



## Statement on Brexit

8 June 2017

### Market and products of the EU starch industry

- Food and feed sectors
- Pharmaceutical and industrial applications
- Plant-based chemistry
- Annex-I products: native starches, sweeteners, wheat gluten, fibers and proteins for feed
- Non-Annex I products: modified starches, fermentation products, hydrogenation products and polyols, others

### EU Market figures (2015)

- 23,6 million tonnes of agricultural raw materials (1/3 maize, 1/3 wheat, 1/3 potatoes and others) into 10,7 million tonnes of starch.
- € 7.9 billion turnover
- € 551 million investment (including €82 million in Research and Development)
- 14 365 employees and up to 100 000 directly linked indirect jobs, mainly in agriculture
- Food (60%) and industrial (40%) applications

### Starch Europe calls for the “least disruptive outcome” of Brexit negotiations

Starch Europe regrets the decision of the UK to leave the EU and the launch of the Brexit negotiation process on 29 March. To preserve business between the EU and the UK, Starch Europe calls for a transition agreement to be implemented as from the 1<sup>st</sup> day the UK will have left the EU. It must be the intermediary step leading to a EU-UK trade agreement.

Of the 75 starch production facilities in the EU operated by Starch Europe Member companies, four are located in the UK. Starch processed in the UK is mostly based on local wheat but also from cereals and native maize and potato starches imported from other EU Member States.

In 2016, the EU starch industry exported more than 868 000 tonnes<sup>1</sup> of starch products to the UK, bridging the gap between domestic supply and domestic demand. UK starch production is estimated to be 700 000 tonnes total whereas UK demand for starch is approximately 1.45 million tonnes.

Of the total UK starch exports to the EU (115 900 tonnes) Ireland is the main importer, amounting to almost 60 000 tonnes in 2016, i.e. half of total EU exports to Ireland<sup>2</sup>.

	UK Domestic production	UK import from other EU27	3 <sup>rd</sup> countries imports	UK exports to EU
UK starch market = 1 472 000 tonnes	700 000	868 000	20 000	116 000

The above figures demonstrate a highly integrated EU-UK starch market. The structure of the EU starch industry will be heavily impacted by the potential market imbalances created if EU-UK trade in starch is severely disrupted by trade barriers.

As a Member of FoodDrinkEurope, Starch Europe supports the [statement](#) issued on 29 March 2017 by FoodDrinkEurope. This statement calls to minimise uncertainty for businesses, to ensure the least possible disruption of trade and advocates for a transition to the new agreement.

<sup>1</sup> Eurostat, 2017, UK import from EU27-intra

<sup>2</sup> Eurostat, 2017, UK import from each Member State



The EU starch industry also has concerns about quotas granted in the context of Free Trade Agreements with third countries (e.g. quota on tapioca starch in FTA with Vietnam) and seeks clarity on the way they will be addressed in the context of negotiations with the UK. Starch Europe also calls for strict and coherent rules of origin on starch products to be applied in the future FTA with UK and minimal regulatory divergence between both parties.

A more detailed Starch Europe position paper will follow when clarity is provided on the expected outcome of the negotiations.