

**Dantin's compromise on the sugar regime
merely extends an anti-competitive and unfair system**

Brussels, 14 January 2013 – The European Starch Industry Association (AAF) is strongly opposed to the proposed compromise amendment on the sugar regime tabled by the EP Rapporteur Dantin (EPP, FR) and some shadow rapporteurs. This proposal merely extends an unfair and anti-competitive system, and continues to restrict the European starch industry's production of isoglucose, a cereal-based sugar, to less than 5% of the total EU sugar production quota.

Responding to the proposed compromise amendment, AAF Managing Director Jamie Fortescue highlighted that *"In times of economic and financial crisis, continuing to artificially limit the production and competitiveness of a European sector processing EU-grown cereals cannot make sense. The proposed compromise perpetuates a situation of quasi-monopoly for sugar producers that share 95% of the sugar production quota. This breaches the fundamental principle of fair competition enshrined in the EU Treaties."*

The European starch industry reiterates its call for a definitive end to EU sugar and isoglucose quotas. Only this would allow it to plan further investments in all economically viable locations across the EU, as opposed to only locations imposed on it by the quota system, thus allowing it to meet EU food and drink customer demand and provide a real sweetener choice to EU consumers. The starch industry is a capital-intensive industry. Isoglucose producers will need to make substantial investments in order to increase production and meet demand. Such investments can only be accounted for when the sugar regime ends and will not be made in the absence of a clear and definitive end date.

Any type of transitional measures being suggested as a "soft landing" until 2020, including those in the proposed compromise, will merely prolong the complete inadequacy of the current regime. In addition, extending the regime will keep the WTO restrictions on sugar exports and the threat of further attacks at WTO level, preventing the sugar industry to grasp opportunities on the growing world sugar market.

Jamie Fortescue added that *"the Council decisions taken in 2005-2006 on the restructuring of the sugar regime were supposed to be the transition towards the end of the regime in 2015. This understanding is clearly reinforced by the Commission's proposal. From 2015, EU starch producers should be allowed to produce isoglucose in the quantities our customers need in the locations we choose."*

Ahead of the European Parliament's Agriculture Committee vote on the Single CMO proposal scheduled for 23-24 January, **the AAF calls on the members of the Committee of the European Parliament to put an end to the unworkable, unsustainable and anti-competitive sugar market that the sugar regime generates, and reject Mr. Dantin's compromise amendment.**



Association des Amidonniers et Féculiers
European Starch Industry Association

For more details on the AAF position on the EU sugar regime please see:

[‘2015 is the right time to abolish EU production quotas on sugar and isoglucose’](#)

[‘AAF position on the single CMO – Sugar reform’](#)

About AAF

The European Starch Industry Association, the AAF, is the trade association which represents the interests of the EU starch industry both at European and international level. Its membership comprises 24 EU starch producing companies, together representing more than 95% of the EU starch industry, and, in associate membership, 7 national starch industry associations

The AAF’s mission is to promote and protect the interests of EU starch producers to EU and international institutions and stakeholders, in order to assure a reliable and sustainable supply of safe starch based ingredients in a fair competitive environment.

For more information please visit <http://www.aaf-eu.org>

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