

SUGAR REFORM RESTRUCTURING SCHEME

Conference CEFS-CIBE-EFFAT 

28th June 2005

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INDUSTRY RESTRUCTURING

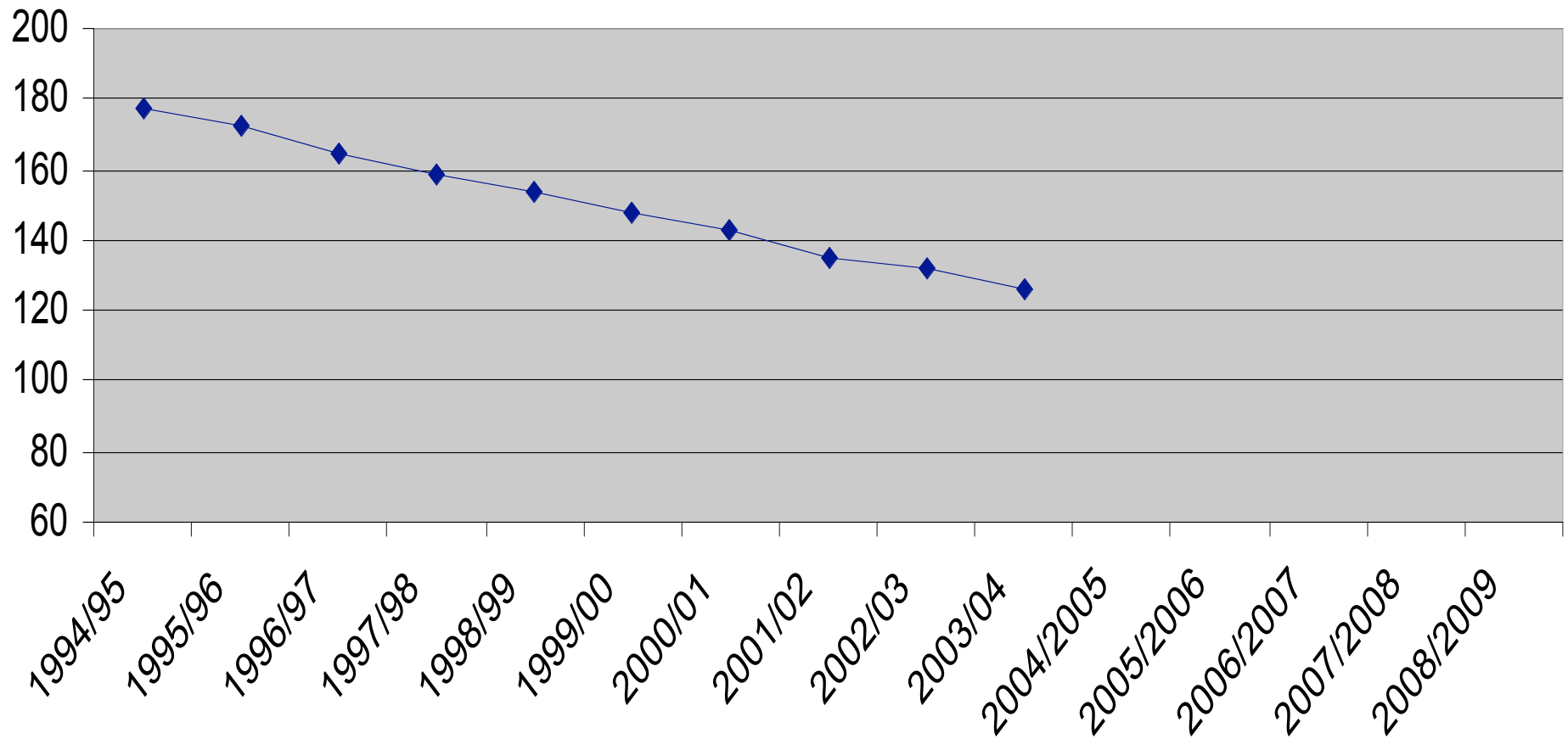
This phenomenon is developing for years in the sugar industry.

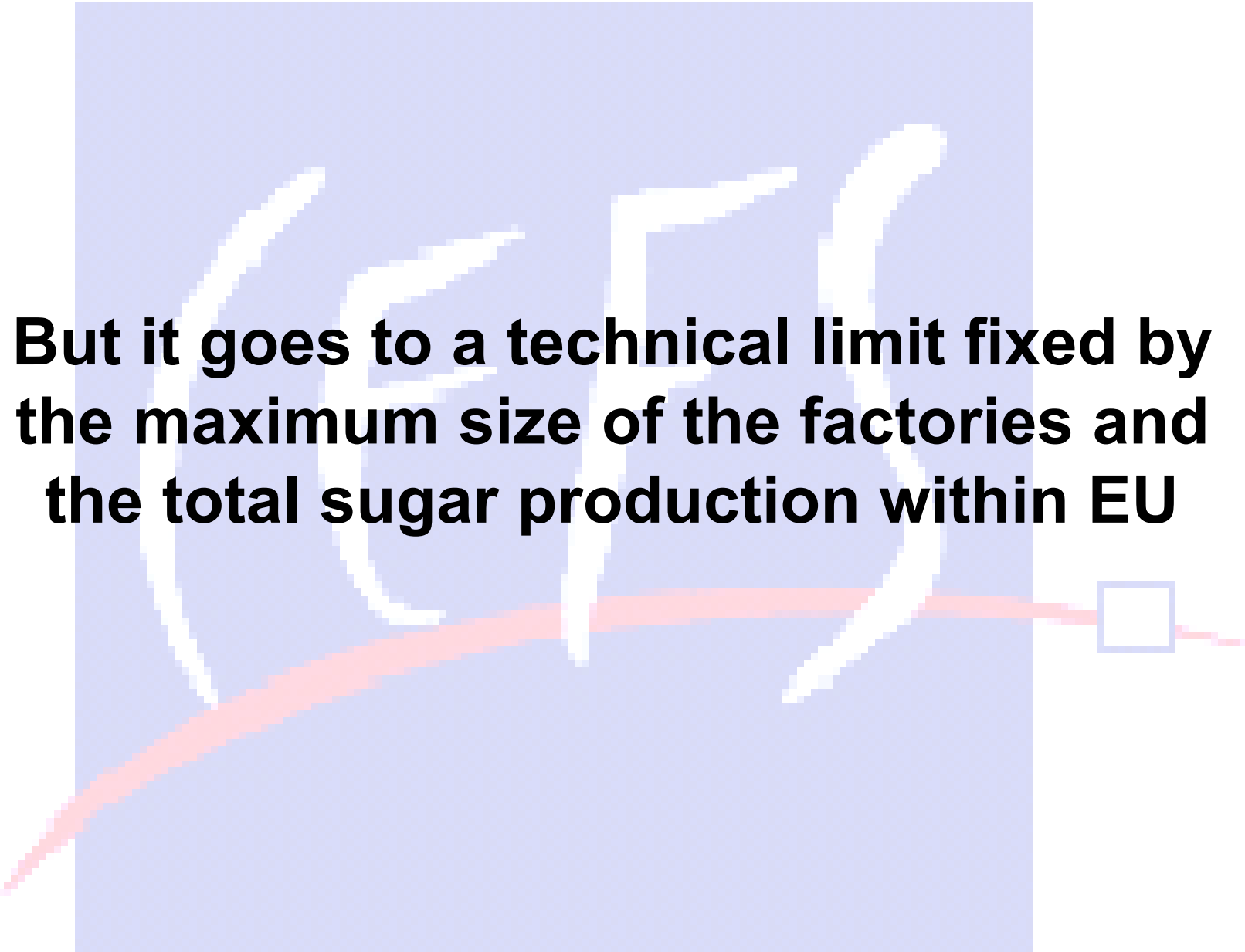
It contributes to the improvement of its efficiency to face the unchanged level of the intervention price for years in current euros.

It was seriously managed in the context of the social dialogue and many examples are indicated in the Code of conduct for social responsibility

INDUSTRY RESTRUCTURING

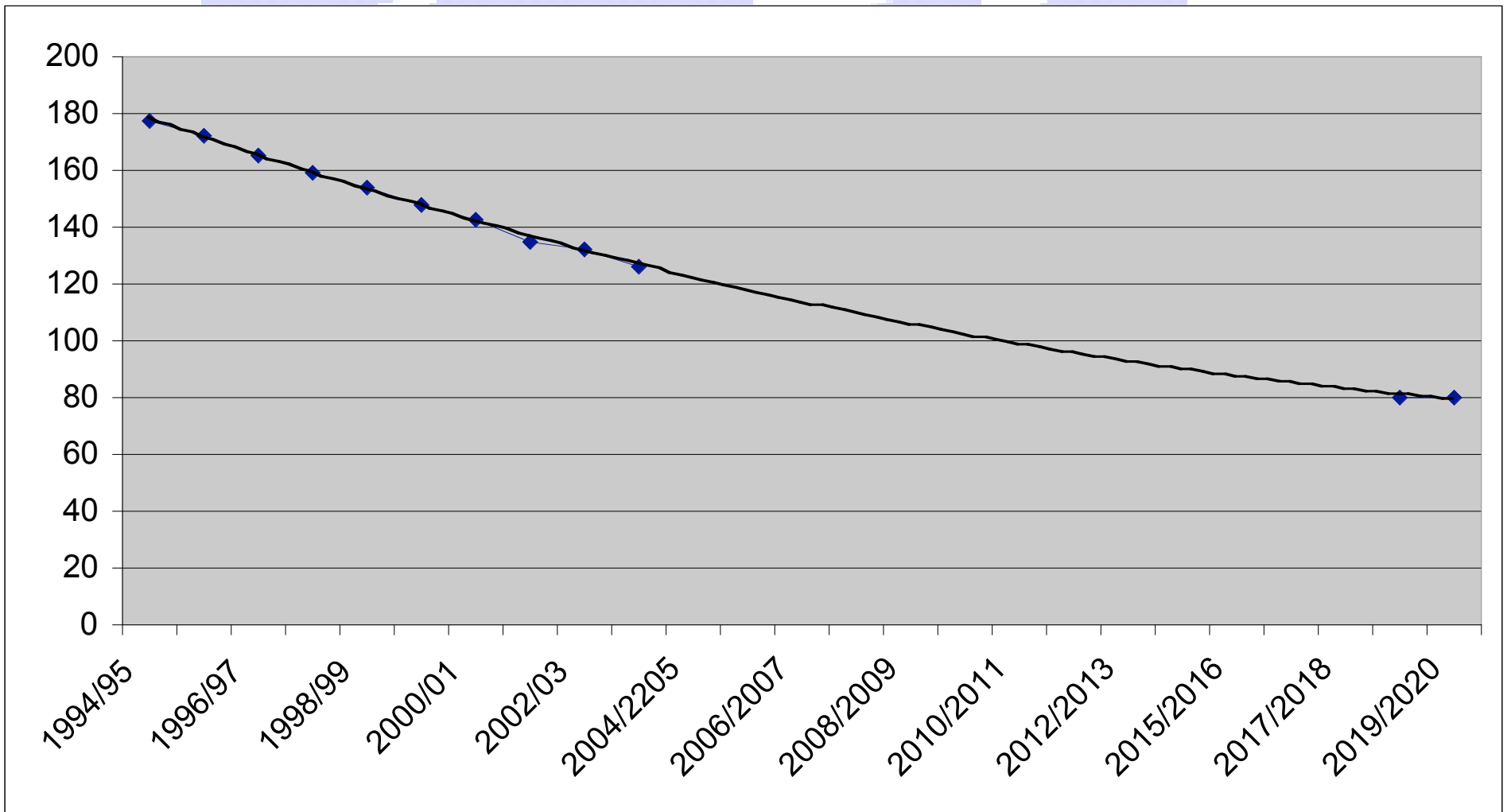
Evolution of the number of sugar factories within E.U.





**But it goes to a technical limit fixed by
the maximum size of the factories and
the total sugar production within EU**

INDUSTRY RESTRUCTURING

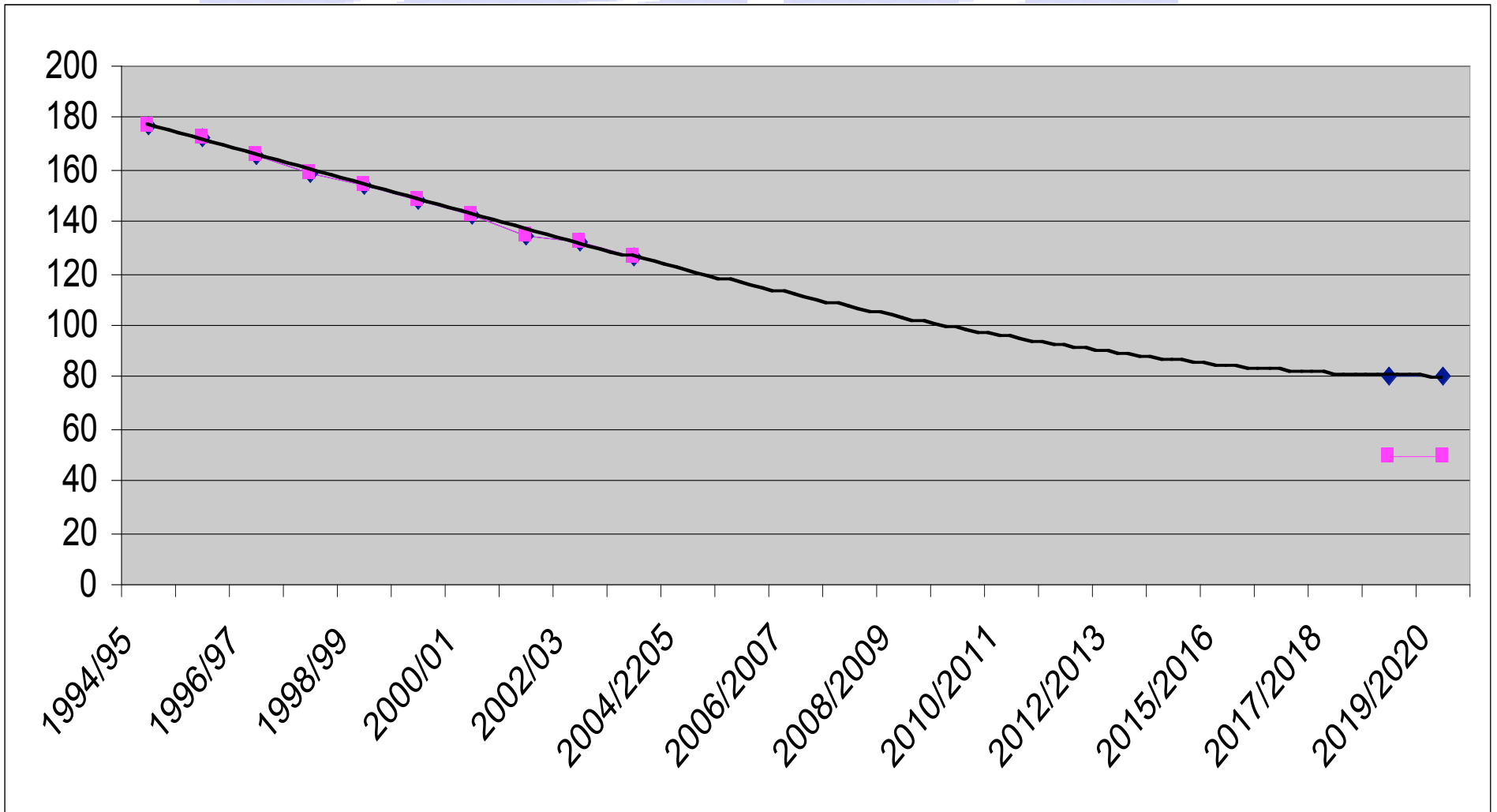


INDUSTRY RESTRUCTURING

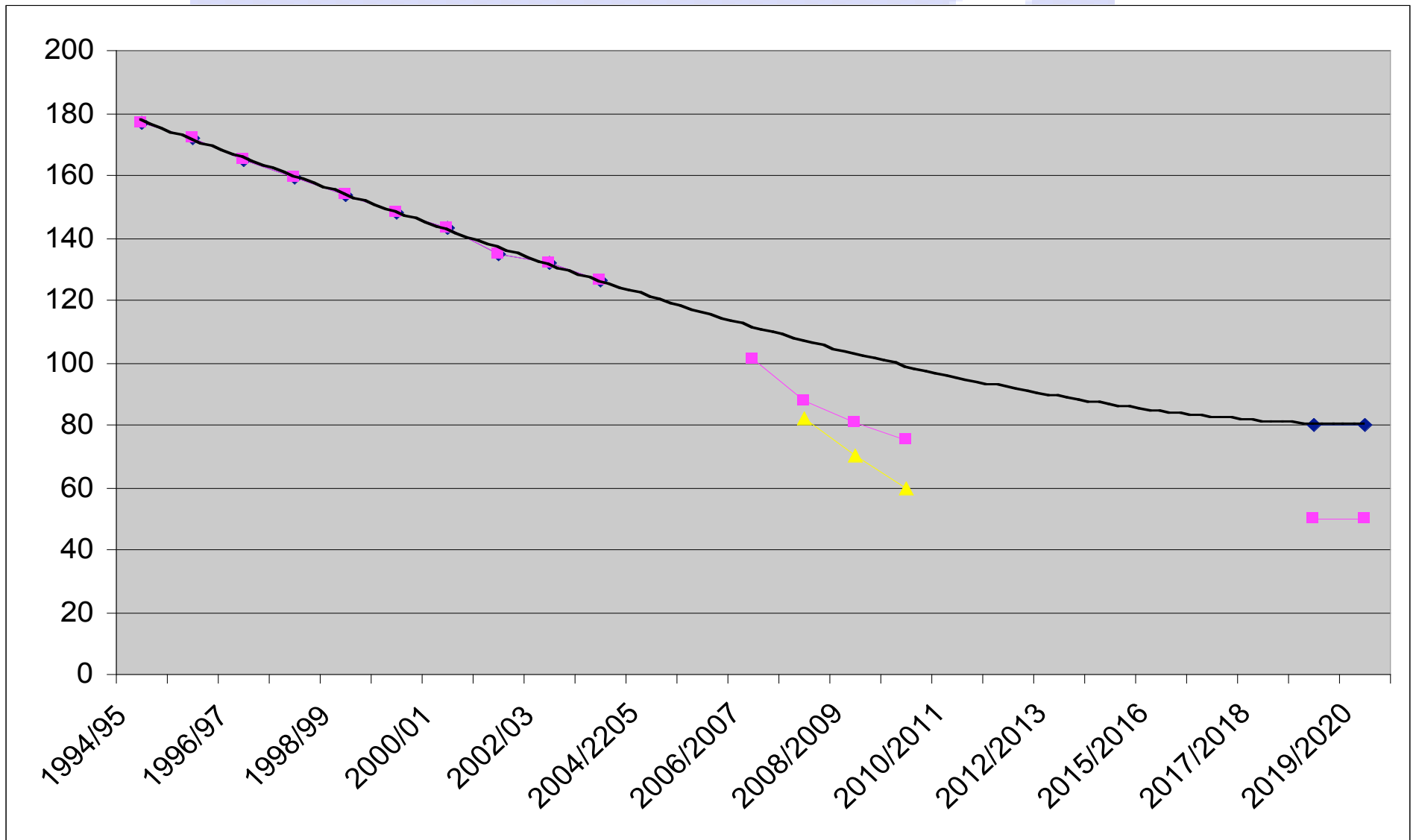
The sugar reform introduces a complete change in this evolution.

It proposes to fix a ceiling for the whole sugar production 40% lower than the current one.

and by the way it establishes a new theoretical technical limit 40% lower



And it speeds up the restructuring



CEFS POSITION

On 14th June 2004 having in mind a leaked proposal of Mr Fischler the Board of CEFS during its Congress in Copenhagen decided to request an indemnification for the industry to face consequences of factories' closures due to the sugar reform.

When CEFS took note of the text of Mr Fischler and of the WTO agreement, its Board updated its position and in February 2005 requested a more serious restructuring scheme than the one proposed by the Commission.

CEFS request on restructuring

A voluntary scheme with applications issued by the sugar industry after consultation of the growers

A front loaded scheme

A scheme complementary to other measures

A scheme managed by the Commission

A scheme financed by the industry and EU

A scheme limited in time

A indemnification each year lower than the previous one

COMMISSION'S PROPOSAL

A voluntary scheme with application issued by the sugar industry after consultation of the growers

A front loaded scheme

A scheme complementary to other measures

A scheme managed by Member States and the Commission

A scheme financed by the industry and EU

A scheme limited in time

A indemnification each year lower than the previous one

INDUSTRIAL RESTRUCTURING SCHEME

	2006/07	2007/08	2008/09	2009/10
Financing €/t	126.40	91.00	64.50	-
Aid provided	730.00	625.00	520.00	420.00
Growers payment	4,68	-	-	-

INDUSTRIAL RESTRUCTURING SCHEME

FINANCED BY THE SUGAR PROFESSION

**A specific per tonne amount will be charged over
3 years on all sweetener quota.**

Total to be collected : 4200 Meuros

MAIN OBJECTIVE

Allow less competitive producers to leave the industry.

COMMITMENT

*Abandon definitively and totally the production in at least
one factory during the marketing year concerned.*

INDUSTRIAL RESTRUCTURING SCHEME

REQUIREMENTS

Renunciation of the relevant quota after consultations to be conducted in the framework of relevant agreements within the trade.

*Facilitation of redeployment of workforce.
Cope with the social and environmental impacts of factory closure.*

INDUSTRIAL RESTRUCTURING SCHEME

MANAGEMENT OF THE SCHEME

The scheme will be managed
at national level

Rule : first come first served
(financial limits within one year)

The aid will be granted once commitments
have been respected.

INDUSTRIAL RESTRUCTURING SCHEME

GREY ZONE TO BE CLARIFIED

What is included in the concept of
«social and environmental impacts of factory
closure » ?

SOCIAL ACCOMPANYING MEASURES

The social accompanying measures should mainly be financed by the means of structural funds.

Draft sugar reform refers to « instruments of European Cohesion Policy to assist the economic restructuring and the retraining of workers in zones particularly hard hit by the consequences of the reform.

SOCIAL ACCOMPANYING MEASURES

Communication of the Commission of
31.3.2005 on restructuring and employment

:

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

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

SOCIAL ACCOMPANYING MEASURES

Structural funds are financial tools aimed at reinforcing the social and economic cohesion of EU.

They provide for a cofinancing with Member states of different actions like : conversion, training, job creation etc.

They are mainly a direct – non refundable - aid.

SOCIAL ACCOMPANYING MEASURES

European Social Funds

An urgent action is now needed

The Social European Funds still available for the period 2000-2006 will shortly be redeployed for actions until 2008.

It is up to each delegation to contact urgently the regional authorities in charge

*so that they include
actions for the sugar sector
in their programmes as needed.*