

**Second Consultation of the social partners in the European  
sugar sector  
by the European Commission**

**Revised Proposal for a Regulation on  
« Everything but Arms »  
in favour of the least Developed Countries**

*February 20th 2001*

**JOINT DECLARATION  
OF THE SOCIAL PARTNERS IN THE EUROPEAN SUGAR INDUSTRY**

The social partners in the sugar industry thank the European Commission for having consulted them twice on the considerable potential impact on their sector of the planned liberalization of imports of sugar originating in the LLDCs. This consultation has taken place in accordance with Article 138 of the Amsterdam Treaty<sup>1</sup>, Commission Decision 98/500/EC<sup>2</sup> and Commission Communication COM/1998/322<sup>3</sup>.

The social partners confirm their view that the Commission's initial draft<sup>4</sup> entitled « Everything But Arms » (October 2000) does neither really help the LLDCs, nor does it seem to be compatible with the proper functioning of the Common Organization of the Market in Sugar and it is, therefore, likely to endanger employment in the sugar sector.

They are grateful to the Commission for having taken into account some of the concerns expressed during the first consultation, on December 14th 2000, in seeking a negotiable compromise with the Council for certain sensitive products, including sugar.

They understand the political dimension of the initiative in favour of the LLDCs, but equally expect the European Union to take account of the social and economic impact of the initiative, in particular for the industrial and agriculture interests directly concerned.

They welcome a system of quota management for the interim period. This approach seems to them to be the most appropriate for the development of exports from the LLDCs on a predictable basis, as well as being compatible with the European sugar regime.

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<sup>1</sup> Article 138 of the Amsterdam Treaty relating to consultation of the social partners.

<sup>2</sup> Decision 98/500/CE of the 20.05.1998 creating sectoral dialogue committees Communication.

<sup>3</sup> Communication COM/1998/322 of the 20.05.98 « Adapting and promoting the social dialogue at Community level ». In this, the Commission undertakes to consult the social partners on matters that may have a considerable social impact on their sector.

<sup>4</sup> Proposal COM/2000/561 final of the 5.10.2000

**On the other hand, they observe that at this stage fixing a timetable beginning automatically in 2006 and leading in July 2009 to total liberalization of exports is completely premature because today the social and budgetary consequences of this measure for the European Union cannot be estimated with certainty.** The partners recall that the European sugar sector provides income to numerous agricultural and industrial workers and generates indirect employment in many other sectors.

They point out that :

- On the economic level, the main characteristics and the duration of the future common organization of the market in sugar have not yet been fixed.
- On the budgetary level, the Berlin Agreement does not offer any outcome after 2006.
- It is impossible today to predict the results of a probable resumption of multilateral negotiations including agriculture at the World Trade Organization.
- The economic, political and strategic characteristics that will prevail in five years' time could therefore obviously prove to be very different from those which exist today, both for the Union and for the LLDCs.

**In these circumstances, the social partners in the sugar industry urge the European Commission and the Council of Ministers to include in the EBA draft a provision allowing the situation to be reassessed, before granting the LLDCs the best possible access to the market in the conditions prevailing in 2006.**

In addition, they ask the Council to commit the European Commission to reinforce the efficiency of the safeguard clauses as well as some rules of origin in consultation with the social partners.

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