

MERCOSUR: A window of opportunity for the EU to offer more sugar access

20 September 2023 - CIUS, the European Sugar Users Association of the food and drink industries and CAOBISCO, the Association of the Chocolate, Biscuits and Confectionery Industries of the EU, have been following with great interest discussions between the EU and MERCOSUR. In light of the meeting between the chief EU and MERCOSUR negotiators taking place in September 2023, **CIUS and CAOBISCO encourages the European Commission to conclude and ratify as soon as possible the agreed FTA with Mercosur.**

For European sugar users, the trade deal is a historic opportunity to ensure a security of supplies of sugar. The EU-Mercosur FTA would allow 180,000 tonnes of South American raw sugar to have free access to the EU market. However, the agreed amount is far below the MERCOSUR's potential to export sugar to the EU in order to compensate the supply deficit in the EU. **We believe that the agreed amount should be revised upwards and an equivalent volume given to the import of white sugar directly accessible to the EU food and drink industry.**

More significant imported quantities of sugar would ensure sustainable supplies to the European sugar users of which more than 99% are SMEs and avoid economic consequences such as job losses, as experienced in the last 6 years due to a repetitive sugar deficit.

There is no longer a justification to treat sugar as a sensitive product in FTA negotiations, as the EU has become a net importing region and needs to guarantee sufficient sustainable supplies from imports to respond to the demand in the European Union.

We would like to call on the European Commission to:

- **Increase market access for raw and white sugar from MERCOSUR countries and to extend the planned TRQ.** White sugar imports of sufficient quality and respecting origin rules should be facilitated so as to give access to sugar for the users of the food and drink sector in case of a deficit situation on the EU sugar market.
- **Consider alternative solutions to supply sugar to the European sugar users,** as the current context and the existing access routes are not sufficient. It is fundamental for our sector to have access to alternative duty-free sources for sugars to ensure continued production of high value-added sugar containing products in Europe and remain competitive on the world market.
- **Consider the irrelevance of certain previously established TRQ.** For example in Cuba, which has persistent, long-term shortages in availability and doesn't produce enough volumes to export and therefore does not balance the market. It would be logical for these volumes to be allotted to another producing country.

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