



PRESS RELEASE

ACP sugar group biggest losers of EU sugar reform; they deplore the insensitivity of the EU to their case

Brussels 24 November 2005: The African, Caribbean and Pacific (ACP) sugar group has expressed its outrage at the result of EU sugar reform negotiations. The final agreement has seen Member States agree to a 36% price cut in return for additional billions of euro in compensation to European sugar beet farmers and producers. The €8 billion in compensation to the EU sugar sector as well as approximately €3 billion in windfall gains for EU big business and multinational companies compares with the €40 million earmarked for the ACP in 2006 and only vague promises for subsequent years. To add insult to injury the EU agreed, in spite of repeated pleas from the ACP, to pass on the burden of the refining aid (€35 million) to the ACP and use the savings to compensate EU farmers.

“It seems that the Commission has got its way by throwing extra billions in compensation at European farmers and industry. The ACP are left with a draconian price cut and a paltry €40 million in assistance to share among us. We are by far the biggest losers in this reform,” said Ambassador George Bullen, Chairman of the ACP Consultative Group on Sugar. *“Today is a black day for the ACP sugar industry and this decision sends a message of doom to the small and poor sugar cane farmers and workers.”*

In the coming weeks, the ACP sugar group will impress on the EU and more particularly on the Commission to deliver on their promises with concrete proposals on specific resources to be made available upfront to enable the ACP to adapt to the reform. This is the only way to avoid a human tragedy in the ACP States concerned.

“Without timely and adequate assistance, our industries are doomed, our economies in turmoil, and the socio-economic fabric of our countries in tatters,” added Ambassador Bullen.

This issue is expected to be high on the agenda for ACP Heads of State in the upcoming Commonwealth Summit which will be attended by current President of the EU Council, Prime Minister Tony Blair.

It is also likely to have a strong influence on positions in the WTO Ministerial Meeting in Hong Kong. The ACP States concerned will assess the impact of the reform and then explore measures and actions for Hong Kong at the ACP trade Ministers Meeting taking place in Brussels next week.

“This reform is completely contradictory to EU rhetoric on its commitment to the Millennium Development Goals and the Doha Round as a development round. The EU cannot expect to progress at Hong Kong at the expense of the ACP,” re-iterated Ambassador Bullen.

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