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# CEFS-EFFAT CONFERENCE

**“Improving employability in the European sugar  
sector in the context of restructuring”**

**28 OCTOBER 2009**  
THON Hotel Brussels City Centre  
Avenue du Boulevard 17  
1210 – Bruxelles  
[www.thonhotels.be](http://www.thonhotels.be)



This event is organised  
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# EUROPEAN SUGAR INDUSTRY - ECONOMIC DATA

## The three leading sugar producers in the world in 2006

- . Brazil (31.62 million tonnes)
- . India (22.35 million tonnes)
- . EU (18.10 million tonnes)

*Raw value – source ISO 2007*

## In the world, the EU 27 is

- . the second largest consumer of sugar  
(17.53 million tonnes – raw value - ISO 2007)

In 2006/07, the EU switched from a leading net exporter to a net importer as a result of a sharp drop in production following to the sugar reform

*(Compared to a quota production of 17.4 million tonnes in 2005, 6 millions had to be relinquished in 4 years from 2006/07 to 2009/10).*

## Employment in the EU 27 + Switzerland

- . 144 factories
- . direct jobs in the industry: about 37,000
- . indirect jobs: about 180,000

*(Source : CEFS statistics 2008. [www.cefs.org](http://www.cefs.org))*

each direct job generates five indirect jobs

## Impact of the reform of the sugar regime of 2006

- . 80 closures of factories throughout Europe since 2006
- . More than 10 000 direct workplaces lost over three campaigns

### **Restructuring not finished !**

*a fall in production of 100,000 tonnes represents on average the closure of one factory in the EU of 15 and two to three factories in the new countries.*



## **COMITE EUROPEEN DES FABRICANTS DE SUCRE**

The CEFS represents the interests of sugar manufacturers and refiners in 21 Member States and in Switzerland.



## **EUROPEAN FEDERATION OF FOOD, AGRICULTURE AND TOURISM TRADE UNIONS**

EFFAT comprises 128 national trade unions in 37 European countries representing 2,600,000 members. This federation defends the interests of workers in agriculture, food-processing and tourism industries.

### **CEFS & EFFAT - SOCIAL PARTNERS**

### **OFFICIALLY RECOGNISED BY THE EUROPEAN COMMISSION**

CEFS and EFFAT have practised the European social dialogue since 1969. The sectoral social dialogue committee in the sugar industry is officially recognised by the European Commission. In February 2003, they signed and introduced a far-reaching Code of Conduct on corporate social responsibility and since then the social dialogue committee has issued six yearly reports assessing its implementation. The Code of Conduct and all the common achievements can be found on the joint website: [www.eurosugar.org](http://www.eurosugar.org).

## **ECONOMIC MESSAGES OF THE EUROPEAN SOCIAL PARTNERS**

Within the framework of their mandate, the European social partners have constantly joined their efforts on any question of common interest having an economic and social impact. With the financial support of the DG Employment they are currently conducting an important work on improving employability in the sugar industry implying a high level of social responsibility. Their economic messages are as follows:

- **Marketing year 2009/10 : new situation**
  - . a complete implementation of the new sugar regime with ongoing restructuring
  - . a total liberalization of imports from LDCs and ACPs (end of EBA modalities negotiated in 2001)
  - . from a net exporter at the start of the reform, in 2010 the EU will become a leading importer of sugar in the world
  - . the EU is no longer self sufficient. It currently produces three quarters of its domestic needs, and depends on third countries for one quarter of its supplies (marketing year 2009/10 : production : 13.3 million tons – Consumption : 16.5 million tons).
- **The proper management of imports of sugar and sugar products is essential to ensure a balanced EU sugar market**
  - . One objective of the EU reform was to provide stable outlets for developing countries (LDCs – ACPs). After the reform, EU sugar imports are doubled (from 2 Mio t in 2005 to 4 Mio in next campaign).
  - . Considerable efforts have been demanded to the sugar sector within the framework of the sugar reform (Compared to a production quota of 17.4 million tons in 2005, nearly 6 million tons have been relinquished in 4 marketing years). Any further concessions for sugar and sugar products in the context of new bilateral negotiations that were not foreseen in the political reform agreement will put the EU sector under pressure. The current revision of rules of origin applying to the GSP might also have a considerable impact.

*Any additional import which cannot be absorbed by the EU domestic market has an impact on domestic production capacities and therefore on employment. Exports out of the quotas should continue to be considered as important to ensure the market balance.*

- **The surplus amount in the restructuring fund should be earmarked for the sugar industry**

The restructuring fund created in 2006 was closed by 31.1.2009. Against the relinquishment of its quotas, a company could receive a decreasing restructuring aid if it fulfilled a number of conditions, including the presentation of a restructuring plan containing, among other things, a social plan. This restructuring fund was financed by the sugar profession. Around 650 millions will not be used. As a result they will be transferred to the general CAP budget according to the Commission regulations.

*Any trade concession above the sugar reform implies a reduction in production, and thus the closure of factories. It would therefore make sense to earmark the remaining amount of the restructuring fund for the sugar industry in order to anticipate and manage the potential restructuring needs which were not foreseen in the framework of the reform.*

Consistency between the Commission's agricultural policy and its external policy is essential to ensure the real success of the reform. This is vital for the survival of the European sugar industry and the ability of its companies to remain profitable and competitive on the market, whilst continuing to offer their employees prospects of employment and employability.



[www.eurosugar.org](http://www.eurosugar.org)