(English version)

Question for written answer E-003887/18
to the Commission
Daniel Buda (PPE)
(13 July 2018)

Subject: Sugar sector in Romania and the EU undergoes an unprecedented crisis

During the discussions with representatives of sugar sector employers in Romania, they informed me about the challenges of the sugar sector at national and European level. Sugar beet farmers and producers in this field are seriously affected by the present situation of white sugar prices, which have reached historically low levels, generating alarming losses for sugar producers.

According to the latest data, in March 2018, the average rate decreased to EUR 376/tonne, much under the reference price of EUR 404/tonne. Producers and farmers cannot support this price level, as the sugar sector faces important losses which can lead to the producers' bankruptcy.

Thus, in Romania, out of thirty three sugar beet factories in 1990, only three are still working, namely those from Luduș, Bod and Roman. Beet sugar is one of the few products that ensures the entire supply chain, generating added value.

What action can the Commission take to establish protective measures for the EU's sugar producers in order to balance the market?

Answer given by Mr Hogan on behalf of the European Commission
(21 August 2018)

In the framework of the 2006 reform, the EU sugar sector was deeply restructured to make it more competitive and market-oriented. Production capacity was reduced by six million tonnes and 81 sugar factories were closed. Within this process considerable amounts of EU restructuring aid were paid to companies reducing or stopping production: Romania received EUR 10 million. From the marketing year 2017-18 on, the EU market is driven by demand and supply signals and requires its players to adjust to and take business decisions based on the logic of a deregulated market.

The recent developments in the sugar market display patterns that have not been entirely unexpected in the first marketing year post quota, although the situation has further worsened because of the global oversupply and dropping world prices.

According to the common market Organisation Regulation (EU) No 1308/2013 ([1]), the measures available to the Commission for the sugar sector are private storage aid as well as exceptional measures in case of market disturbance or imbalances. At this early stage of the transition to a post quota environment, the Commission does not consider it pertinent to adopt any market measures. Any intervention at this moment would send the wrong signal to the industry and seriously weaken the incentive for self-regulation.

At the same time, the Commission is fully aware of the concerns of the industry and will continue to carefully monitor the market and consider taking appropriate actions if the situation justifies it.

([1]) Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007. OJ L 347, 20.12.2013, p. 671.