

## **High Level Group Sugar**

### **Briefing note- Key points**

#### **Issue**

The sector restructures and tries to adapt to new market conditions, which are not expected to improve in the foreseeable future. Promised export opportunities have not materialised due to a failure to address trade-distorting measures at a multilateral level and a failure to open up new markets (Japan, Canada) in bilateral trade negotiations.

#### **Background**

EFFAT is the European Federation of Food, Agriculture and Tourism Trade Unions. As a European Trade Union Federation representing 120 national trade unions from 35 European countries, EFFAT defends the interests of more than 22 million workers towards the European Institutions, European employers' associations and transnational companies.

In this regard, EFFAT represents the interests of workers in the sugar industry. By way of background, the European Commission established a European Social Dialogue Committee for the sugar sector in 1999, replacing the informal working group which had been founded in 1969. EFFAT and the European Committee of Sugar Manufacturers (Comité Européen des Fabricants de Sucre, CEFS) participate in the sector's European social dialogue. EFFAT and CEFS have been recognised by the European Commission as the only social partners in the European sectoral social dialogue committee for the sugar sector.

#### **Key considerations**

- 30,000 direct jobs across the EU
- 124,000 farms involved in sugar beet cultivation
- 107 factories processing sugar beet

The beet sugar sector provides livelihoods and economic empowerment to rural families and communities. The jobs it provides are more highly-skilled and remunerated than many other forms of rural employment.

#### **Current status**

Factory closures in Germany, France, Poland and Italy have been announced with hundreds of direct jobs and thousands of indirect jobs at risk.

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#### **Conclusions**

At the outset, the best way forward to keep businesses going and jobs must be urgently identified.

EFFAT calls on the European Commission to make available funds both to:

- facilitate the re-orientation of beet sugar production facilities to the production of other beet-derived products, such as bioethanol, bio-plastics or biochemicals, in line with the objective of the revised bioeconomy strategy “to strengthen and scale-up bio-based sectors”, and reduce negative employment effects;
- mitigate any negative social consequences of decommissioning a sugar production facility, where re-orientation is not feasible. Employees deserve extra support (e.g. retraining, relocation compensation).

Further, EFFAT calls on the European Commission to put in place the necessary initiatives and market measures resources to rebalance the market. Those measures can take the form of:

- Public intervention or the payment of aid for private storage of sugar;
- Introduction of a “Production Curbing System” to address the severe market imbalances and encourage a responsible approach to the crisis.

Finally, EFFAT calls on the European Commission to avoid heaping additional pressure on the EU market and to strictly limit market opening to third countries in the context of trade negotiations.