Publikation

Impact of EU Sugar Trade on Developing Countries. A Study with Focus on East Africa (Kenya, Tanzania and Uganda)

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Summary

The aims of the study presented here are to assess the impact of the European Union sugar trade (with an emphasis on dumping) in developing countries. In particular, the focus was on small farm holders and markets. The study, commissioned by the North-South Initiative Germanwatch and implemented by Consumer Education Trust (CONSENT), was conducted in the three East African countries of Kenya, Tanzania and Uganda.

This study report details findings that portray an industry going through difficulties borne out of adjustment, exposure to contraband products or an ill-regulated market. It also shows that sugar could offer fledgling economies in developing countries an opportunity to expand their earnings from exports. In conclusion, it lays out a number of possible measures, also sought from stakeholders, relevant to producers and policymakers to save the developing country sugar industry from falling over the edge.

The study was commissioned against a background of heated debate and hypotheses that needed closer scrutiny to inform future participation in processes aimed at addressing the concerns. Controversy over the EU's Common Agricultural Policy (CAP) that includes the sugar sector has recently centred on subsidies to farmers. The EU trade regime is blamed for ruining the livelihoods of millions of poor farmers because it dumps cheap products that have an unfair edge over competing commodities from developing countries. Subsidies, in general, are also widely understood to distort and affect global trade.

Concern over EU-LDC trade comes against calls for broader reforms in global trade under the multilateral trading system of the World Trade Organisation (WTO). Concerns also come amidst debate on developing country strategies to fight poverty and promote economic growth and development in a bid to lift millions out of tremendous poverty.

Ultimately, against that background, it was envisaged by the study partners that vital information would be derived that would help contribute to the crafting of mechanisms to protect smallholder farmers and large sections of the population in developing countries that rely on agriculture for their livelihood.

The study that focused on the sugar sector in East Africa under the broader question of dumping of sugar from several producers, including the EU, highlights the various stages the sugar sector has gone through, its current level of production and potential. It also gives an overview of sugar sector stakeholders' views on dumping and the future.

Information contained in the report was obtained through informant interviews of movers and shakers in the industry as well as direct interviews of farmers and other stakeholders. Literature pertaining to the subject matter also provided significant raw material that facilitated deeper appreciation of the status quo.

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