

# LDC PRESS STATEMENT

## **COHERENCE BETWEEN POLICY & REFORM**

1. The EU introduced the EBA Initiative for the Least Developed Countries of the World in 2001 as a unique development tool to encourage trade, incorporating the concept of unrestricted duty and quota free access for all products of LDC origin.
2. We have heard Mr. Tony Blair, whose country currently holds the EU Presidency, talk at length about making poverty history with the support of the other G8 countries. Sugar can be one of the greatest opportunities to achieve meaningful social and economic development in the poorest countries of the world. The truth of the matter is that this opportunity to achieve development may be missed. Unfortunately the Commission's proposal in its present form will take away the development dimension of EBA as far as sugar is concerned.
3. We believe that the LDCs and the EU have a common objective to bring about sustainable development for all, and in particular for the poorest countries of the world. Our sugar producing operations represent models for the development of our rural communities, creating employment, improving healthcare and education, up-grading infrastructure and acting as a catalyst for progress and growth in other areas. We are all aware of this and have seen the benefits in many LDC countries over the years.
4. EBA is a political initiative and a commitment to encourage development through trade and it is therefore strange that the reform should be aimed at restraining sugar imports from the LDCs.

## **EBA IS NOT A THREAT**

5. The Commission's estimates exaggerate the perceived threat of EBA and thereby overstate the need for a dramatic price cut in order to make the European market less attractive for LDCs.
6. The LDCs have offered to limit exports to the EU provided that the extent of the price reduction is in the range of no more than 15 – 20%. The Commission has in its power the ability to achieve a reform that is modest, predictable and gradual for all whilst being fully WTO compatible. Instead the Commission chooses to promote radical changes that will only benefit in the longer term a few large, European, industrial interests whilst damaging the interests of the poor.

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