



Working Group on Manufacturing Costs

CEFS Congress – Economic Affairs Committee
Vienna, 9 June 2017

Conclusions from 2015/16 Manufacturing Costs Survey

- **2015/16 total average sugar manufacturing costs down slightly on 2014/15**
 - ⇒ Specific costs for beet supply down
 - ⇒ Energy expenses down
 - ⇒ Partially offset by higher costs for maintenance and manufacturing supplies.
- **Reference threshold of 404 €/t remains insufficient to preserve the long term sustainability of the sector**

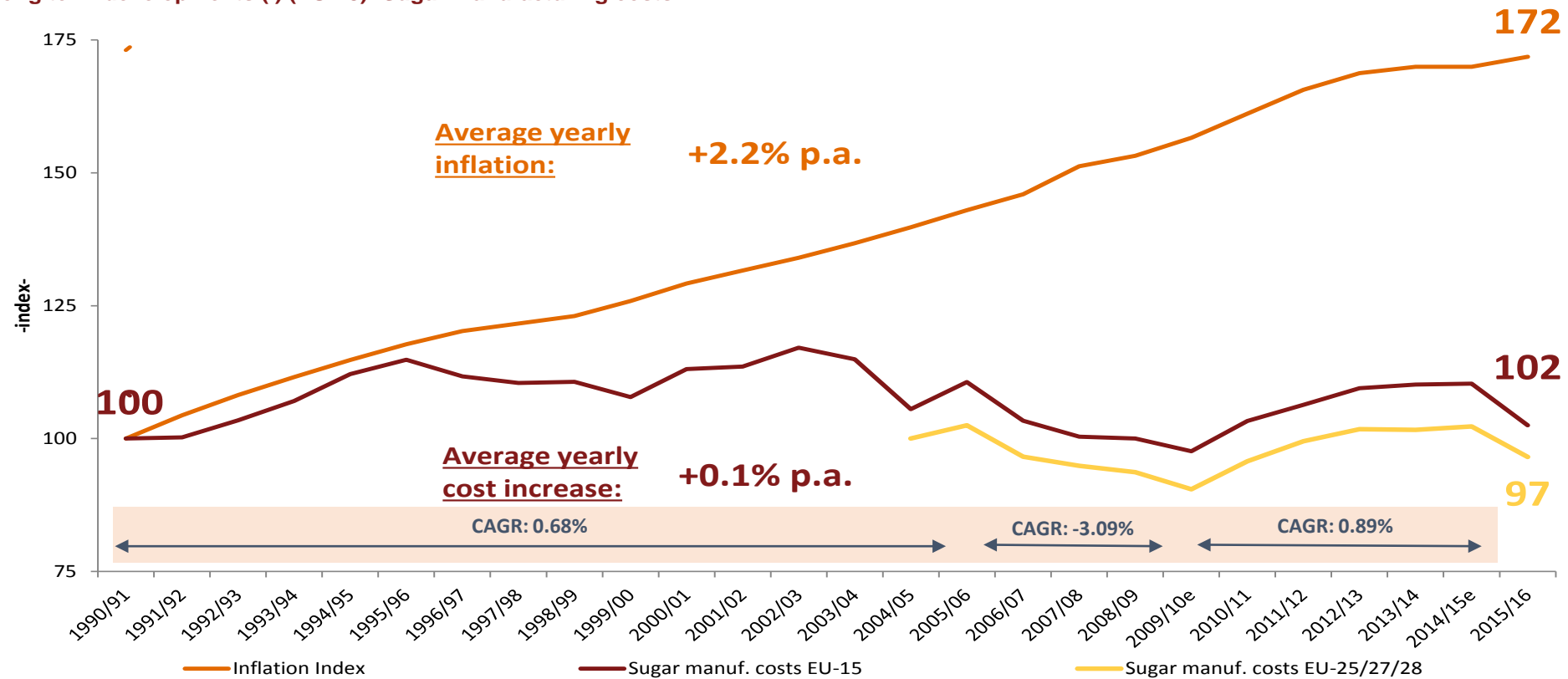
Long-term cost developments I

- The EU sugar industry has a long term record of innovation and has effectively restructured to improve performance
- EU sugar yields have increased for many years at over 2% p.a., and are now higher than in competitive cane producers (e.g. Brazil, Australia)
- EU sugar manufacturing costs stable over >20 years, despite inflation averaging 2.3% per year, i.e. **constant reduction of costs relative to inflation over two decades!**

These long-term cost developments have been effectively deployed in communications with the European Commission and Parliament

Long-term cost developments II

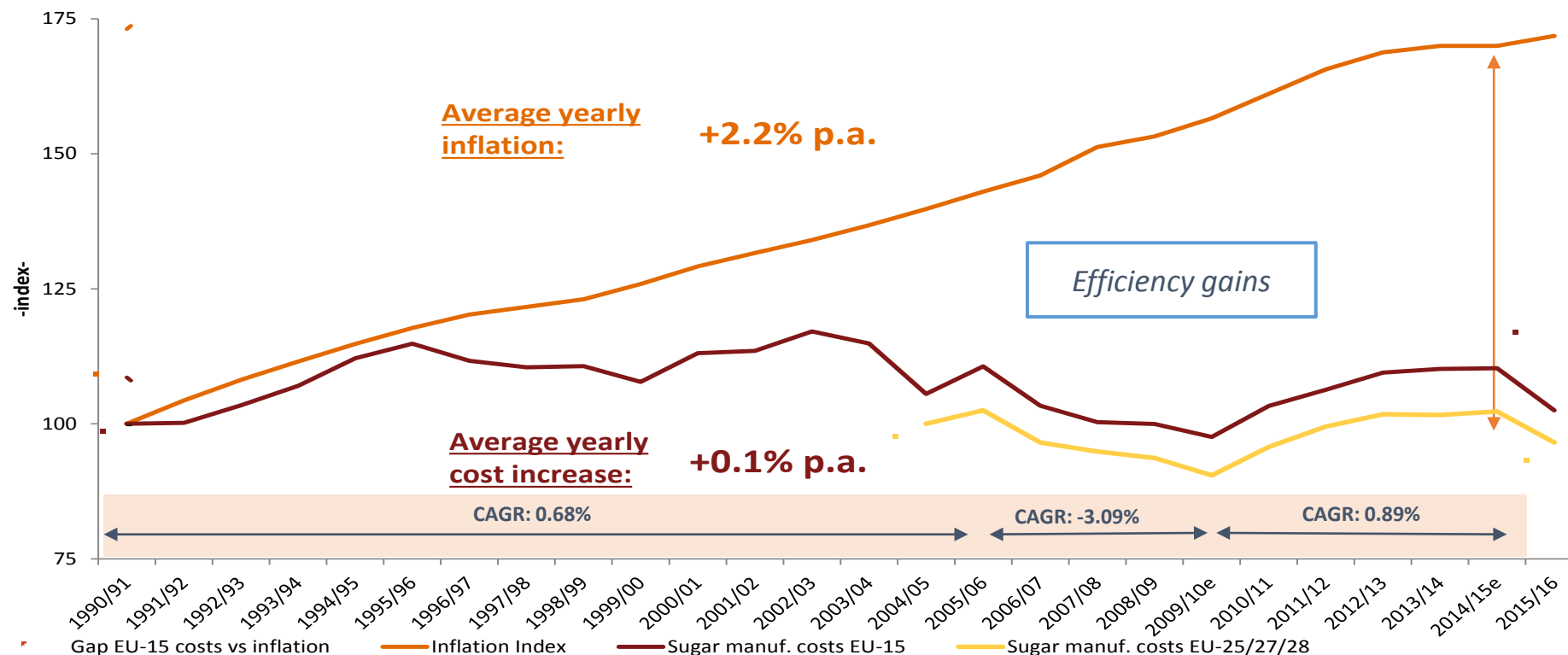
Long term developments (I) (EU-28): Sugar manufacturing costs



*Source: Inflation acc. "Eurostat" and costs acc. SURVEY ON MANUFACTURING EXPENSES acc. PWC reports

Long-term cost developments II

Long term developments (I) (EU-28): Sugar manufacturing costs



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Future of the CEFS Manufacturing Costs survey

- CEFS note to the Praesidium presenting the added value and possible challenges of the survey.
- Manufacturing Costs Working Group ready to work on options to adapt the technical modalities of the surveys to ensure that they are fit for purpose in the post-quota period.



Thank you.

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