European Sugar Refineries Association

Cane Refining in the EU – Prospects & Issues

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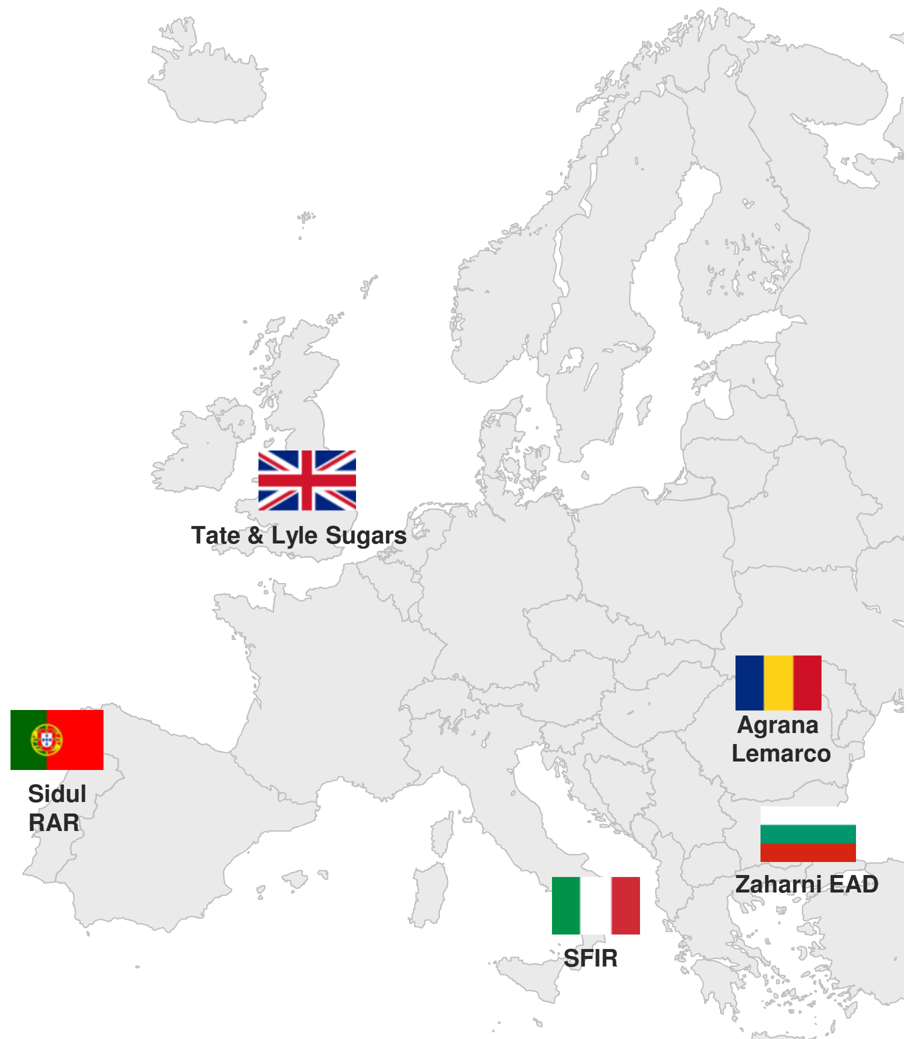
Cane Refining in Europe

- ESRA was formed in February 2011
- **11 refineries** across EU
- Over **3500** high quality **industrial jobs**
- Provide **choice** to 2000 **customers**
- Exclusively supplied through **preferential trade arrangements**

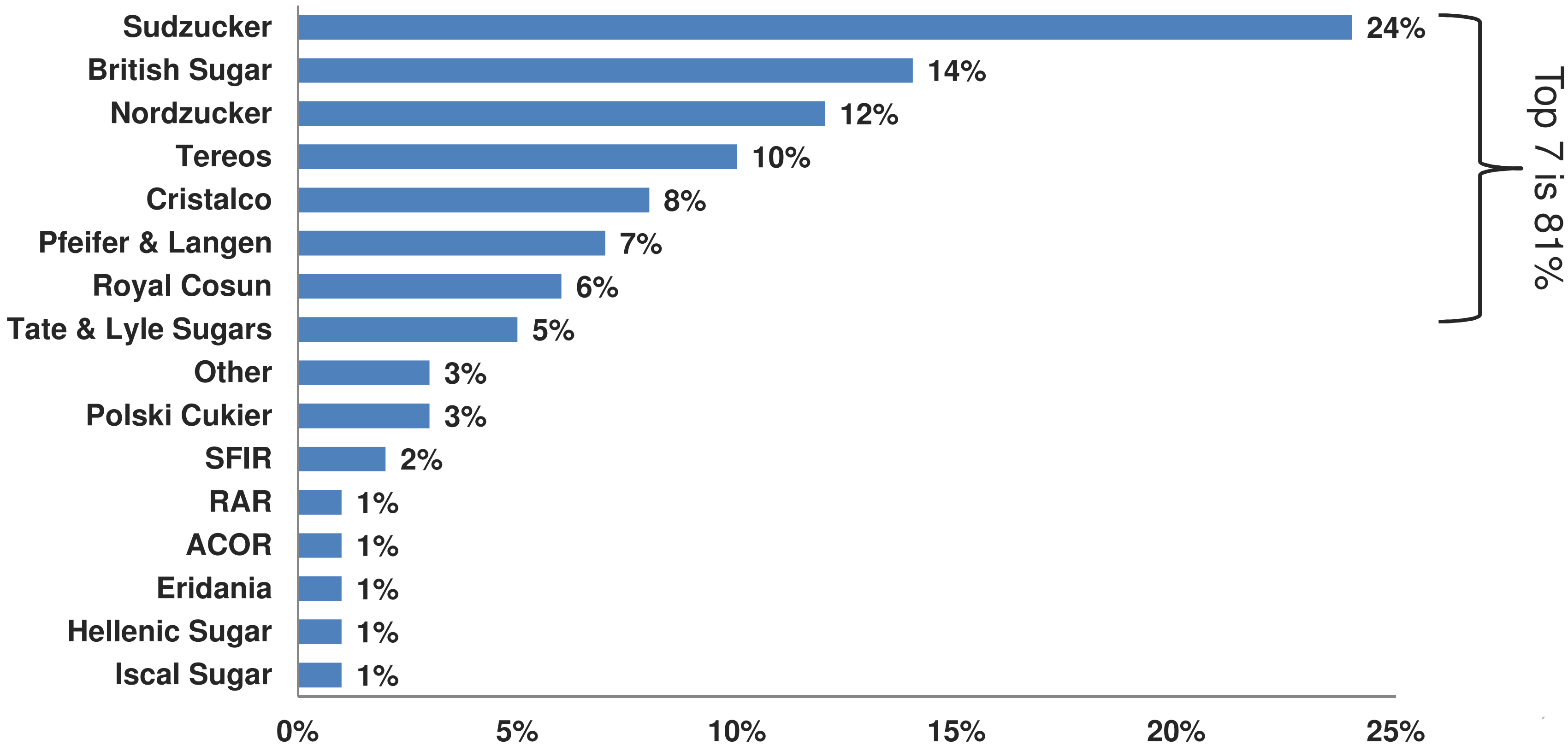


Why Europe Needs Cane Refiners

- **Choice**
- **Competition**
- **Food security**
- **Development** policy
- Link to **global markets**
- Industrial **jobs**

Two of the 26 cane sugar refineries in Europe

Concentration of EU Sugar Market



Source: Tate & Lyle Sugars

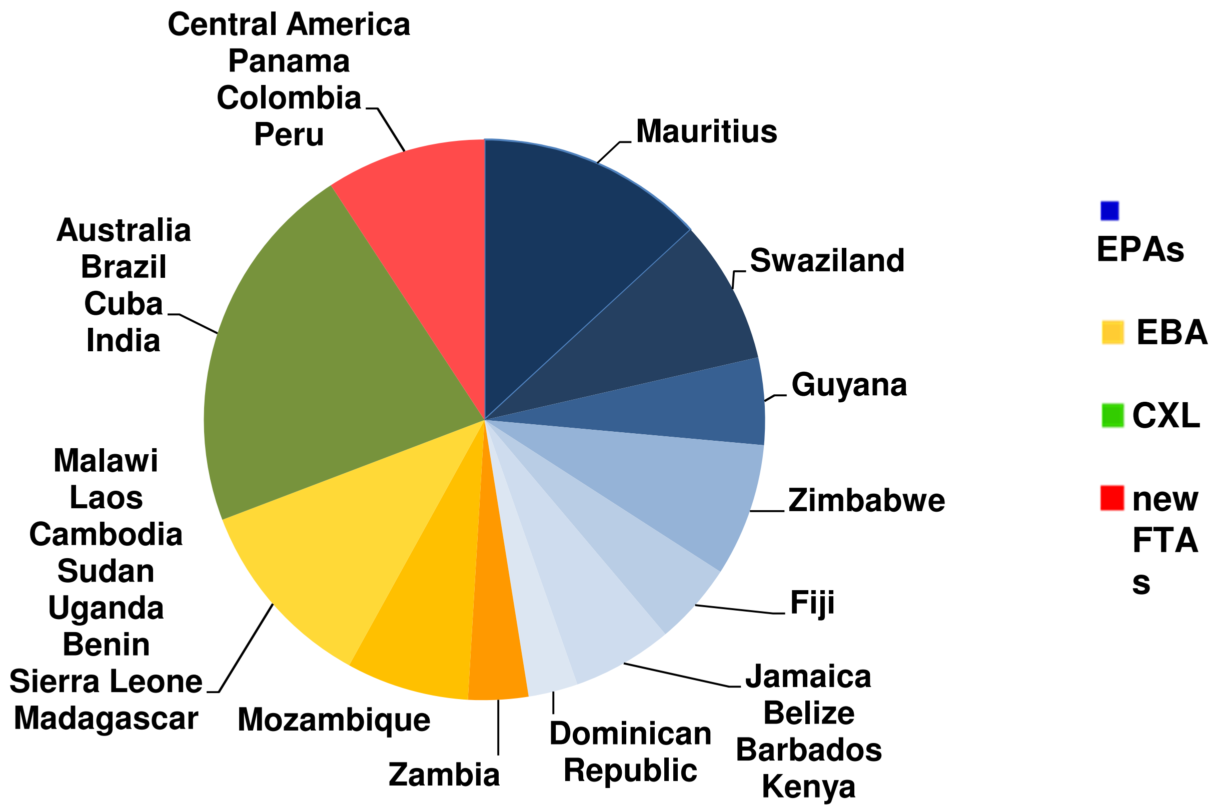
- Competition authorities very concerned and closely monitory the sector

Unfair Result of CAP Reform

	Until 2017	After 2017
Beet	Production limited by quotas	✓ Unlimited production allowed
Isoglucose	Production limited by quotas	✓ Unlimited production allowed
Cane Refining	Limited to preferential suppliers 98€/tonne duty on CXL imports 339€/tonne duty on other supply	X NOTHING CHANGES !!!

- **Cane refiners' will still face raw material LIMITATIONS in VOLUME and ORIGIN**

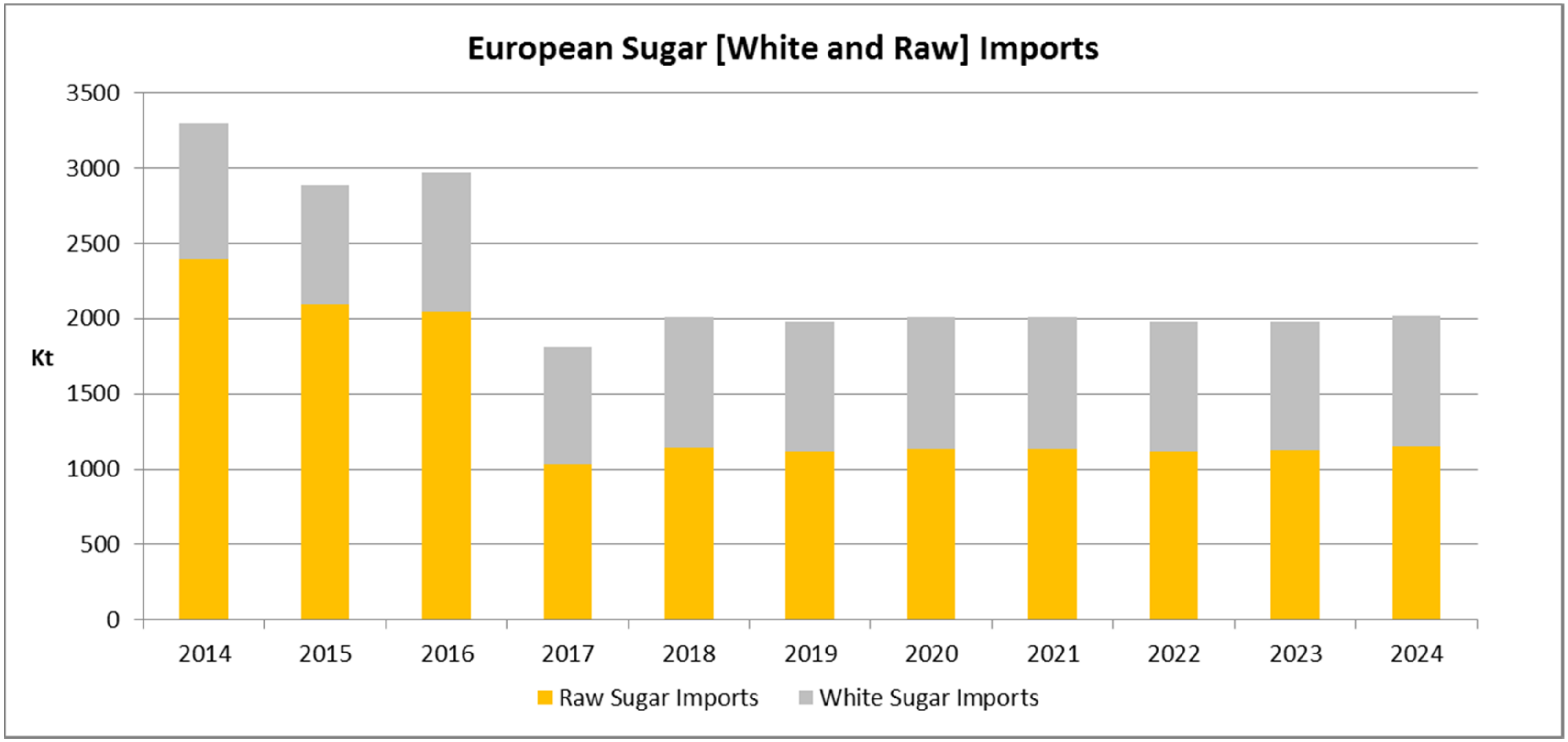
Origin of EU cane imports



Source: EU Commission. Tonnes in WSE for 2014/15

ACP & LDC	Duty free - Quota free	1,8 – 2,1 mt
CXL	TRQ with 98€/tonne duty	0,7 mt
FTAs (since 2012)	TRQs zero duty	0,5 mt

European Sugar Imports Projections



Source: DEFRA

- **Raw sugar imports expected to significantly decrease**
- **This will leave less room for EU refiners**
- **Big negative impact on ACP/LDC raw sugar suppliers**

Impact of 98€ CXL import duty

Diagram 1: Base case - Sweetener demand and supply (at 18 cents/lb raw sugar, €185/tonne wheat and US$1.33/€)

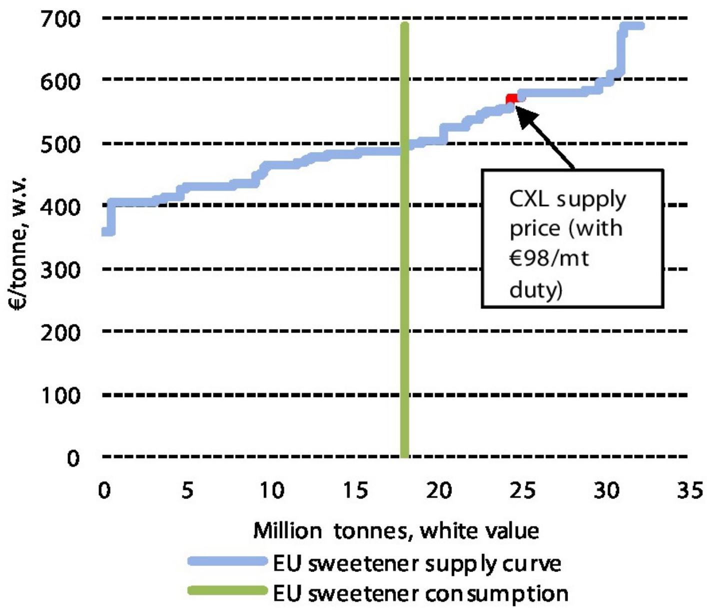
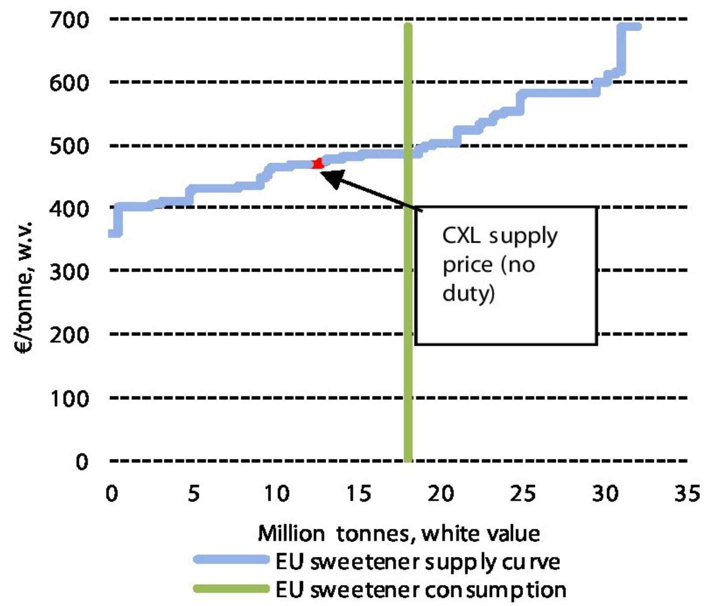


Diagram 2: No CXL duty - Sweetener demand and supply (at 18 cents/lb raw sugar, €185/tonne wheat and US$1.33/€)



Source: LMC International

With 98€ duty CXL sugar is NOT imported

Refiners are deprived of 1/3 of its supply!

Without 98 € duty CXL sugar IS imported

Keeping refiners part of the EU supply mix

Impact of additional FTAs imports

Diagram 3: Base case - Sweetener demand and supply (at 18 cents/lb raw sugar, €185/tonne wheat and US$1.33/€)

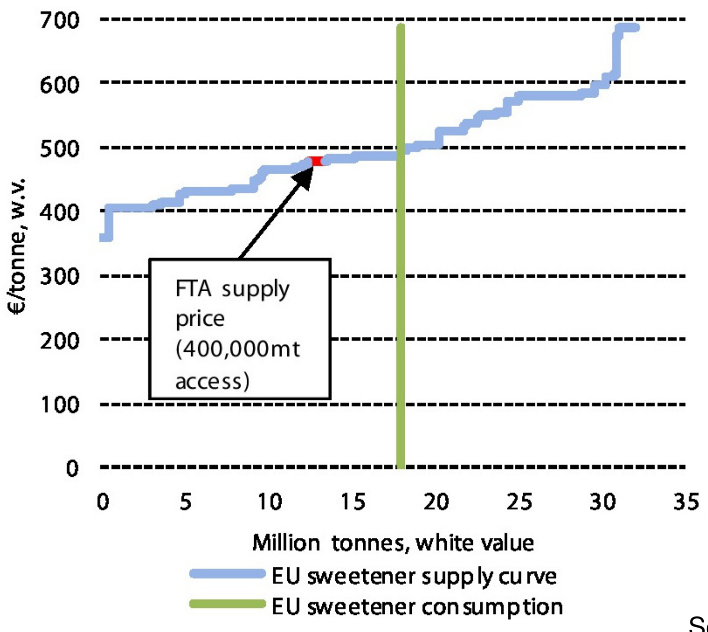
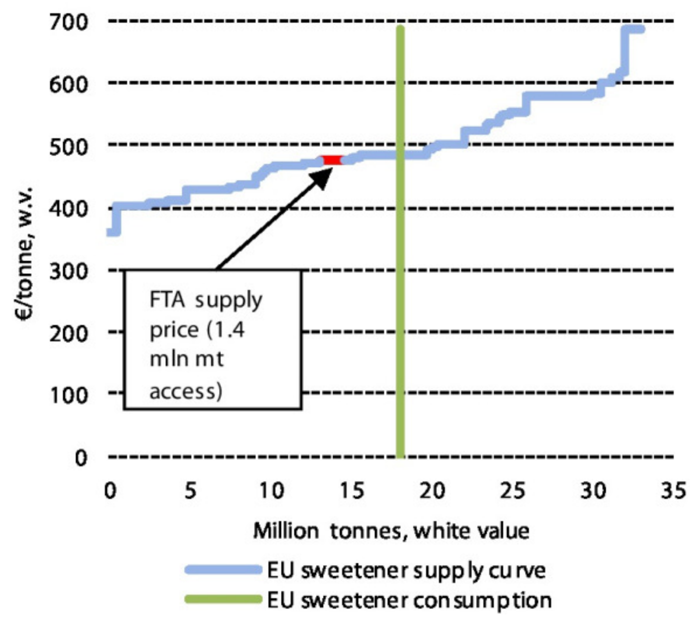


Diagram 4: FTA access increased by 1.0 mln mt - Sweetener demand and supply (at 18 cents/lb raw sugar, €185/tonne wheat and US$1.33/€)



Source: LMC International

- **Additional FTA raw sugar imports makes EU supply more competitive**
- **New FTA raw sugar imports guarantees refiners' viability as part of the EU supply**

FTA sugar quantities

Agreement	Country	Date	Quantity	Growth
Central America	Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua	June 2012	150.000 any	4,500
	Panama	June 2012	12.000 any	360
Andean Community	Colombia	June 2012	62.000 any	1.860
	Peru	June 2012	22.000 any	660
	Ecuador	July 2014	15.000 raw 10.000 white	450 150
SADC EPA	South Africa	July 2014	100.000 raw 50.000 any	none
ASEAN	Vietnam	Dec 2015	20.000 any	none

Proposals for working together

ESRA

1. **Towards the suspension of the CXL 98 € duty**

2. **Towards future FTAs with raw cane sugar**

ESRA

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Thank you for your attention!

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