How the UK can support and further develop the sugar industries in Southern African Development Community (SADC) countries

Our Call to Action for UK Government

*On behalf of sugar producing countries in the Southern African Development Community (SADC), we are calling on the Government to:*

- Continue to grant preferential access for both African, Caribbean and Pacific (ACP) and Least Developed Country (LDC) origin raw and refined sugars to the UK market, as currently granted by the EU
- Maintain the value of preferential access via various means, including but not limited to the retention of a tariff on non-preferential raw and refined sugar at the current EU levels
- Recognise that sugar is a “Sensitive Agricultural Product” requiring “Special and Differential Treatment” in its trade policy and all negotiations and agreements with third countries, especially with the EU
- Consult SADC, LDC and ACP countries fully on the formulation and establishment of trade policies and free trade agreements with all third countries, including the EU

About SADC

The SADC region refers to a group of fifteen countries in sub-Saharan Africa. Of this group, eight countries have thriving sugar industries which produce sugar for domestic, regional or international markets – four of which are Least Developed Countries (LDCs):

- Malawi*
- Mauritius
- Mozambique*
- South Africa
- Swaziland
- Tanzania*
- Zambia*
- Zimbabwe

(* = Least Developed Country)

Over the past five years (2012/13 - 2016/17), these countries on average supplied Europe - either via Economic Partnership Agreements (EPA) or “Everything But Arms” arrangement (EBA) - with approximately 1.2 million tonnes of sugar.

Importance of sugar to SADC economies

*Key contributor to socio-economic development*

Sugar has a significant socio-economic impact in SADC countries, particularly in rural areas. In one SADC country, the sugar industry represents roughly 6.1% of the country’s GDP and 93% of the agricultural sector

*Supporting local communities*

The sugar cane industry also plays an important role in local communities, from helping establish small grower schemes to providing healthcare, education, housing and infrastructure.
Trading sugar in a post-Brexit world

The EU represents a significant export market for SADC countries—with several relying on the continent for between 70-90% of their sugar exports. For example, in Mauritius 92% of its sugar exports go to the EU.

The UK also plays an important role for SADC/LDC economies as well as those of other African, Caribbean and Pacific (ACP) countries. In 2008/09, ACP and LDC sugar supply to the UK reached a peak of over 1.2 million tonnes (approximately 70% of EU exports).

It is therefore vital that the UK’s trading relationship with the SADC region is maintained and enhanced once the UK has left the EU.

Current trading situation
Under preferential agreements (EBAs and EPAs), tariff-free imports of raw sugar into the EU are allowed for LDCs and ACP countries. However, recent reforms to the EU sugar regime which have removed domestic quotas and increased global competition for imports to the EU are increasingly limiting the available market for these sugar industries.

The value of preferential access is eroded further by a global market which is distorted by major exporters, like Brazil and Thailand, who are substantially subsidised and protected by their governments. SADC countries will therefore still need a trading relationship with the UK that offers the same access as they have currently with the EU and helps maintain their international competitiveness.

Brexit is an opportunity to enhance development in ACP and LDC countries
We welcome that the UK has already committed to maintaining duty-free access for the 48 LDCs to the UK after Brexit. However, the UK needs to find a way to ensure other ACP countries (including SADC) will be able to have the same preferential agreements that they currently have with the EU.

These measures together will help ensure that UK sugar imports continue to contribute to the development of these countries’ economies.
### Malawi

- **Domestic sales** (ton): 130,000
- **Total exports** (ton): 126,000
- **EU (EBA) exports** (ton): 68,000
- **Total sugar production** (ton): 269,000

**(rounded to nearest ‘000)**

- **Industry average sugar cane yield (per hectare harvested):** 88 tonnes/ha
- **Total employment in the sugar sector:** 9,500
- **Number of small scale sugar cane growers (<40Ha):** 2,358

### Mauritius

- **Domestic sales** (ton): 35,000
- **Total exports** (ton): 413,000
- **EU (EPA) exports** (ton): 379,000
- **Total sugar production** (ton): 366,000

**(rounded to nearest ‘000)**

- **Average sugar cane yield:** 77 tonnes/ha
- **Total employment in the sugar sector:** 15,400
- **Number of small scale sugar cane growers (<40Ha):** 14,524

### Mozambique

- **Domestic sales** (ton): 147,000
- **Total exports** (ton): 187,000
- **EU (EBA) exports** (ton): 163,000
- **Total sugar production** (ton): 349,000

**(rounded to nearest ‘000)**

- **Average sugar cane yield:** 66 tonnes/ha
- **Total employment in the sugar sector:** 35,000
- **Number of small scale sugar cane growers (<40Ha):** 4,000
**South Africa**

- Domestic sales (ton): 1,432,000
- Total sugar production (ton): 1,627,000
- EU (EPA) exports (ton): 42,000
- Total exports (ton): 11,406

Average sugar cane yield: 61 tonnes/ha

Number of small scale sugar cane growers: 11,406

*FTA with EU for sugar has only recently come into force for South Africa which explains why this figure at present is zero*

**Swaziland**

- Domestic sales (ton): 400,000
- Total sugar production (ton): 696,000
- EU (EPA) exports (ton): 239,000
- Total exports (ton): 16,200

Average sugar cane yield (estates only): 101 tonnes/ha

Number of small scale sugar cane growers (<40Ha): 450

**Tanzania**

- Domestic sales (ton): 344,000
- Total sugar production (ton): 293,000
- EU (EBA) exports (ton): 0
- Total exports (ton): 22,809

Average sugar cane yield: 84 tonnes/ha

Number of small scale sugar cane growers (<40Ha): 9,414
### Zambia

- **Domestic sales (ton)**: 228,000
- **EU (EBA) exports (ton)**: 52,000
- **Total sugar production (ton)**: 449,000
- **Total exports (ton)**: 153,000

- **Average sugar cane yield**: 109 tonnes/ha
- **Number of small scale sugar cane growers (<40Ha)**: 242
- **Total employment in the sugar sector**: 7,000

### Zimbabwe

- **Domestic sales (ton)**: 302,000
- **EU (EPA) exports (ton)**: 136,000
- **Total sugar production (ton)**: 412,000
- **Total exports (ton)**: 174,000

- **Average sugar cane yield**: 80 tonnes/ha
- **Number of small scale sugar cane growers (<40Ha)**: 878
- **Total employment in the sugar sector**: 17,850