

# Economic Board of the Sugar Market Observatory EU Imports

15<sup>th</sup> November 2017



“Let me have no lying; it  
becomes none but tradesmen”

*William Shakespeare*



# ACP/LDC Sugar Industries Group (SIG)

## Industries/Countries Represented

**Bangladesh, Belize, Benin, Cambodia, Dominican Republic, Fiji, Guyana, Jamaica, Lao, Malawi, Mauritius, Mozambique, Sierra Leone, South Africa, Sudan, Swaziland, Tanzania, Togo, Zambia, Zimbabwe**

**Website: [www.acpsugar.org](http://www.acpsugar.org)**

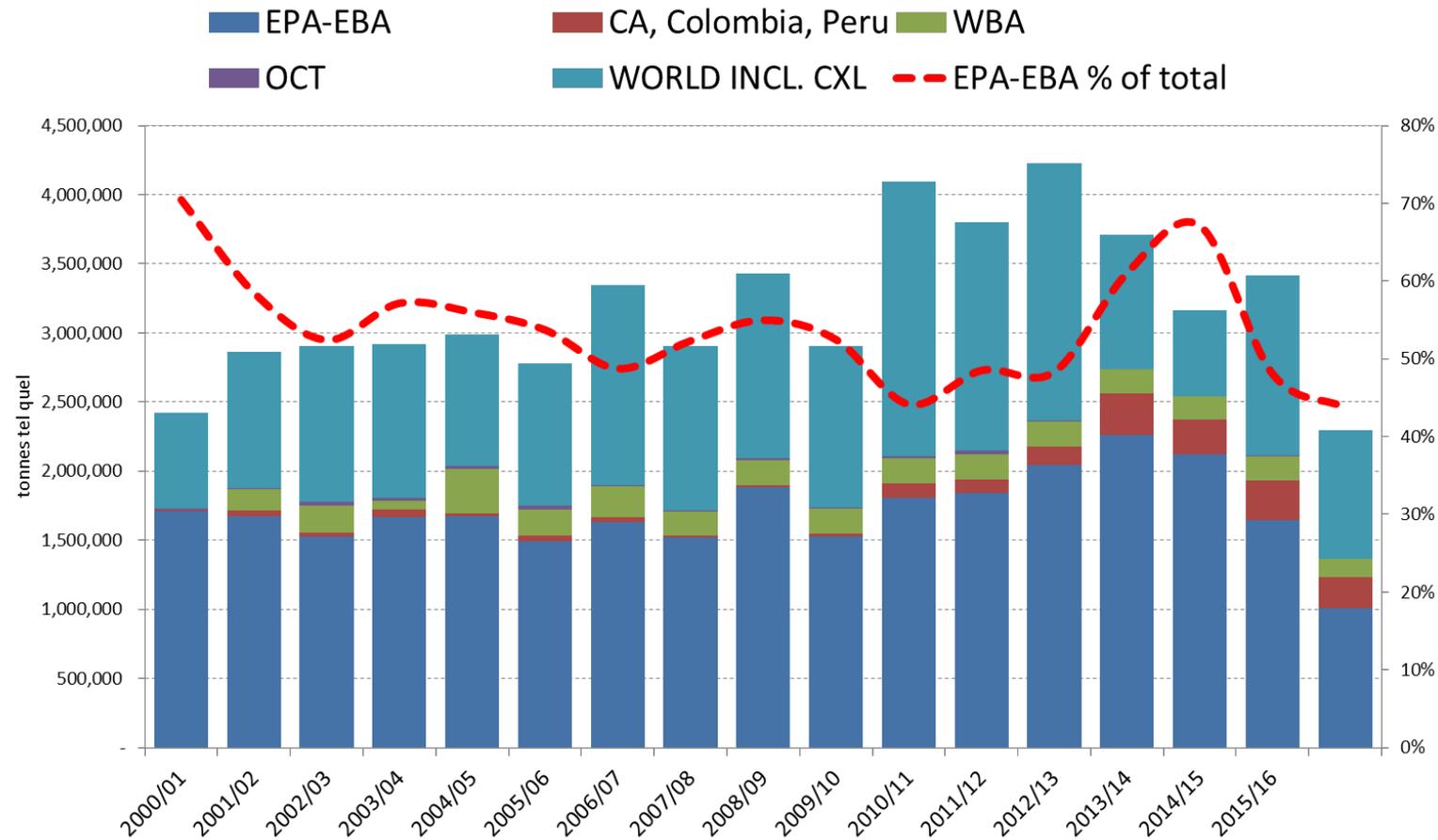


# “The Past” in Statistics



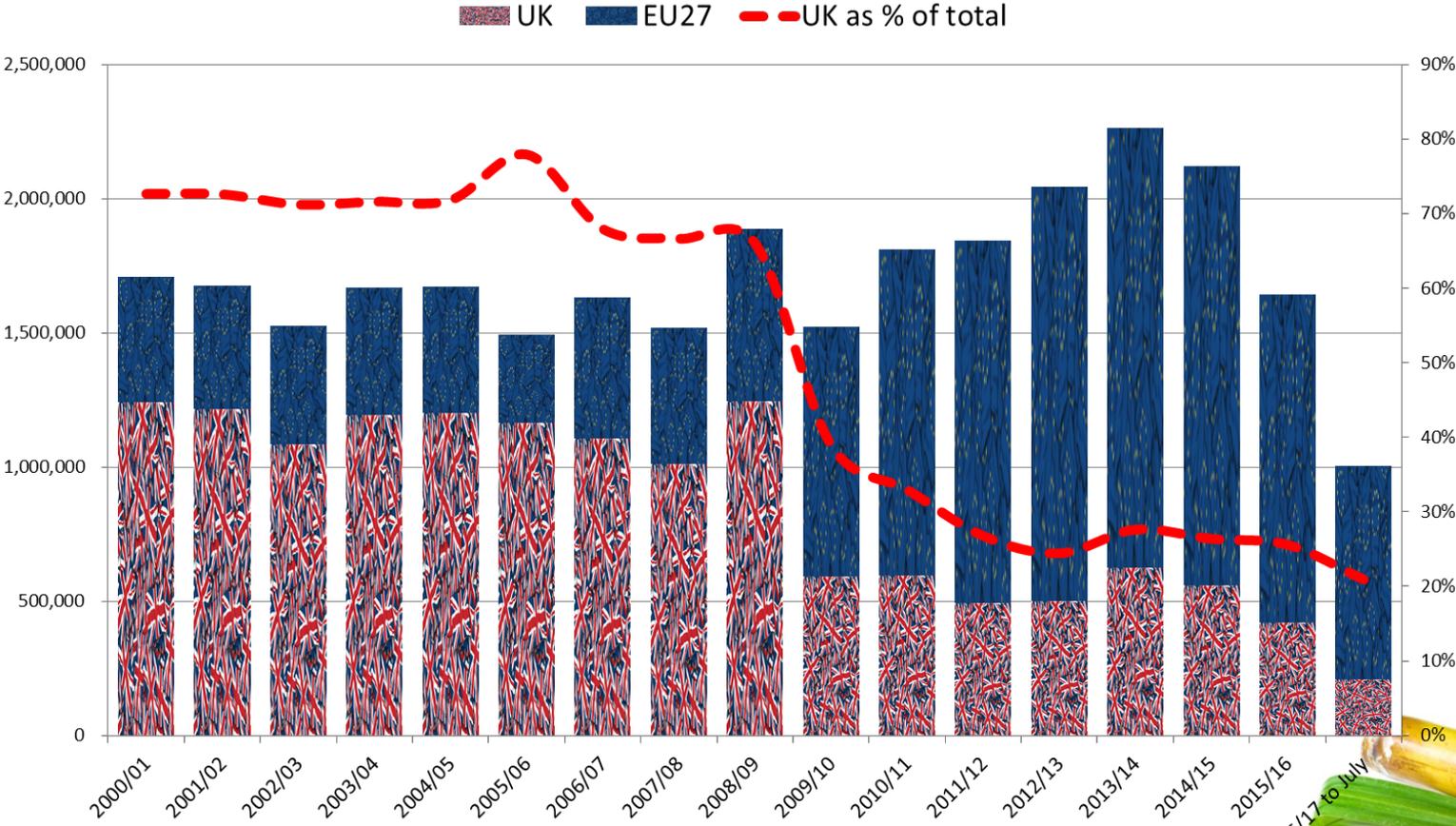
# Total imports into the EU28

## Total EU imports by regional origin



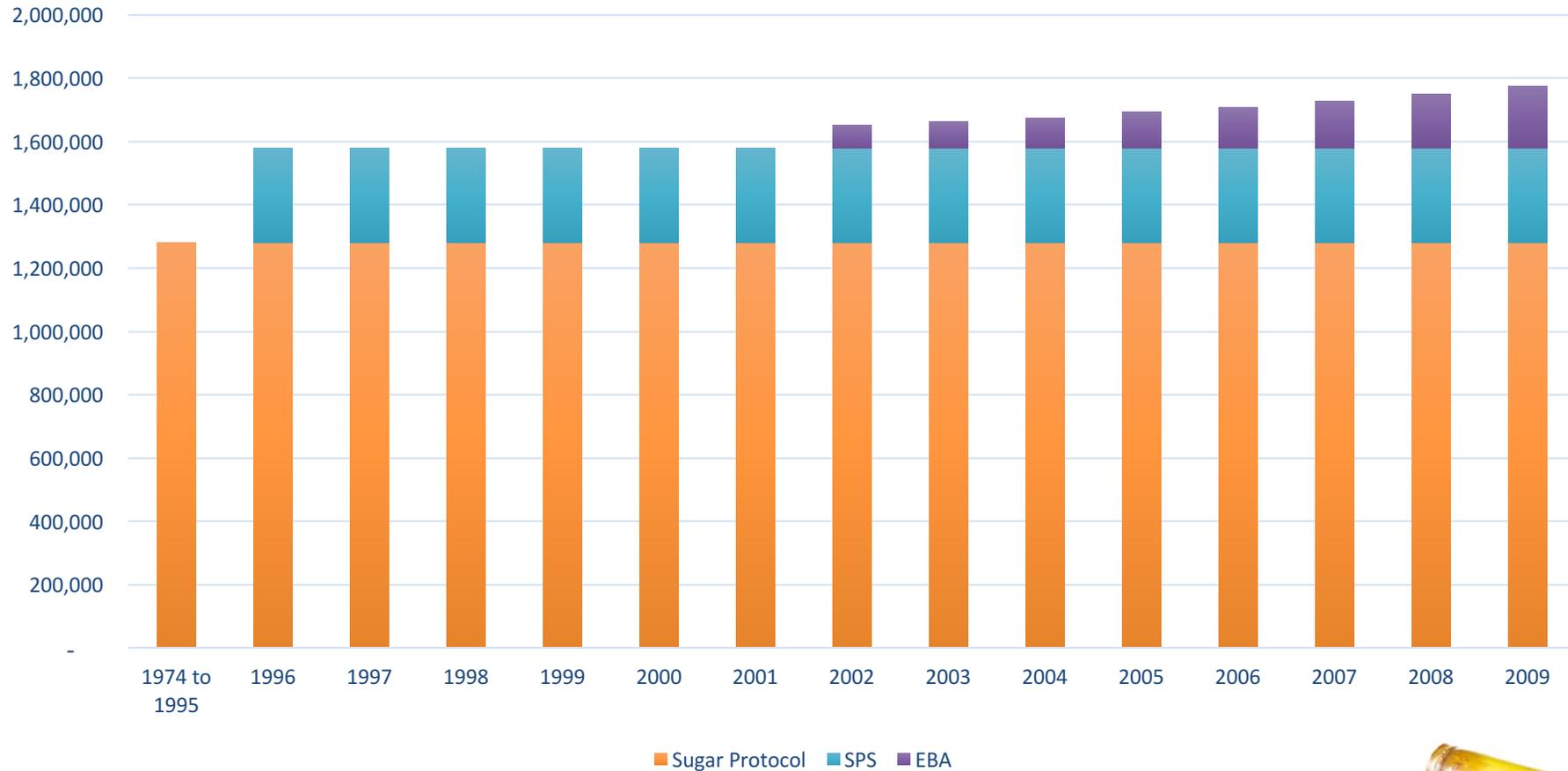
# ACP/LDC imports to the EU28

EPA-EBA imports by country of destination



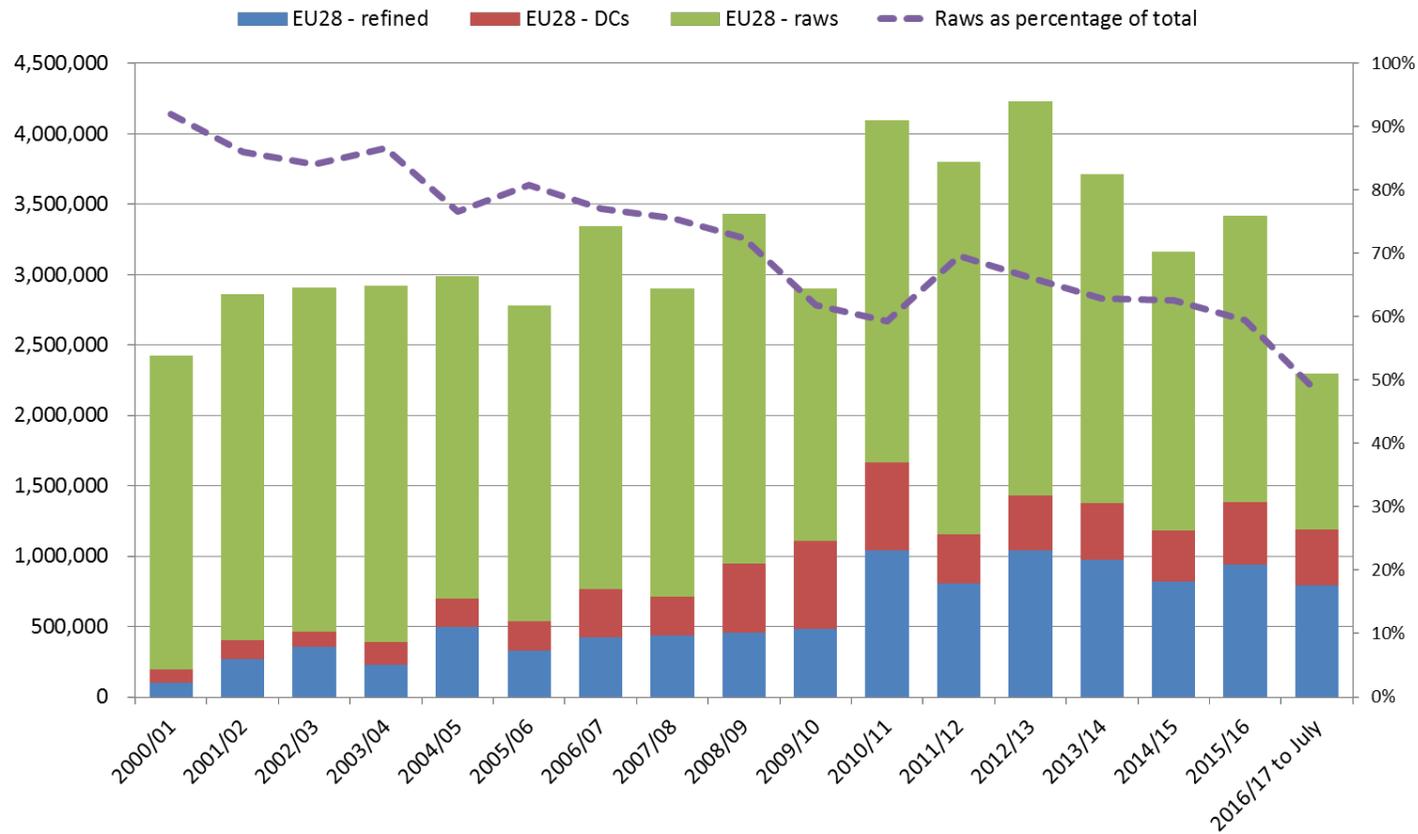
# ACP/LDC duty free access mt

The evolution of Preferential access



# Most EU28 sugar imports were bulk raws for refining (now a declining share)

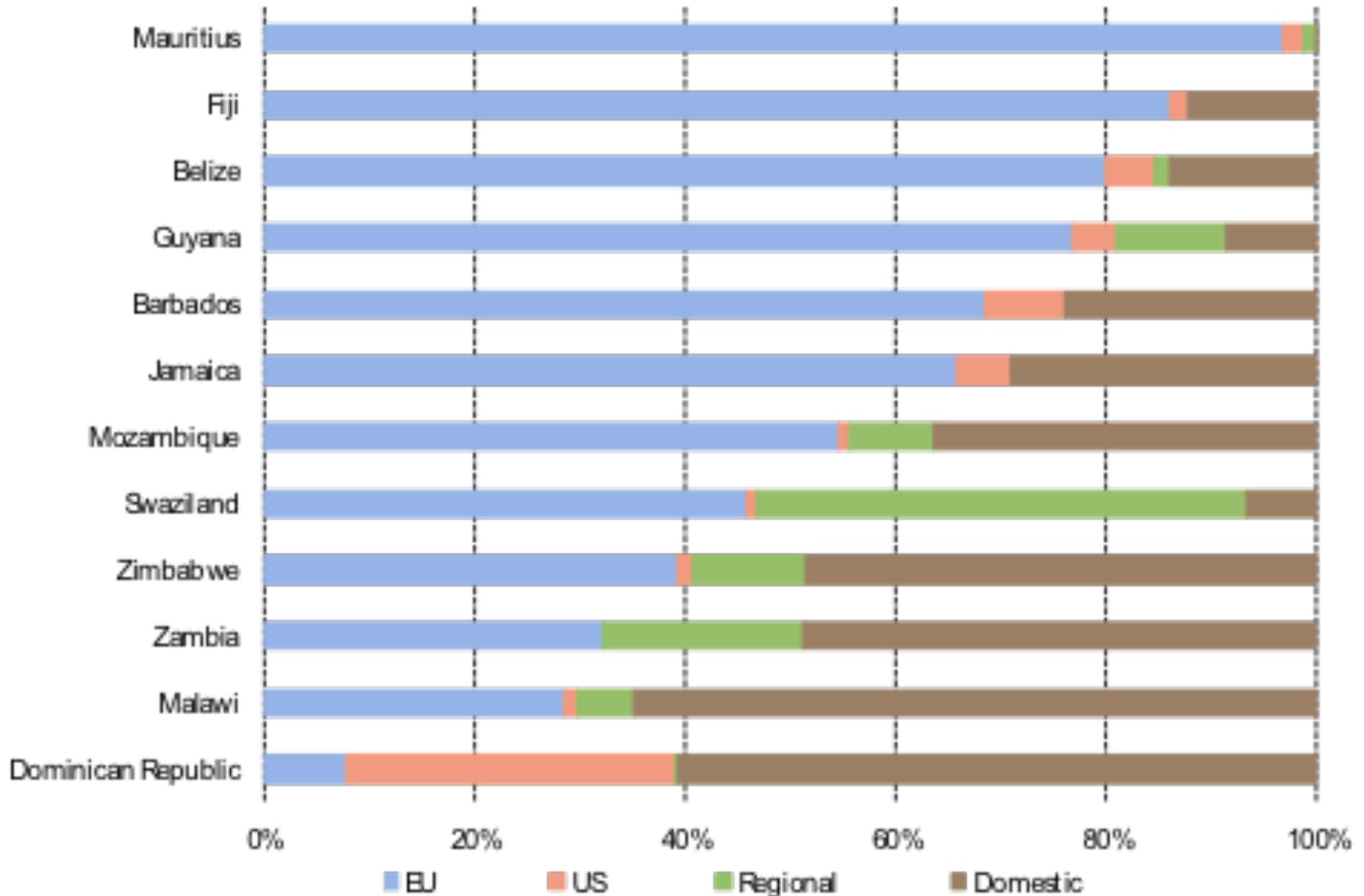
Total imports of sugar into the EU28 by quality of sugar



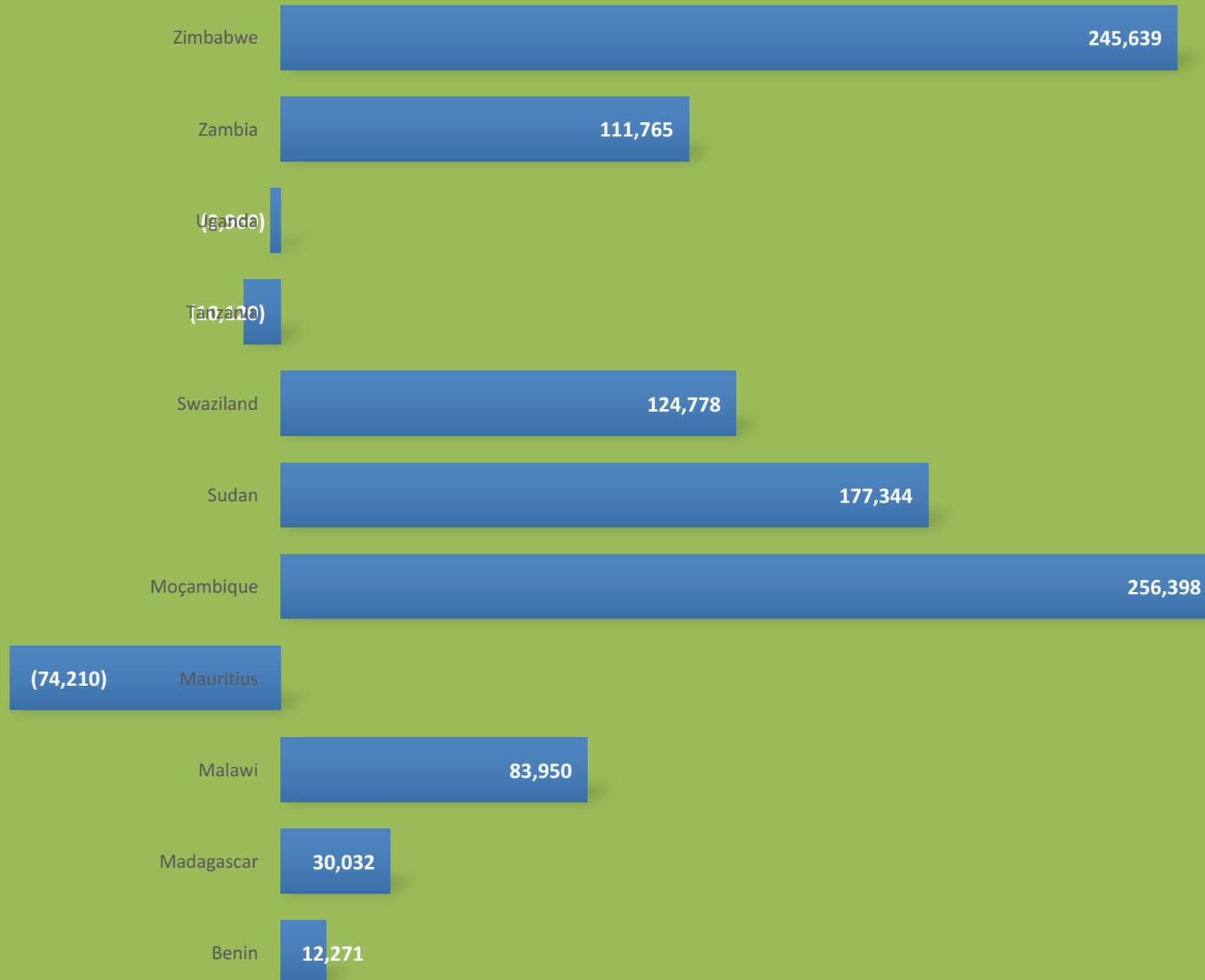
# Why is trade important?

- **Mozambique** –
  - 35,000 employed in rural areas, Estimated 250,000 people are dependent on Sugar Industry.
- **Belize** –
  - Supports the livelihood and wellbeing of around 20% of Belizeans
- **Swaziland**
  - Sugar 13% of GDP, 35% of Private sector employment

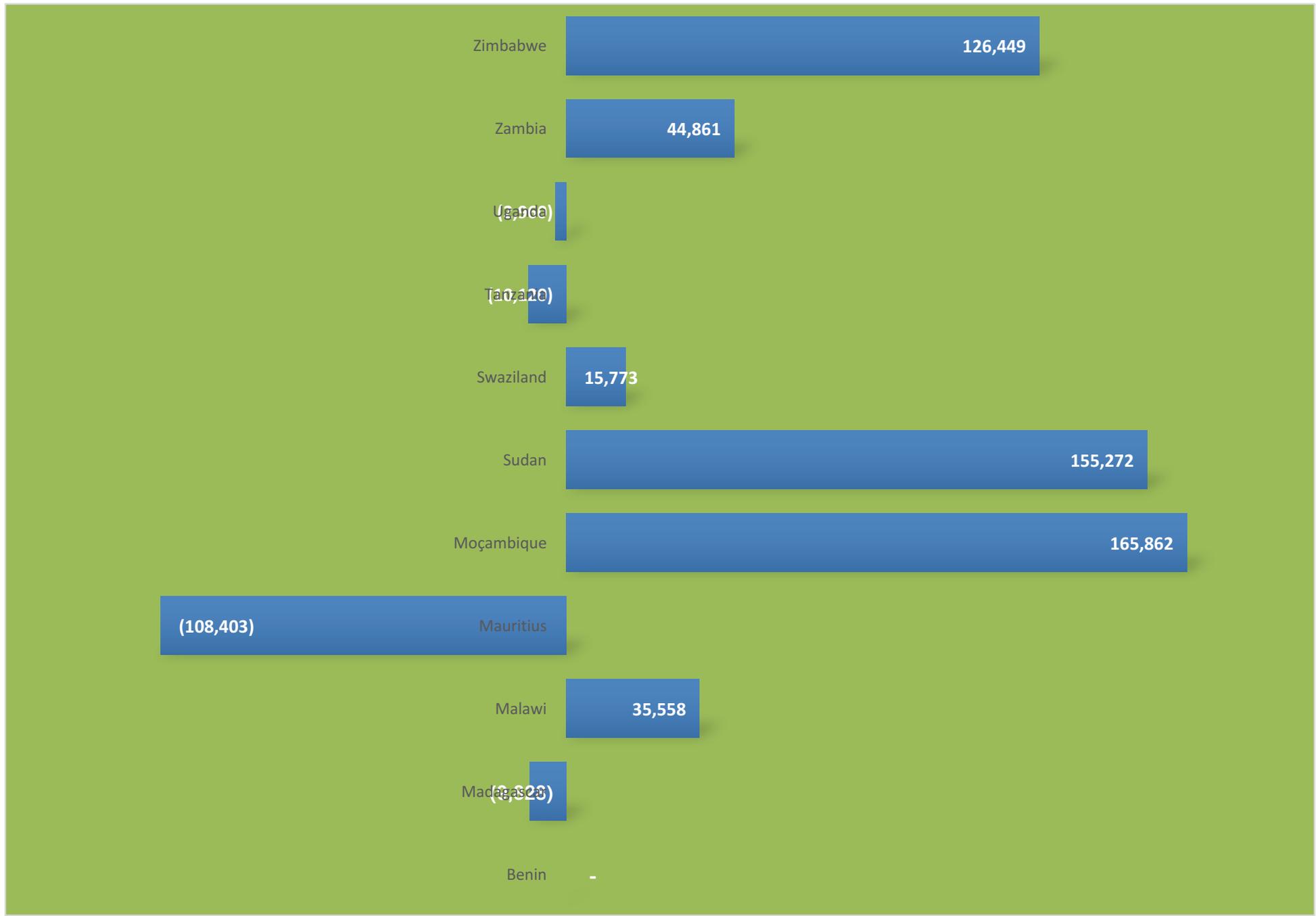
# The traditional reliance on the EU



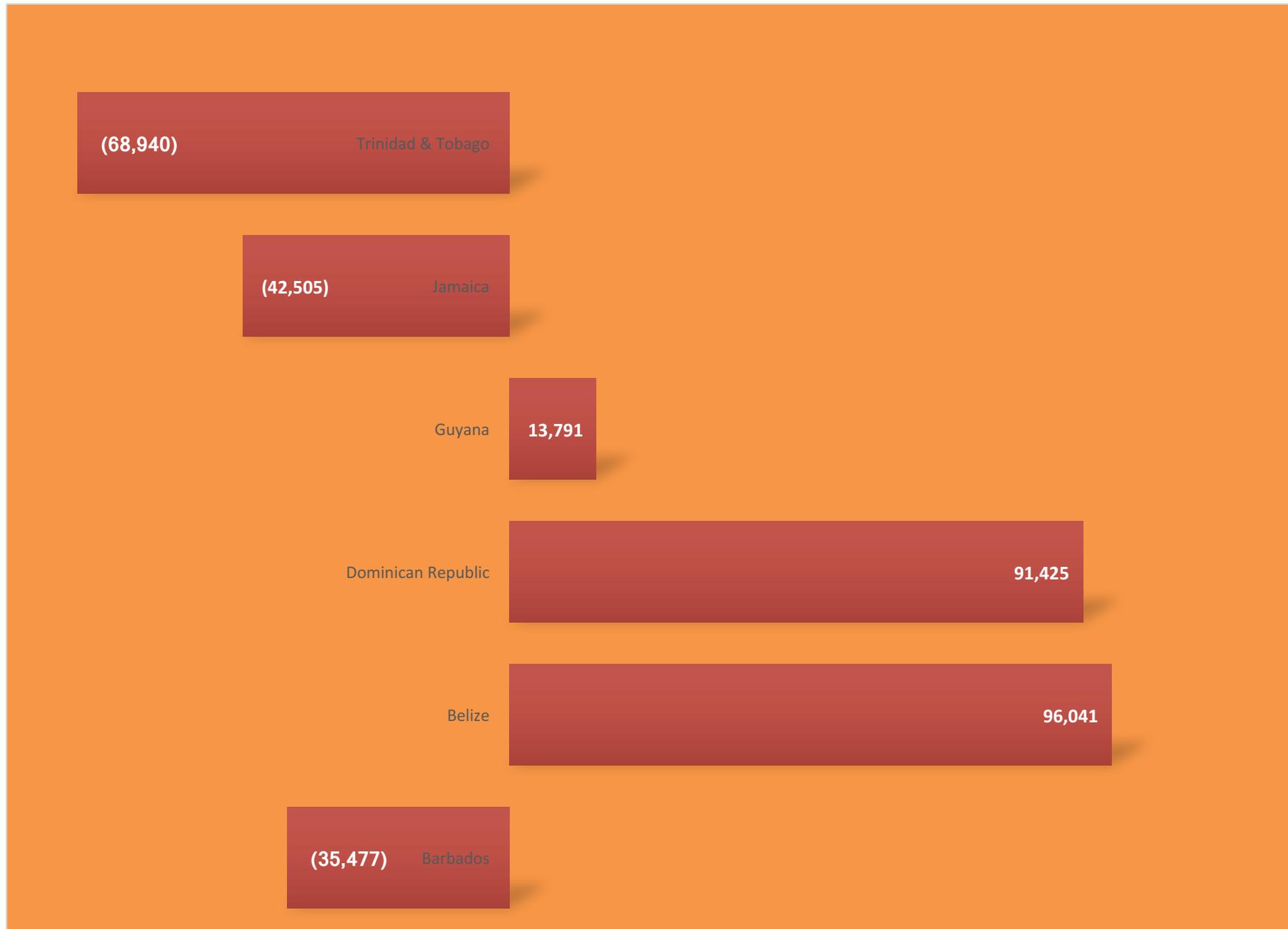
# Change in African origins from 1975 to 2014



# Change in African Origins from 1975 to 2016



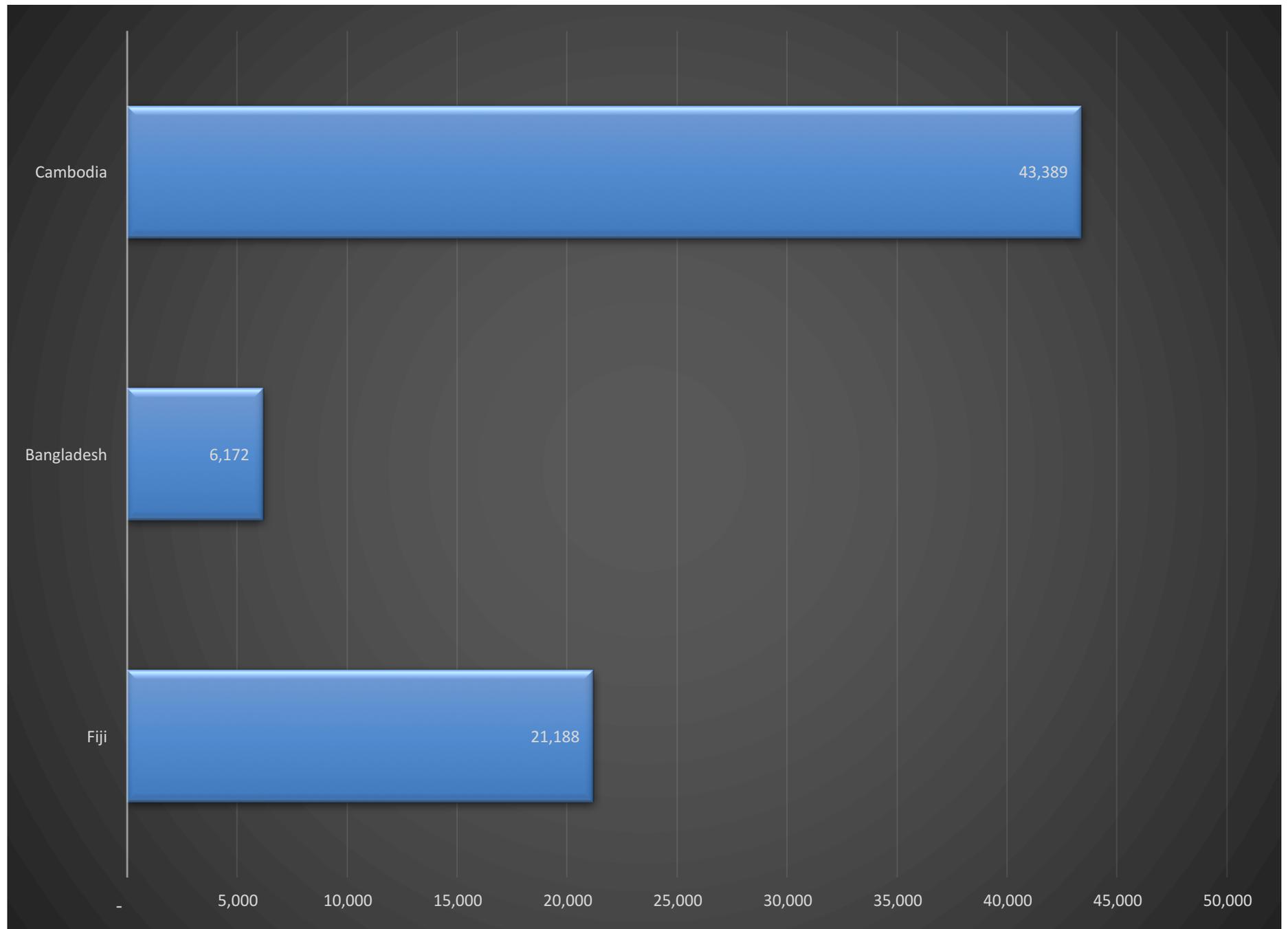
# Change in Caribbean origins from 1975 to 2014



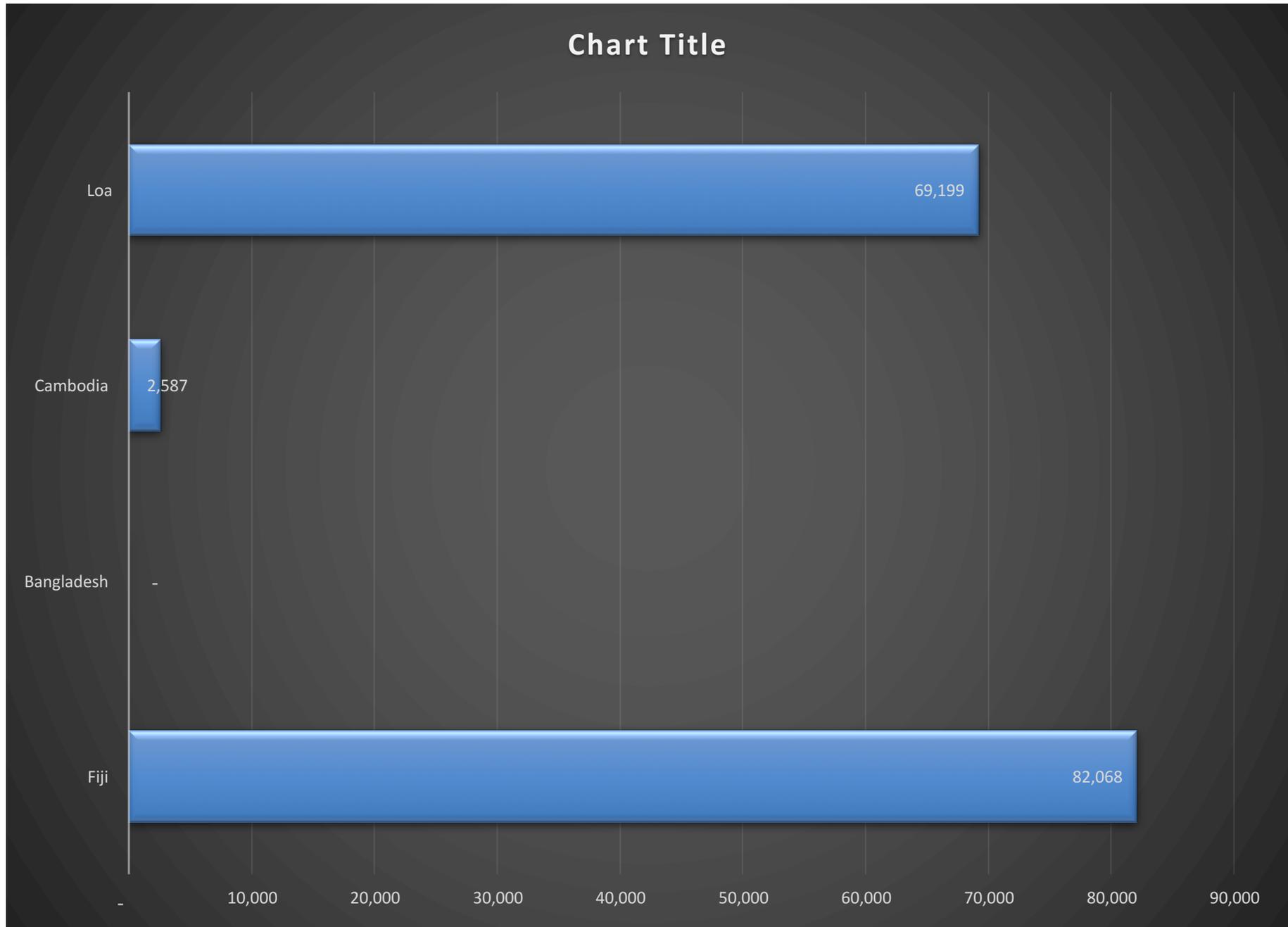
# Change in Caribbean origins from 1975 to 2016



# Change in Asia/Pacific from 1975 to 2014

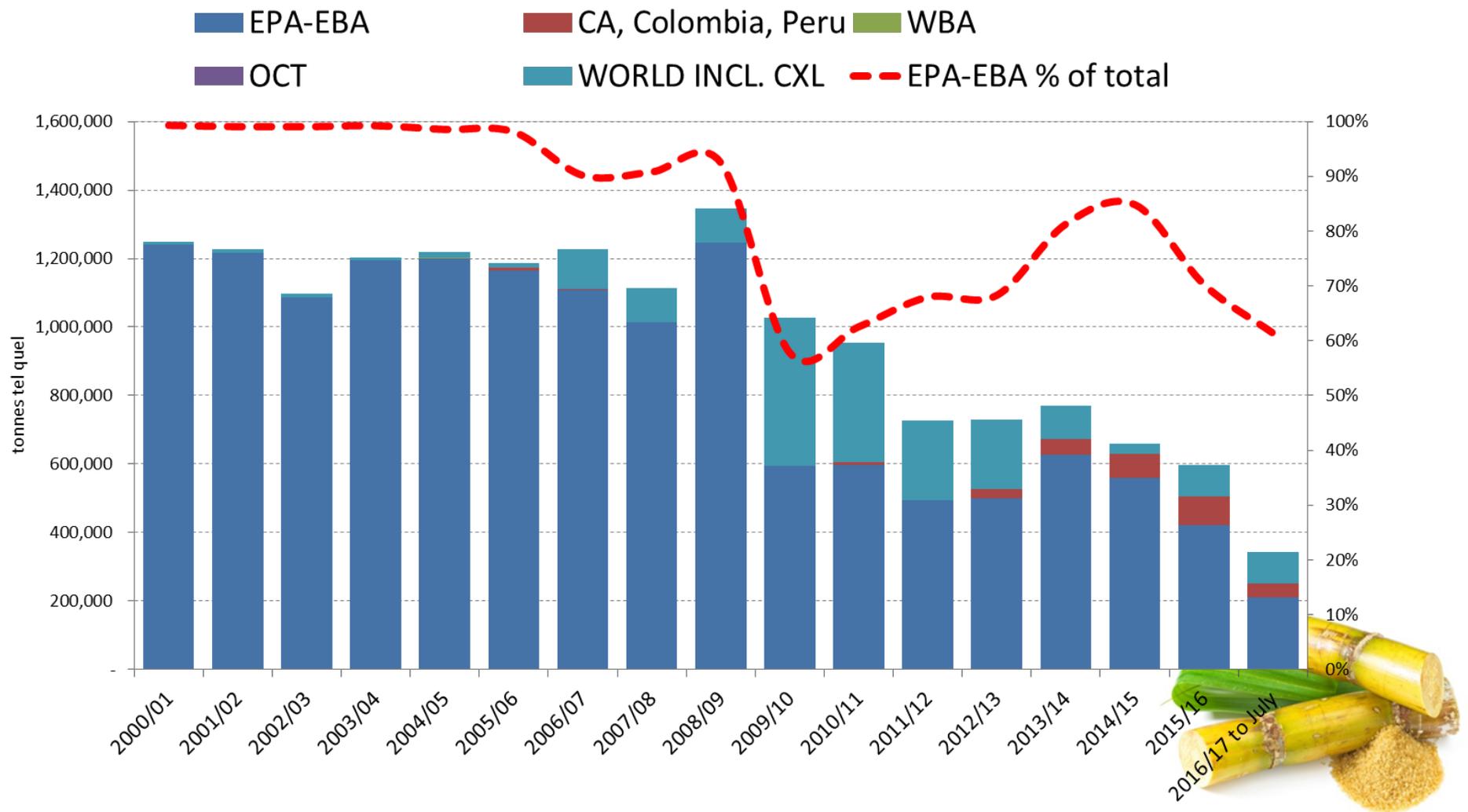


# Change in Asia/Pacific from 1975 to 2016



# Non-EU UK imports are dominated by ACP/LDC origins

## Total UK imports by regional origin





# What Lies Ahead?

- 1<sup>st</sup> 4 weeks of 2017/18 EPA/EBA Licence applications – 59,630 mt (90,418mt 2016/17)
- If annualised – 775,190mt (1,317,000mt 2016/17)
- First Estimate for 2017/18 by sugar industries/Commission 1.35mmt

## How do you estimate accurately?

- Few if any commitments/LTCs
- The EU is now just another world market destination
- Lowest value/residual market for most and thus crop dependent
- Crop Estimates will tend to be bullish



# General trends

- Decline in demand and hence deliveries of Bulk raw sugar to EU
- Reduction in refined exports to EU
- Increase in DC unrefined cane against background of increased competition for EU manufactured products
- Sugar is a socio-economic industry – less opportunity to address poverty alleviation in LDC/ACP origins



# Caribbean trade

- Logistical disadvantages (shallow draft/slow load)
- Small domestic markets
- Few adjacent markets for Bulk sugar

And so.....

- Rationalisation of milling capacity/closures
- Increase in DC sugar production
- Regional trade within Caricom
- Implementation of a Common External Tariff on refined sugar



# Mainland African trade

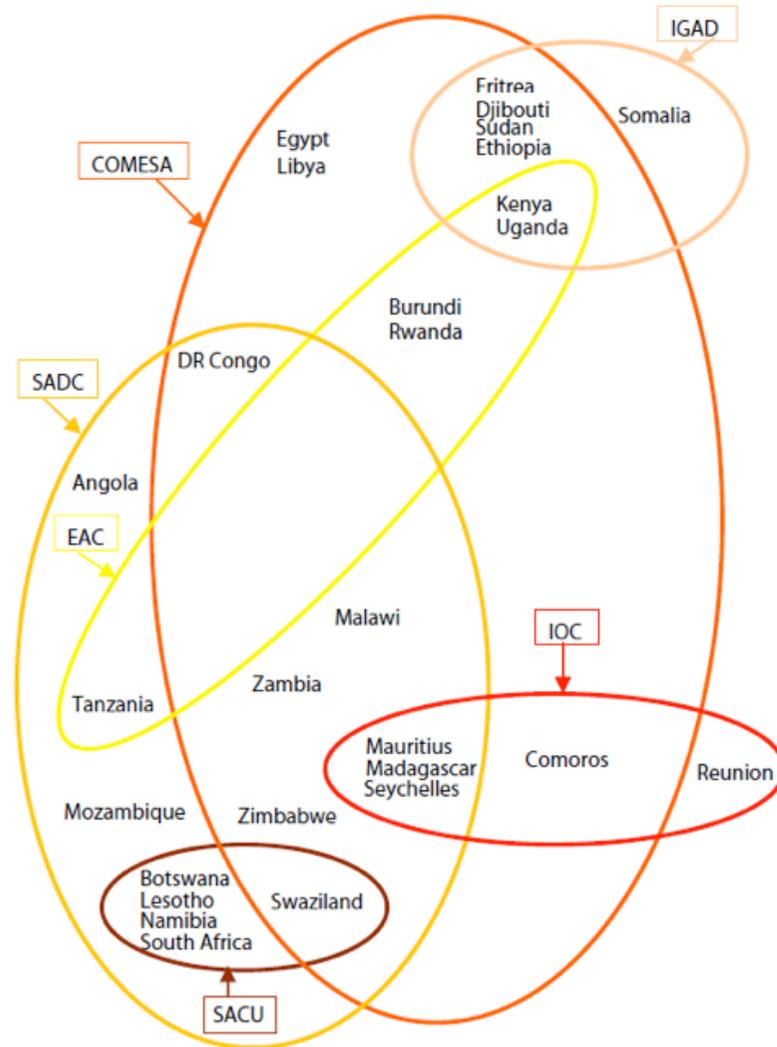
- Generally larger mill sizes 150k plus
- Some Landlocked/High fobbing costs
- Growing domestic markets
- Growing regional markets
- Increasing competition in regional markets from EU on refined sugar
- Increasing focus on Asia for Bulk raw sugar sales

And so.....Priority of supply

- Domestic
- US Quota
- DC Specialities
- Regional markets
- Bulk raws to Asia/EU



# African Trade Agreements



COMESA: Common Market for East and Southern Africa  
IOC: Indian Ocean Commission  
EAC: East African Community

IGAD: Intergovernmental Authority on Development  
SADC: Southern African Development Community  
SACU: South African Customs Union



# Fiji

- Larger mill sizes
- Excellent shipping infrastructure for bulk, not bagged
- Limited domestic market
- Recovering from Cyclone Winston
- History of supply to Asia for Bulk raw sugar sales
- Looking eastwards



# What does the future hold

- A smaller and more opportunistic trade
- Less “preferentially priced” trade
- An impact on development in “younger” industries
- Tremendous challenges to adjust in “older industries” and in countries with small domestic markets

