have a brutal impact on certain industries*

*=>It is coherent for the EU
to bear the cost of policies it introduces.*

*Proper accompanying policies are necessary
to avoid destroying human capital.*

COMMISSION COMMUNICATION ON RESTRUCTURING

Measures proposed by the Commission for 2007-2013

European Social Funds

will continue to finance :

- *restructuring anticipation*
- *management actions*

In particular :

*adaptation capacity of workers and companies,
lifelong learning and training targeted at local level,
development of systems aimed at anticipating economy
and social changes*

COMMUNICATION OF THE COMMISSION ON RESTRUCTURING

Financial instruments

Debate in course 2007-2013

European Regional Development Fund

(research , education, training)

Community intervention capacity

**in case of crisis or unforeseen shocks having a
major regional or sectoral impact**

in course of discussion within the budgetary

2007-2013 debate

COMMUNICATION OF THE COMMISSION ON RESTRUCTURING REQUEST OF THE SOCIAL PARTNERS

The social partners have requested :

To be involved in the reinforced sectoral follow-up for certain sectors, giving inter alia a possible access to Community intervention in case of crisis.

That the Communication in course of preparation on the sectoral dimension of industrial policy mentions the sugar sector as a priority (currently limited to car industry, textile and shipbuilding).

To play a role at sectoral level within the framework of the recently created « Restructuring Forum » mainly devoted to inter trade.

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Initiative of the social partners

With the support of DG Employment
the European social partners :

Organized the today's Conference to reflect on the impact and social management of the sugar reform.

With the help of an external consultant, they will conduct a detailed analysis on access to social accompanying measures.

They will in particular focus on the access to structural funds.

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Initiative of the social partners

The social partners have the ambition to produce a
PRACTICAL GUIDE ON STRUCTURAL FUNDS.

This Practical Guide will aim at :

informing the national and local operators
on the access to existing funds
and/or accompanying programmes,
country by country :

Which fund or programme ? Where ?

How does it work ?

What can be reached and for which aim ?

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Initiative of social partners

The analysis would also investigate in more details some examples of good restructuring practice in the sugar industry.

About 12 examples are still available on the joint CEFS-EFFAT Website

www.eurosugar.org

The part of the Practical Guide based on the current 2000-2006 budget should be practically ready in November 2005 with available indications on the next budget 2007-2013.

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Initiative of the social partners

If planned over a short period
(such as three marketing years)
the social restructuring will take place
in very difficult conditions.

The support of the European Commission
as well as public national and regional authorities
will be crucial
to allow a positive and responsible management involving
as far as possible
job creation and industrial adaptation.