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INTERNAL AND EXTERNAL PRESSURES FOR EU SUGAR SECTOR REFORM

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Introduction:

This study seeks to assess the impact of EU enlargement and recent developments in the WTO on the European Union's trade relations in sugar. It will analyse the following issue areas:

1. Structure of the Common Market Organisation in the enlarged sugar sector;
2. Trade arrangements in the sugar sector;
3. Commission sugar reform proposals;
4. Preferences of key stakeholders;
5. Conclusion: prospects for reform.

1.1 Common Market Organisation in sugar:

The **Common Market Organisation** (CMO) in the sugar sector was set up in 1968 to provide a fair income for farmers and a stable sugar supply for the EU market. Sugar is arguably the most protected sector within the Common Agricultural Policy (CAP), shielded from global competition through guaranteed minimum prices, import restrictions, and export subsidies. The CMO in sugar has been largely unchanged since 1968, also left out of the 1992 CAP reform process. The Commission's July 14 Communication is the first substantial attempt to reform this sector in response to internal and external challenges.[1]

Intervention is the key support mechanism of the CMO, with the intervention price for sugar set at €632 per tonne (unchanged since 1993), more than three times above the current world price. Sugar manufacturers are also obliged to purchase sugar beet from growers at an inflated minimum price (€43.6 per tonne). The price support mechanism applies only to sugar produced under national production quotas. The EU employs a quota system (A and B quotas) to distribute production across Member States, and to limit the quantity of sugar produced. The CMO in sugar is partially financed by levies that producers (growers and processors) pay on the quota sugar they produce.

The total 2004 **production quota** for the EU-25 is 17.4 million tonnes, divided into A quota (82%) and B quota (18%) set per Member State. Sugar is produced in almost all Member States, save Luxembourg, Estonia, Cyprus, and Malta. With enlargement, the new Member States were allocated a quota of 2.96 million tonnes, more than 95% of which is A quota sugar. This amount covers the consumption needs of the new Members, but is 11% below their average production level for the 1995-2000 reference period. Indeed, total projected production (i.e. A, B, C sugar) for the EU-25 will be around 20 million tonnes in 2004, with consumption at 16 million tonnes.

In principle, A quota sugar responds to internal EU demand, and B quota sugar can be exported with export subsidies. However, sugar is also produced outside the quotas, which is neither covered by the intervention mechanism nor can be marketed freely in the EU. This is called **non-quota sugar** (or C sugar), often 'carried over' by producers into next year's quota production or sold on international markets at world prices.[2] The export of C sugar has consistently risen since the end of the Uruguay Round (UR), as the EU agreed there to bind and reduce the amount of A and B sugar it could export. C sugar is currently under challenge before the WTO, with Brazil, Thailand, and Australia claiming that it benefits from the 'cross-subsidisation' of A and B sugar, violating the EU's Uruguay-Round commitments on subsidised exports.

Import restrictions, known as border management, provide the second leg of the CMO for sugar. Fixed duties are collected on non-preferential sugar imports, and the EU has also deployed since 1995 the Special Safeguard Clause of the UR Agreement on Agriculture, which allows the imposition of an additional duty on non-preferential imports as world prices fall. The Commission

[1] COM(2004) 499 final
[2] COM, *Common Organisation of the Sugar Market - Description*

estimates that total protection comprising the fixed and additional duties amounts to €500 per tonne, which provides protection of more than €700 per tonne, given shipping costs and the world price for sugar.[3] Oxfam estimates that import duties create a tariff of approximately 324 percent![4] As a result, the import of non-preferential sugar remains minimal.

Export subsidies, known as export refunds, make up the third leg of the CMO for sugar. These refunds are intended to cover the substantial difference between the Community price and world price for sugar, allowing the surplus from Community quota production and preferential imports to be sold, or dumped according to Oxfam, on international markets. Thanks to the generous export subsidies, which made up €1.27 billion (or 76% of the CMO budget in sugar in 2004), the EU has been a **net exporter of sugar** since the late 1970s. In 2001, the share of the EU-15 in the world total amounted to 13% for sugar production, 12% for consumption, 15% for exports, and 5% for imports. The EU was the third largest sugar producer, after Brazil and India; the second largest sugar exporter, after Brazil; and the third largest sugar importer, after Russia and Indonesia, in 2000-2001 (see Figures 1.1, 1.2, 1.3).

1.2 Enlargement in the sugar sector:

After enlargement, the Commission **allocated sugar quotas** to the new Member States. The agreed quotas were below the quotas requested by the new Members, but enlargement will still increase EU production by 2.96 million tonnes in 2004, and 3.22 million tonnes in 2007. However, the overall consumption level of the new Members will outstrip production, and the gap in demand may be bridged by providing 'current access' to third countries such as Brazil, Guatemala, Nicaragua, Mexico, Cuba, and Australia, from whom the new Members had historically imported sugar. Under WTO rules, third countries must be compensated for their loss of 'current access' to the markets of the countries that join a customs union.

Current access quotas were allocated to Brazil, Cuba, and other third countries after the accession of Finland, Austria, and Sweden in 1995. Then, the EU agreed to import 85,643 tonnes of raw sugar under its GATT commitments. With the current enlargement, the EU can either grant current access quotas of roughly 14,285 tonnes to Brazil, Guatemala, Mexico, Cuba, and Australia or compensate these countries through market access in other products or through compensatory payments. With Bulgaria and Romania included, the potential current access quota granted to third countries would rise to 488,679 tonnes (see Figure 1.4).

For the current enlargement, the Commission allocated the following quotas to the new Members:[5]

- Surplus countries: Poland, the Czech Republic, and Hungary are the largest producers of sugar in central Europe. They, along with Lithuania, were allocated A quotas at their level of consumption and B quotas to export subsidised sugar to third countries and to the internal market.

- Deficit countries: Latvia, Slovakia, and Slovenia were allocated a total quota that may not exceed their overall level of consumption. Their A quotas were set at their current level of production and B quotas at 10% of their A quotas.

- No quotas: Cyprus, Estonia, and Malta do not produce sugar; therefore, they were not allocated production quotas.

Please refer to Figures 1.4 and 1.5 for the allocation of quotas to the old and new Member States.

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[3] COM, *Common Organisation of the Sugar Market - Description*
[4] Oxfam, *Dumping on the World*, March 2004
[5] Ellen Huan-Niemi, Jyrki Niemi, *The Impact of Preferential, Regional and Multilateral Trade Agreements*, ENARPRI Working Paper, Sept 2003

2. Trade arrangements in the sugar sector:

Although the CMO in sugar exhibits a high degree of protectionism, the EU has granted a whole range of **bilateral trade concessions** to partners in the developing world. This is reflected in the complex system of discriminatory tariffs and trade preferences (generalised, country-specific, and region-specific) applied to different trading blocs:

- ACP countries, India: 19 ACP countries that are signatories to the **ACP-EU 'Sugar Protocol'** and India benefit from preferential access to the EU sugar market. Under the Sugar Protocol and Agreement with India, the EU imports an annual quota of 1.3 million tonnes of sugar from the above 20 states on a duty-free basis, and at the guaranteed prices paid to EU farmers (please refer to Figure 2.1 for individual quotas). This arrangement is based on the historical ties between the UK and its Commonwealth partners, which were transformed into Community preferences upon British accession to the EC. The Sugar Protocol is of an "indefinite duration", and ACP partners and India were granted further preferential market access in the 1995 Agreement on **Special Preferential Sugar** (SPS) to the tune of about 220,000 tonnes. Brazil, Australia, and Thailand have claimed in their challenge against the EU sugar regime that raw sugar imported from ACP countries for refining is then re-exported with export subsidies, which violates the EC's Uruguay-Round export subsidy reduction commitments.

- LDCs: Under the 2001 **'Everything But Arms'** (EBA) initiative, 49 Least Developed Countries (LDC) benefit in principle from duty and quota-free access to EU markets in all product areas but arms. In practice, this arrangement has been watered down in the areas of sugar, rice, and bananas due to intense lobbying from EU producers. In the area of sugar, LDCs will only be given duty and quota-free market access in 2009. In the meantime, 13 of the 49 LDCs were granted a quota (a mere 85,000 tonnes in 2002/03) to export raw sugar to the EU on a duty-free basis, which will increase by 15% per year until full liberalisation in 2009. The gradual increase in EBA sugar imports is expected to decrease ACP sugar imports due to the overlap in the membership of the two groups (please refer to Figure 2.2 for individual quotas). The Commission estimated in 2000 that some 2.7 million tonnes of sugar may be imported from the LDCs by 2009, but this estimate was revised down to 900,000 in 2001. However, if liberalisation in the sugar sector leads to a sudden surge in EBA imports, the Commission may automatically implement safeguard measures to protect the EU market.

- Western Balkans: Under the **Stabilisation and Association process**, the EU abolished all import duties on products originating in the western Balkans (Albania, Bosnia-Herzegovina, Croatia, FYROM, and Serbia and Montenegro) in 2001, which has effectively liberalised about 95% of these countries' trade with the EU. Trade in sugar is also fully liberalised, yet has suffered from fraud in the past. Sugar imports from the western Balkans rose from zero to 320,000 tonnes between 2001 and 2002/03, with a similarly steep rise in exports from the EU. The Commission suspended its trade agreement with Serbia and Montenegro in April 2003 (along with export subsidies for sugar exports to the western Balkans) after concerns that the country was engaging in 'carousel' trade—re-exporting subsidised EU sugar to the European Union at zero tariff rates, fraudulently declaring it to be of Serbian-Montenegrin origin. This spat has now been resolved, and Serbia and Montenegro will again be able to export duty-free sugar to the EU as of August 2004. However, similar concerns have recently been raised about the rules of origin of sugar originating in Bosnia-Herzegovina.

- OCT: 20 **Overseas Countries and Territories**, which have had an associated status with the EC/EU since 1957, can export a quota of 3,000 tonnes of duty-free sugar to the EU. However, this regime has been abused by ACP countries shipping raw sugar to the OCTs for light processing, then exporting it to the EU. For this reason, cumulation of origin provisions will be gradually tightened and removed by 2011.

3. Commission sugar reform proposals:

The Commission has been working for at least two years on proposals to reform the CMO in sugar. The latest, **July 2004 Communication**[6] draws on a September 2003 Communication[7] on sugar sector reform, which was preceded by an extensive Impact Assessment study.[8] Starting from the premiss that the EU sugar regime has become uncompetitive, distorts the market, leads to high prices for consumers and users, and damages the interests of developing countries, the Commission has put forward a raft of proposals to increase the market-orientation and sustainability of the CMO in sugar. These proposals include the following:

- Reduce the support price for white sugar from €632 to €421/tonne over three years;
- Reduce the minimum price for sugar beet from €43.6 to 27.4/tonne over three years;
- Abolish the intervention scheme, replacing it with 'reference price' and private storage;
- Reduce production quota by 2.8 million tonnes (from 17.4 to 16.4 million) over 4 years;
- Reduce subsidised exports by 2 million tonnes (from 2.4 to 0.4 million tonnes);
- Merge A and B quotas into single quota;
- Move to a system allowing transferability of quotas between Member States;
- Set up conversion scheme to allow factories to leave sector and retrain workers;
- Move to decoupled direct payments for sugar beet producers to offset 60% of income loss;
- Maintain ACP sugar quota, pay same (lower) guaranteed price to ACP and LDC suppliers;
- Integrate Sugar Protocol into Economic Partnership Agreement talks with ACP countries;
- Set up structured dialogue and provide partial compensation to ACP/India sugar producers;
- Introduce tariff rate quota, improve rules of origin implementation, in Balkans sugar trade.

This Communication builds on an **Extensive Impact Assessment**, which the Commission carried out in 2003 in consultation with key stakeholders. This study outlined four scenarios for reforming the sugar sector between 2010 and 2015, which were subsequently reduced to three in the September 2003 Communication (please refer to Figure 3.1 for tabulated results of the scenarios):

- Option 1 - Status Quo: This option implies the **extension of an unreformed CMO** beyond 30 June 2006. Assuming an inevitable price reduction in the DDA, intervention prices would still be guaranteed at nearly three times the world price, while the liberalisation of trade with LDCs would act like a 'suction pump' from 2009, reorienting sugar production from the EU to LDCs. If the EC lost the WTO case on C sugar, production surpluses (as well as the problem of subsidised exports) would disappear, and so would much of the production levies paid by producers on quota sugar. This would put the burden of financing the CMO budget squarely on the shoulders of EU consumers.

- Option 2 - Fixed quotas: A return to **fixed quotas** would ensure the predictability and stability of sugar supply. However, this option would clearly go against the trend of introducing the market into the sugar regime. Trade relations with the western Balkans are already quota-free, and the EBA initiative envisages free trade by 2009. The EU would have to backtrack on both arrangements, which could harm its credibility. (Indeed, the Commission withdrew this option from its September 2003 Communication due to this concern.) If both quotas and prices were reduced, the sector could still move towards reform in this scenario. The budgetary consequences would depend on how much compensation trade partners wanted for renegotiating their trade agreements.

- Option 3 - Fall in prices: This option would imply a substantial **fall in domestic prices**, supported by an adequate level of tariff protection. In the longer term, quotas could be scrapped, as levels of production and imports stabilise. With such a price reduction, the

[6] COM(2004) 499 final
[7] COM(2003) 554 final
[8] SEC(2003) 1022

intervention mechanism would become a genuine 'safety net' and could even be abolished, to be replaced with a reference price. The obvious losers of this scenario would be EU farmers and ACP producers, who rely on high support prices for their income. Both groups would have to be compensated (the EU group through direct payments), putting a serious strain on the CMO budget. This option is closest to the Commission's July 2004 proposals.

- Option 4 - Liberalisation: **Full liberalisation** would imply abolishing the price support scheme for sugar and beet, as well as ending production quotas and quantitative and tariff restrictions on the sugar trade. Domestic prices would drop to the level of world prices, and Brazil would increase its exports dramatically, at the expense of EU farmers and ACP/India and LDC producers, whose production costs are higher. The stability of supply could also be jeopardised as the EU refocused its demand on a single exporter. The consumer would be the main beneficiary of this scenario, but compensation costs for EU, ACP/India, and LDC producers would be very substantial. A longer implementation period could increase this option's viability.

4. Preferences of key stakeholders:

- Commission: The Commission seems to prefer the **Price Fall** option (Option 3) outlined above. On its scoreboard measuring the expected performance of a reformed CMO against the objectives of the CAP (regular supplies, competitiveness, reasonable standard of living for farmers, environmental sustainability, limiting budgetary costs), Option 3 scores the highest.[9] Indeed, comparing the reference numbers of the July Communication with Option 3 of the Impact Assessment (Figure 3.1), it appears that the Commission would like to implement the Price Fall option even more rapidly, over 3-4 years, than originally envisaged in the Impact Assessment. There are several reasons why it may have opted to do so: 1) since last year's Cancún débâcle, there has been intense pressure on the EU to eliminate export subsidies; 2) with Brazil successfully challenging US cotton subsidies, it seems increasingly likely that it will also succeed in its case against C sugar; 3) enlargement threw into sharp relief the unsustainability of the current intervention-based sugar regime.

- EU sugar processors: Large EU sugar processors, represented by the influential Comité Européen des Fabricants de Sucre (CEFS), have come out in favour of preserving a **quota-based** sugar regime (Option 2). CEFS represents such industrial giants as Südzucker, Danisco, Beghin-Say, and British Sugar. As for the July 2004 Communication, CEFS "has serious concerns about the abolition of the intervention system", rejects the planned move to a private storage system, would like to see a much longer timeframe to implement reforms, and would extend quotas to all preferential imports. Indeed, retaining a reformed intervention scheme and a "quantitative supply management system" are essential elements of the corporate position.[10]

- EU beet growers: La Confédération Internationale des Betteraviers Européens (CIBE), the EU beet-growers' association, and the Polish National Association of Sugar Beet Growers and Sugar Producers have both rejected the Commission's July proposals, yet would prefer to extend **quotas** (Option 2) to all preferential imports, if reforms go ahead. Their key concern is to avoid a reduction in minimum prices. "EU beet growers are shocked by the brutality of the price and quota cuts of this draft and by its application", warns the CIBE communiqué.[11] CIBE also insists on no price and quota changes until July 2006, no reduction in subsidised exports, and full compensation for beet farmers. The Polish association rejects the merger of A and B quotas, the transferability of national quotas, and

[9] SEC(2003) 1022
[10] www.cefs.org
[11] CIBE, *CIBE asks the Council of Ministers to reject the proposed reform of the Common Organisation of the Market in Sugar*, 16 July 2004

the reduction of prices and quotas, demanding full compensation for income loss.[12] Both groups have called on the Council to reject the proposal in its current form.

- LDC/ACP group: Somewhat surprisingly, the LDC Sugar Group and ACP countries have also come out in favour of the **Fixed Quotas** option, although this would imply surrendering the LDCs' duty and quota-free access to EU markets as of 2009. The core LDC/ACP demand is "accelerated and increased market access for sugar at remunerative prices", possibly under a second tariff quota covering all sugar products. In return for continued preferential access at guaranteed prices, the group proposes to defer the liberalisation of import tariffs until 2019. Their reasoning is abundantly clear: "Since ... Price Fall and Liberalization lead to a sugar price level in the EU that renders the EBA initiative meaningless for sugar", the continued use of quotas remains the only viable reform option for ACP/LDC countries.[13]

- Brazil/Thailand/Australia: This group of efficient sugar producers would naturally prefer **Liberalisation** (Option 4), yet it has no voice in the EU sugar debate. However, if the WTO panel found in favour of Brazil in September 2004—that the 'cross-subsidisation' of C sugar and the refinement of ACP raw sugar for EU export violated the Union's export subsidy commitments—proponents of liberalisation, both within and outside the EU, would find their case strengthened.

5. Conclusion: prospects for reform:

The Commission's July Communication contains several worthy measures to bring the sugar sector into line with the twin realities of an enlarged EU and a post-Doha WTO bent on eliminating agricultural export subsidies. However, it is too radical for most stakeholders in the sugar sector and is unlikely to survive in its current form:

1. No time pressure: **Council Regulation (EC) No. 1260/2001** of 19 June 2001 on the common organisation of the markets in the sugar sector only expires on 30 June 2006, which takes away the pressure of having to agree a reform package before then. The July Communication envisages the sugar reforms to begin in the 2005/2006, but France has already indicated that it would seek to delay this. Moreover, the DDA is unlikely to be concluded before 2006, which also reduces the external time pressure for reform.

2. Strong anti-reform coalition: In response to the July Communication, the major stakeholders in the EU sugar sector have quickly coalesced around a platform of 'no or mild' reforms. The **continuation of quotas** represents a core demand shared by CEFS, CIBE, the Polish Beet Growers Association, and the ACP/LDC group. While large processors could accept a gradual reduction in price, EU beet growers and ACP/LDC producers are adamant about preserving high support prices. Nevertheless, prices and quotas are likely to be reduced**—**over a much longer timeframe than envisaged by the Commission.

3. WTO trigger: **Losing the WTO case** on C sugar could strengthen the Commission's case for swift and meaningful reform, but even this is unlikely to lead full liberalisation or a large reduction in support prices by 2007/08, as envisaged in the July Communication. The upcoming negotiations among Member States will likely concern a combination of reducing support prices, renegotiating national and import quotas, providing compensation for EU and ACP/LDC farmers, and extending the timeframe for the implementation of reforms.

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[12] National Association of Sugar Beet Growers, *Common Position of National Association of Sugar Beet Growers and Association of Sugar Producers in Poland on Reform of COM Sugar*, 2 July 2004

[13] LDC Sugar Group, *Press Release*, 3 Mar 2004; LDC Sugar Group, *Response to Commission Staff Working Paper*, 19 Nov 2003; LDC, *Proposal on adaptation of the EBA initiative in relation to sugar*, 3 Mar 2004; ACP, *Resolution on ACP Sugar*, 24 Jun 2004; ACP/G90, *Communiqué on Sugar*, 13 Jul 2004

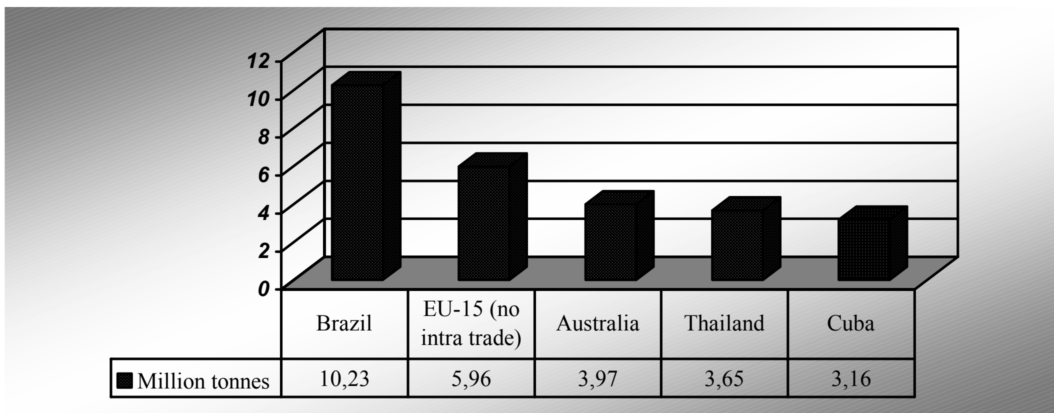
ANNEX:

Figure 1.1: World's leading sugar producers, 1991-2001

Country	Cane (C) / Beet (B)	1991 m tonnes	1991 % of world total	2001 m tonnes	2001 % of world total	1991-2001 % change
Brazil	C	9.1	8%	20.1	15%	121%
India	C	13.0	12%	20.0	15%	54%
EU-15	B + C	18.0	16%	18.0	13%	0%
China	B + C	8.4	7%	8.6	6%	2%
USA	B + C	6.7	6%	7.4	6%	10%
Thailand	C	4.2	4%	6.0	4%	42%
Mexico	C	3.4	3%	5.1	4%	50%
Australia	C	3.4	3%	4.6	3%	33%
Cuba	C	7.6	7%	3.8	3%	-50%
Pakistan	C	2.2	2%	2.7	2%	20%
Top 10		76.0	67%	96.2	72%	26%
World		**113.0**	**100%**	**134.1**	**100%**	**19%**

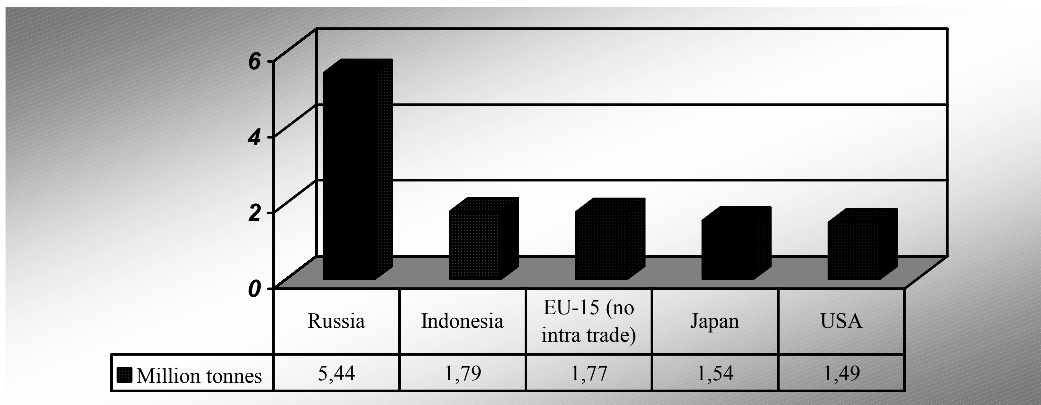
Source: COM, Sugar - International Analysis

Figure 1.2: World top 5 sugar exporters, 2000



Source: COM, Sugar - International Analysis

Figure 1.3: World top 5 sugar importers, 2000



Source: COM, Sugar - International Analysis

Figure 1.4: New Member States' production quotas, consumption, and current access, 2004

Country	A quotas (tonnes)	B quotas (tonnes)	Production (A + B)	Consumption (tonnes)	Production - Consumption (tonnes)	Potential current access for third countries (tonnes)
Czech Rep.	441,209	13,653	454,862	441,409	13,453	-
Estonia	-	-	-	50,000	-50,000	-
Hungary	400,454	1,230	401,684	378,791	22,893	-
Latvia	66,400	105	66,505	70,000	-3,495	11,410
Lithuania	103,010	-	103,010	96,241	6,769	-
Poland	1,580,000	91,927	1,671,927	1,590,533	81,394	-
Slovakia	189,760	17,672	207,432	195,000	12,432	-
Slovenia	48,517	4,816	52,973	87,000	-34,027	2,875
Bulgaria	7,000	700	7,700	206,000	-198,300	196,345
Romania	225,000	25,500	250,500	532,000	-281,500	278,049
Total, incl. BG, RO	3,060,990	155,603	3,216,593	3,646,974	-430,381	488,679
Total CEEC-10	**2,828,990**	**129,403**	**2,958,393**	**2,908,974**	**49,419**	**14,285**

Source: Huan-Niemi and Niemi, ENARPRI Working Paper, Sept 2003

Figure 1.5: Old Member States' production quotas, 2004

Country	A quota (tonnes)	B quota (tonnes)	Production (A + B)
Denmark	325,000	95,745	420,745
Germany	2,612, 913	803,982	3,416,895
Greece	288,638	28,863	317,501
Spain	957,082	39,878	996,960
France	2,536,487	752,259	3,288,746
French Overseas Dept.	433,872	46,372	480,244
Ireland	181,145	18,114	199,259
Italy	1,310,904	246,539	1,557,443
Netherlands	684,112	180,447	864,559
Austria	314,029	73,297	387,326
Portugal	63,380	6,338	69,718
Aut. Region of Azores	9,048	904	9,953
Finland	132,806	13,280	146,086
Sweden	334,784	33,478	368,262
Belgium	674,905	144,906	819,811
UK	1,035,115	103,511	1,138,626
Total EU-15	11,894,223	2,587,919	14,482,142
CEEC-10	2,828,990	129,403	2,958,393
Total EU-25	**14,723,213**	**2,717,322**	**17,440,535**

Source: COM, Common Organisation of the Sugar Market - Description

Figure 2.1: ACP/India sugar and SPS imports, 2003

Country	2002/03 Sugar quota	2002/03 SPS quota
Belize	40,349	5,527
Congo	10,186	2,249
Côte d'Ivoire	10,186	9,704
Fiji	165,348	21,059
Guyana	159,410	17,111
Jamaica	118,696	18,893
Kenya	-	10,908
Barbados	50,312	-
Madagascar (*EBA Sugar beneficiary*)	10,760	-
Malawi (*EBA Sugar beneficiary*)	20,824	9,897
Mauritius	491,031	21,266
Uganda	-	
St. Kitts and Nevis	15,591	-
Surinam	-	-
Swaziland	117,845	45,030
Tanzania (*EBA Sugar beneficiary*)	10,186	2,183
Trinidad & Tobago	43,751	5,658
Zambia (*EBA Sugar beneficiary*)	-	12,863
Zimbabwe	30,225	24,948
India	10,000	10,000
Total	1,304,700	217,298
Total ACP/India Sugar and SPS	**1,521,998**	

Source: www.acpsugar.org

Figure 2.2: LDC sugar imports under EBA, 2003

Country	2001/02 quota	2002/3 quota
Bangladesh	-	-
Burkina Faso	7,073	7,237
Burundi	-	-
Democratic Republic of Congo	-	-
Ethiopia	14,298	14,689
Madagascar (*ACP Sugar beneficiary*)	-	-
Malawi (*ACP Sugar beneficiary*)	10,402	10,661
Mozambique	8,331	8,384
Nepal	-	8,970
Sudan	16,256	17,036
Tanzania (*ACP Sugar beneficiary*)	9,065	9,317
Uganda	-	-
Zambia (*ACP SPS beneficiary*)	8,758	9,017
Total LDC Sugar	**74,185**	**85,313**

Source: www.acpsugar.org

Figure 3.1: Tabulated results of EU-25 sugar reform scenarios, 2010-2015

Option	Quota production (M t)	Total production (M t)	Imports (M t)	Subsidised exports (M t)	Total exports (M t)	Price of white sugar (€/t)	Drop in customs duties %	Beet prices, Quota (€/t)	Beet prices, C sugar (€/t)	Direct aid	Fall in ACP revenue (M€)	Net expenditure on CMO (M€)	MS ceasing production
Today	17.5	20.0	1.9	2.8	5.3	725	0%	48	17	No	-	1,000-1,200	-
1: Status Quo, 2010-15	13.5	16.0	4.0	1.5	4.0	600	-36%	40	20	No	150	600-800	EL, IR, IT (ES, FI, LV, LT, P, SK, SV)
2: Fixed Quotas, 2010-15	14.0	16.0	3.5	1.5	3.5	600	-36%	40	20	No	150	600-800	EL, IR, IT (ES, FI, LV, LT, P, SK, SV)
3: Fall in prices, 2012-15	0.0	14.0	2.5	0.0	0.5	450	-60%	-	25	Yes	300	800-1,000	EL, IR, IT (ES, FI, LV, LT, P, SK, SV)
4: Liberalisa-tion, 2010-2015	0.0	6.0	10.0	0.0	0.0	350	-100%	-	21	Yes	350	1,150-1,350	All except AT, DE, FR, UK, PL

Source: SEC(2003) 1022