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 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

Building revenue and skills into the national economy

Sugar industries provide much needed export earnings and tax revenues to each host country, while the sugar production process supports the development of a range of engineering skills that transfer to other parts of the economy

Reducing environmental impact

Industry is continually working to reduce the impact the sugar production process has on the environment, including through increased use of renewable energy and recycling water withdrawn in the process and returning it to source. Several SADC-based sugar industries are near energy self-sufficient, using sugarcane bagasse to generate enough energy to meet their demand and in some cases, in excess of demand. Sugar cane itself is also a proven crop that is unique in its ability to withstand the extremes of weather that exist in climates of SADC countries

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.

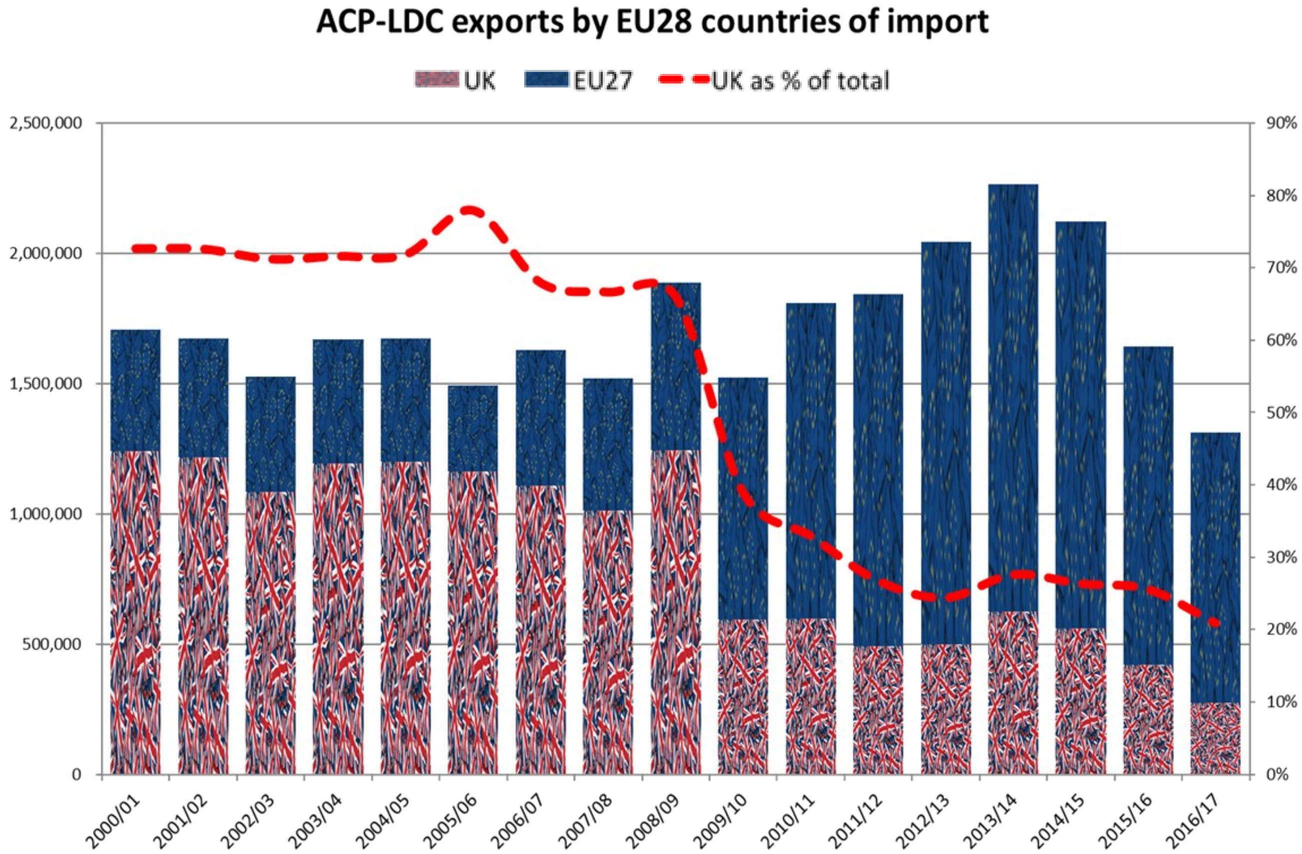
The value of preferential access is eroded further by a global market which is distorted by major exporters, like Brazil and Thailand, who are substantially subsidised and protected by their governments. SADC countries will therefore still need a trading relationship with the UK that offers the same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

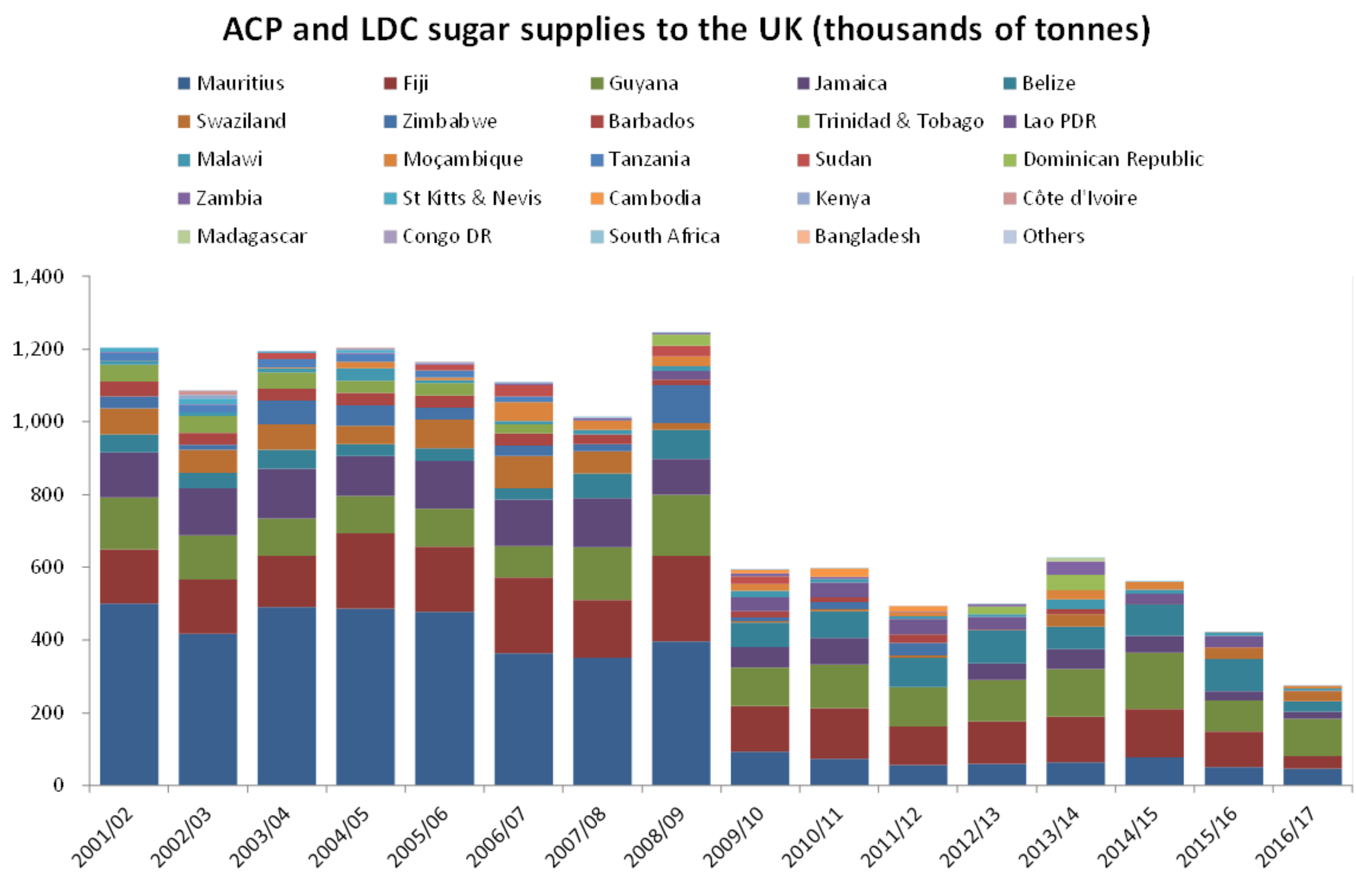
Brexit is an opportunity to enhance development in ACP and LDC countries

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.

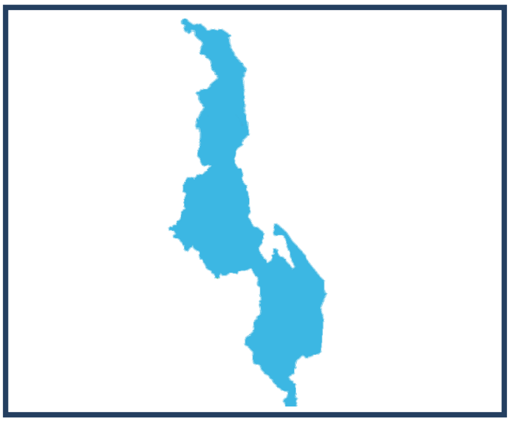
African, Pacific and Caribbean (ACP) & LDC sugar supplies to EU/UK





SADC country factsheets (2015-16)

Malawi



130,000 Domestic sales (ton)

126,000 Total exports (ton)

68,000 EU (EBA) exports (ton)

269,000 Total sugar production (ton)

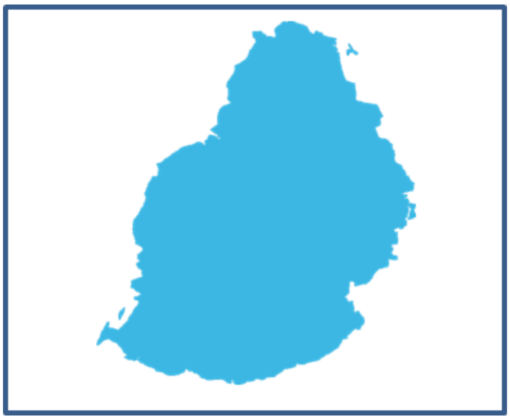
(rounded to nearest '000)

88 tonnes/ha industry average sugar cane yield (per hectare harvested)

9,500 total employment in the sugar sector

2,358 number of small scale sugar cane growers (<40Ha)

Mauritius



35,000 Domestic sales (ton)

413,000 Total exports (ton)

379,000 EU (EPA) exports (ton)

366,000 Total sugar production (ton)

(rounded to nearest '000)

77 tonnes/ha average sugar cane yield

15,400 total employment in the sugar sector

14,524 number of small scale sugar cane growers (<40Ha)

Mozambique

147,000 Domestic sales (ton)

187,000 Total exports (ton)

163,000 EU (EBA) exports (ton)

349,000 Total sugar production (ton)

(rounded to nearest '000)

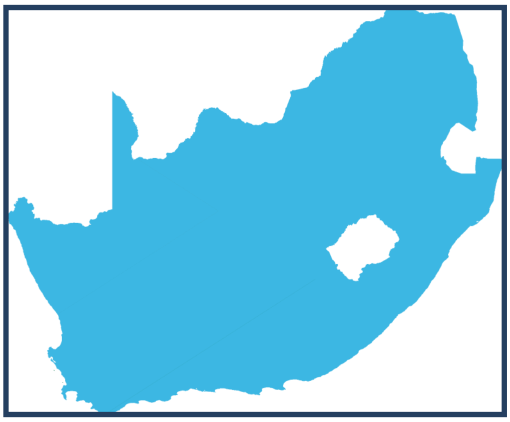
66 tonnes/ha average sugar cane yield

35,000 total employment in the sugar sector

4,000 number of small scale sugar cane growers (<40Ha)

SADC country factsheets (2015-16)

South Africa



1,432,000 Domestic sales (ton)	**42,000** Total exports (ton)
0* EU (EPA) exports (ton)	**1,627,000** Total sugar production (ton)

(rounded to nearest '000)

61 tonnes/ha average sugar cane yield

79,000 total (direct) employment in the sugar sector

11,406 number of small scale sugar cane growers

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

Swaziland

400,000 Domestic sales (ton)	**300,000** Total exports (ton)
239,000 EU (EPA) exports (ton)	**696,000** Total sugar production (ton)

(rounded to nearest '000)

101 tonnes/ha average sugar cane yield (estates only)

16,200 total employment in the sugar sector

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

Tanzania

344,000 Domestic sales (ton)	**76,000** Total exports (ton)
0 EU (EBA) exports (ton)	**293,000** Total sugar production (ton)

(rounded to nearest '000)

84 tonnes/ha average sugar cane yield

22,809 total employment in the sugar sector

9,414 number of small scale sugar cane growers (<40Ha)

SADC country factsheets (2015-16)

Zambia

228,000
Domestic sales (ton)

153,000
Total exports (ton)

52,000
EU (EBA) exports (ton)

449,000
Total sugar production (ton)

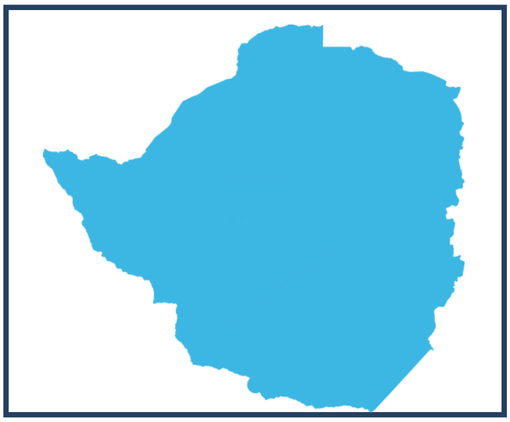
(rounded to nearest '000)

109 tonnes/ha
average sugar cane yield

7,000
total employment in the sugar sector

242
number of small scale sugar cane growers (<40Ha)

Zimbabwe



302,000
Domestic sales (ton)

174,000
Total exports (ton)

136,000
EU (EPA) exports (ton)

412,000
Total sugar production (ton)

(rounded to nearest '000)

80 tonnes/ha
average sugar cane yield

17,850
total employment in the sugar sector

878
number of small scale sugar cane growers (<40Ha)