

CAOBISCO: Planned suspension of inward processing for sugar would weaken EU competitiveness and set a dangerous precedent

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In 2025, EU exports of chocolate, biscuits and sugar confectionery to third countries totalled 3,277,330 tonnes. However, since 2022, CAOBISCO has observed a decline in export volumes due to a loss of competitiveness (-4,8 Percent). Against this background, CAOBISCO calls on policymakers in Brussels to refrain from any premature suspension of inward processing for sugar and to uphold a predictable, evidence-based policy framework that supports competitiveness, investment and employment across Europe's food industry.

CAOBISCO expresses deep concern about the possible suspension of the inward processing regime (IPR) for sugar, as recently announced by Commissioner Hansen. The suspension of IPR would further undermine the competitiveness of Europe's sugar-using industries at a time of growing pressure in global markets.

This concern is particularly acute because the EU sugar market remains heavily regulated. While sugar producers can export freely to the global market, imports into the European Union still face protective duties of EUR 419 per tonne. In this context, inward processing remains essential, as it enables manufacturers to access sugar at world market prices for products destined for export.

CAOBISCO President Tobias Bachmüller emphasizes the key consequence for the industry: "For confectionary companies that rely on exports, the impact of suspending IPR of sugar would be immediate. Reduced access to competitively priced sugar would raise production costs, erode margins and weaken their position on global markets, risking a further loss of export share".

Removing IPR for sugar would also set a dangerous precedent: if such important and established rules can be changed without clear evidence, confidence in the EU's legal framework and businesses' ability to plan and invest will be undermined.

Moreover, there appears to be no objective justification for such a suspension. Sugar imports are currently at historically low levels.

The volume of white sugar used under inward processing by sugar-using manufacturers in the 2024/2025 marketing year amounted to just 155,000 tonnes — less than one percent of total EU sugar demand and a sharp reduction compared to the previous year.

In addition, raw sugar IPR also supports an efficient allocation of supply on the EU sugar market. While white sugar from the European beet belt is exported to third countries, sugar refiners can import raw sugar to supply manufacturers in southern Europe.

The suspension would therefore create avoidable instability and could have far-reaching consequences for supply security, industrial activity and the overall competitiveness of the European Union.

European agriculture is benefiting from confectionery exports to third countries enormously. Unfortunately, this fact is forgotten too often in the debate.

CAOBISCO is the Association of the Chocolate, Biscuits & Confectionery Industries of Europe. We represent more than 15,000 European chocolate, biscuits and confectionery manufacturing companies, 99% of which are SMEs. The sector is a major player in the European economy, with over 310, 457 direct employees and an annual turnover of over €59.5 billion.

For media enquiries:

Antonina Tuznik –

antonina.tuznik@caobisco.eu

+32 472 72 81 25