

**Meeting of the ACP/LDC Ministerial Delegation with the
European Commission and EU Agriculture Ministers**

**Statement by Arvin Boolell,
Minister of Agro-Industry,
Mauritius**

Brussels, 19 September 2005

As you have heard, the Commission's proposal is in contradiction with many of the legal, political and socio-economic aims of the ACP-EU Sugar Protocol. It would drastically reduce the export earnings of ACP sugar suppliers and destroy many of our sugar industries; and it undermines the promise of EBA by threatening to erode LDC sugar export earnings.

The Commission's proposal has been rightly criticized, for example, by EU stakeholders, the European Parliament, the European Economic and Social Committee, the major development NGOs, and by quite a number of Member States.

A common thread running through all of this is the need for a more balanced and sustainable reform of the EU sugar regime and the need for coherence in the EU's agriculture, trade and development policies.

The reform of the EU sugar policy could be a powerful force for good in the struggle to lift our people out of the poverty they suffer.

However, our analysis clearly demonstrates that the Commission's proposal would be profoundly damaging to the development of our economies and the livelihoods of millions.

"We will spare no effort to free our fellow men, women and children from the [poverty which they suffer]", the Millennium Declaration states. In the EU sugar sector, the numbers and the development potential are large enough for even a small effort by the EU to make a real difference to the daily reality of tens of millions of people in the ACP and LDCs. That could be a clear and significant contribution towards achieving the Millennium Development Goals by 2015, and that is why we believe that the EU should use sugar policy as a tool to benefit the developing countries which we here represent.

We are therefore suggesting a solution based on a managed market based on a quota system, a solution which would enable the EU to meet its obligations in the WTO, a solution which would be neutral for EU taxpayers and consumers, but one which would also be demonstrably and transparently positive for our socio-economic development. It is that vital last ingredient which is so obviously missing from the Commission's proposals.

Today, we, of the ACP/LDC Sugar Groups, have presented you with our "Common Platform on EU sugar reform", which acknowledges the need for reform, but calls for a trade-based solution to that reform based on a managed market, improved access, a realistic timeline until 2014 to phase in the new sugar regime, and an adequate level of price, with any price reduction strictly being limited to the necessity for the EU to meet its current WTO obligations and in time the outcome of ongoing Doha negotiations.

Any price cut should start in 2008 and be evenly spread over a period of 8 years.

We call on the EU to designate sugar as a sensitive product. We shall support any proposal by the EU on the treatment of sensitive products in the WTO negotiations and which builds on the July Framework Agreement concerning longstanding preferences.

We shall support the EU on a more lenient formula for tariff cuts that takes into account our specific circumstances. We shall also support the maintenance of the Special Safeguard clause for agriculture.

Regulations on the import of sugar for refining must not be such as to infringe ACP rights enshrined in the Protocol and should allow ACP and LDC suppliers full access to the EU market for all types of sugar and buyers.

We urge that the reform ensure comparable treatment between EU beet farmers and ACP/LDC cane sugar suppliers in terms of income and export earnings respectively, since the Protocol is an integral part of the EU Sugar Regime.

We believe that any support needed by the full time cane sugar refining industry in Europe, should be paid directly from the EU budget, as has always been the case, and not passed on to the ACP in the form of a lower price for raw sugar in 2006.

We call for all adequate financial resources for adjustment to be provided to anticipate as well as cushion reform, through instruments that ensure automaticity and quick disbursement, so that we might continue to adapt and reform.

[We propose a new Competitiveness Fund to finance the adjustment programmes of sugar industries in the ACP and the LDCs.]

We are prepared and willing to work together with all the stakeholders including the various European institutions, for an outcome that safeguards the interests of all partners and to have a new sugar regime which is fair and equitable to all stakeholders and respectful of the legal and political commitments of the EU to the ACP Sugar Protocol signatory States and the EBA LDC sugar supplying countries.