

CIUS STATEMENT

Sugar users face loss of competitiveness due to the current sugar market situation

Brussels, 21 April 2023 – This is a call for urgent political action. Sugar users of the European food and drink industry are suffering from the European sugar market situation and losing competitiveness day by day.

- The EU sugar supplies are tightening consistently, and the high-risk unfavourable scenario keeps on repeating itself: sugar supplies between agricultural years (Oct-Sep) are so low that the most vulnerable sugar users (SMEs) face critical shortage situations leading to dramatic economic consequences, such as factory closures and job losses.
- The ending stock forecast for current agricultural year 2022/23 shows sugar levels available for users at 552 000 Tonnes, which represents less than 2 weeks of EU sugar users' overall consumption.
- Prices for white sugar in the European Union have reached record highs rallying more than 80% in the last 12 months according to EU Commission published data and continue to rise, another sign of scarce supplies. Sugar users have difficulties to pass on the important price inflation to their customers in the food retail sector, but prices are also acting as a major driver of food inflation, putting a strain on consumers' budgets wherever this price inflation occurs. Furthermore, our high value-added sugar containing products are losing exports markets as they are unable to compete with operators on the world market.
- As the market currently relies on imports, manufacturers of sugar-containing products have great difficulties complying with weight-based preferential origin rules when exporting to certain third market and thus lose out on any concessions granted in Free Trade Agreements.
- Solutions to the supply deficit exist. It only depends on the political willingness to act. Sugar users call on the immediate suspension of import tariffs on white sugar to supply the market at once and avoid dramatic and irreversible economic consequences to the sugar using food and drink industry.

CIUS represents more than 15 000 sugar using companies, ranging from artisan, small and medium sized enterprises to multi-nationals. Together our members purchase about 70% of the EU's annual production of sugar and provide direct employment to over 700.000 people in Europe.

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