

(98/C 82/08)

**WRITTEN QUESTION P-1479/97****by Sirkka-Liisa Anttila (ELDR) to the Council***(24 April 1997)*

*Subject:* The need to change Finland's B production quota for beet sugar into an A quota to maintain sufficient refinery capacity in Finland

Finland's beet sugar production quotas total 146 776 tons, of which 133 433 tons is an A quota and 13 343 tons a B quota. Finland's A quota represents 1.1% and its B quota 0.5% of the corresponding quotas for the whole EU area.

Finland's raw sugar import quota is 60 000 tons. Consumption of sugar in Finland totals nearly 200 000 tons per annum. Finland is therefore clearly an under-production area for sugar, and we hardly benefit from EU sugar aid either. In reality, through production and storage levies, Finland subsidizes the sugar industries of Member States with surplus sugar production. In 1995/96, Finland's production levy was 27.5 million marks, of which the basic levy for the B quota was 996 215.30 marks and the production levy for the B quota 16 556 660.14 marks. Finland funds the EU's sugar industry to the tune of 27.5 million marks, 40% of the cost being borne by industry and 60% by farmers.

Because our beet sugar quota is too small, Finland's sugar industry is closing one of its beet sugar plants in Janakkala in 1998, our quota being too small to permit three plants to operate efficiently. The sugarbeet quota assigned to Finland in 1995 as a result of the accession negotiations was too small even at the outset, leading to higher unit refinery costs.

The closure of one plant will directly cause 150 redundancies and will destroy the livelihoods of more than a thousand sugarbeet farmers.

Finland needs a share in the EU's sugarbeet production quota which corresponds to our consumption. Finland's B quota of 13 343 tons should therefore be changed into an A quota. This would reduce our production levies from 27.5 million marks to 10.9 million marks, improve the viability of Finland's sugar industry and guarantee us a more equitable farming and refinery capacity.

**Answer***(16 October 1997)*

The Council does not at the moment have any proposal from the Commission concerning sugar quota levels.

However, as far as the sugar arrangements are concerned, the Council would point out to the Honourable Member that:

- a Member State's sugar consumption is not the sole determinant of the amount and composition of its sugar quotas;
- the sugar quota applicable in Finland was negotiated and agreed in the context of the negotiations for Finland's accession to the Union. The production quota levels for Finland and other Member States were subsequently confirmed by the Council at the time of the review of the Community's sugar arrangements in April 1995. The B quota established for Finland is 10 % the A quota; the same percentage is applicable in five other Member States;
- the sugar arrangements take account of the supply situation in the derived regionalized prices are set for sugar in deficit regions; these prices are higher than the general Community price and ensure higher returns for sugar producers and beet growers in those regions. This is also the case with Finland.