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PRESS RELEASE: CONCESSIONS TO MERCOSUR TO PILE PRESSURE ON THE EU SUGAR SECTOR

MERCOSUR: EU offers its biggest ever concession on sugar in the context of a free trade agreement, as the sector remains mired in crisis.

Sugar has again been the trade-off to conclude the deal; the latest in a series that have contributed to the closure of sugar factories across the EU. The overall sugar concession to Mercosur totals 190,000 tonnes: the EU's biggest ever in the context of a free trade agreement. The deal will entrench unfair competition on the EU market, and hamstring alternative and developing outlets for sugar beet. And it will undermine the three pillars of European sustainability: social, economical and environmental.

The zero duty rate ensures that almost all of this sugar will enter the EU even when prices are low, as currently. Indeed, the EU sugar sector is suffering through the worst crisis in living memory, but in spite of appeals from manufacturers, beet growers, and trade unions, the inaction of the EU has been absolute.

Brazilian sugar, produced for the most part with phytosanitary products that are banned in the EU, will replace European sugar manufactured to the highest environmental and social standards in the world. As such, the deal completely ignores the Member State recommendation, to be found in the draft final report of the High Level Group on Sugar, to correct the "distortions arising from the divergent regulatory regimes on the use of plant protection products." The complete lack of coherence between the EU's agricultural and trade policies could not be clearer.

Meanwhile, concessions on ethanol and organic sugar beet will undermine two increasingly important outlets for sugar beet, damaging the long-term competitiveness of the sector. Such outlets are essential if sugar manufacturers are to resist the vagaries of an EU sugar market weighed down by world market distortions.

We urge the European institutions once more to consider the economic contribution of our sector to rural areas: the remunerative, industrial jobs; the 16 billion EUR contributed to the EU's GDP annually; and the substantial indirect effects that sustain livelihoods across 19 Member States. Our sector is suffering through an unprecedented crisis, but has so far received only empty words from the European institutions.

Accordingly, in the event the deal is approved by the Member States and the European Parliament, these concessions must be enforced in line with the EU's commitments on environment & climate change and labour rights, and accompanied by appropriate phasing-in. Provisional implementation of the deal should be rejected, since immediate implementation threatens severe damage to our sector, which Commissioner Hogan has himself acknowledged with his commitment to provide up to a billion euros to agriculture in case of market disturbances.