

**General Secretariat of the
African, Caribbean and
Pacific Group of States
(ACP Group)**



**Secrétariat Général du
Groupe des Etats d' Afrique
des Caraïbes et du Pacifique
(Groupe ACP)**

ACP Sugar Group calls on EU Heads of State to address their urgent needs in budget talks

Hong Kong, 15 December 2005: In the context of crucial discussions on the 2007-2013 EU budget, the African, Caribbean, Pacific (ACP) Sugar Group calls on the EU to fully honour its commitment to ACP sugar supplying countries through the allocation of secure and adequate financial resources to enable them to adjust effectively to the disproportionate burden arising from the reform of the EU sugar regime.

These ACP States will lose more than €250 million per annum in direct export earnings as a result of a 36% cut. In certain ACP countries sugar exports contribute up to 25% of GDP, but only €40 million has been put forward for 2006 which barely covers the 35 million loss they will incur in the first year of the new regime. This compares with the €7 billion earmarked for EU sugar beet farmers and processors.

"The most vulnerable stakeholders must not be the helpless victims of the reform. This is the time for EU to deliver on its promises. We strongly urge them to show the political will to do so, because their decision will have a crucial impact on the long term sustainable development of the sugar industries of the ACP" said Arvin Boolell, Minister of Agriculture of Mauritius and Chairman of the ACP Sugar Group, speaking from the WTO Ministerial Conference in Hong Kong where the ACP has placed the issue of erosion of preferential trade agreements for developing countries high on the agenda.

The European Commission has reiterated its proposal that ACP sugar supplying states be provided with €190 million a year in the financial perspectives 2007-2013 to offset the devastating impact of sugar reform on their economies.

"We welcome this proposal from the Commission as step in the right direction. However, it is still very unclear how this will fit in the overall budget package. Moreover, the figure is grossly inadequate to enable us to restructure and diversify within sugar," Keith D. Knight of Foreign Affairs and Foreign Trade, Jamaica, whose own country's banana production is also severely threatened by changes to the EU banana regime.

The ACPs have justifiably argued that €500 million per year will be necessary to allow them adapt and survive. This view is shared by certain Member States, including the UK, where the House of Lords this week warned the amount of assistance currently earmarked for the ACP is *"desperately inadequate"*. The final amount that will be allocated to the ACP hangs on the final outcome of discussions on the EU budget.

"It is impossible to overstate the urgent need for a clearly ring-fenced and substantial assistance package for the ACP sugar supplying states. We call on the UK Presidency, the Member States and the European Parliament to recognise the very real and grave threat to our economies and social fabric of our countries if our concerns are not addressed," said Kaliopate Tavola, Minister of Foreign Affairs and External Trade, Fiji.

The 18 ACP Sugar Group countries are: Barbados, Belize, Côte d'Ivoire, DR Congo, Fiji, Guyana, Jamaica, Kenya, Madagascar, Malawi, Mauritius, Mozambique, St. Kitts and Nevis, Swaziland, Tanzania, Trinidad and Tobago, Zambia and Zimbabwe.

For further information please do not hesitate to contact the following address acpsugarhongkong@gmail.com

For general background information visit the ACP Sugar website at:

www.acpsugar.org