



2026/1124

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COMMISSION IMPLEMENTING REGULATION (EU) 2026/1124

of 26 May 2026

on the suspension of inward processing arrangements for raw cane sugar to obtain white sugar

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 ⁽¹⁾, and in particular Article 195 and Article 229(2) thereof,

Whereas:

- (1) Article 195 of Regulation (EU) No 1308/2013 lays down the possibility for the Commission to suspend inward processing arrangements where the Union market is disturbed or liable to be disturbed. The measure provided for by that Article is a measure of general application, decided by the Commission by means of a Commission Implementing Regulation.
- (2) Inward processing is a customs special procedure laid down in Article 256 of Regulation (EU) No 952/2013 of the European Parliament and of the Council ⁽²⁾, under which non-Union goods can be used duty and charges free in the Union customs territory in one or more processing operations before being re-exported or released into free circulation in the Union customs territory subject to applicable import duties and charges. Union operators are to request an authorisation for the use of the inward processing procedure under Article 211(1) of that Regulation.
- (3) Under inward processing, two procedures exist: non-Union goods can be imported, processed and eventually re-exported (IM-EX), or, operators may request an authorisation for prior export of processed products obtained from equivalent goods, consisting in Union goods, after which, within a limited time period, non-Union goods, replaced by equivalent goods, may be imported into the Union duty and charges free and released into free circulation in the Union customs territory (EX-IM). In the case of sugar, Annex 71-04 to Commission Delegated Regulation (EU) 2015/2446 ⁽³⁾ permits the use of equivalent goods between non-Union raw cane sugar falling within CN codes 1701 13 90 and 1701 14 90 and sugar beet falling within CN code 1212 91 80 under the condition that processed products falling within CN code 1701 99 10 (white sugar) are obtained.
- (4) The importer of duty-free raw sugar can be a different operator from the exporter of refined sugar and can be based in another Member State. Therefore, the export of white sugar or sugar in a processed product, can lead to the import of duty-free non-Union raw sugar in a Member State other than the one where the initial export took place. The guiding principle of inward processing is that quantities of duty and charges free imported goods are in balance with corresponding exports of processed goods in which those goods are incorporated. However, in a situation of EX-IM where imports take place in another Member State, the export of sugar from one Member State can lead to increased availability of sugar in another and affects intra-Union trade.

⁽¹⁾ OJ L 347, 20.12.2013, p. 671, ELI: <http://data.europa.eu/eli/reg/2013/1308/oj>.

⁽²⁾ Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (OJ L 269, 10.10.2013, p. 1, ELI: <http://data.europa.eu/eli/reg/2013/952/oj>).

⁽³⁾ Commission Delegated Regulation (EU) 2015/2446 of 28 July 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code (OJ L 343, 29.12.2015, p. 1, ELI: http://data.europa.eu/eli/reg_del/2015/2446/oj).

- (5) As regards the Union sugar market as a whole, Eurostat trade statistics show that imports under inward processing have increased in the last three marketing years. In marketing year 2022/23, 393 371 tonnes of raw sugar and 236 201 tonnes of white sugar were imported. In marketing year 2024/25, raw sugar imports increased to 587 472 tonnes, while white sugar imports declined to 154 915 tonnes, bringing the total amount of sugar imports under inward processing to 742 387 tonnes, which corresponds to 5 % of Union market demand.
- (6) In the first three months of marketing year 2025/26, 257 405 tonnes of raw sugar and 61 537 tonnes of white sugar were imported under inward processing. Compared to the first three months of marketing year 2024/25, the use of inward processing increased by 43 %. If this pace of imports continues, imports under inward processing for the full marketing year could eventually represent 8 % of the estimated Union demand for the marketing year 2025/26.
- (7) Information contained in Member States' notifications on white sugar prices, area cultivated with sugar beet and white sugar production, submitted under Commission Implementing Regulation (EU) 2017/1185 ^(*), shows that the recent period of high sugar prices increased the financial attractiveness of the crop, which led to an increase in area under sugar beet between marketing years 2023/24 and 2024/25. The corresponding white sugar production increased from 15,6 million tonnes in marketing year 2023/24 to 16,6 million tonnes in marketing year 2024/25. In the same period, Union demand remained stable at 15,3 million tonnes.
- (8) The increased availability, stagnating demand and a strong decline in world market prices have led to a falling Union average white sugar price since the start of the year 2024. The latest available Union average price is EUR 516 per tonne in January 2025, falling from its highest level of EUR 856 per tonne in December 2023.
- (9) Several Union market actors have responded to the oversupply by reducing the production of sugar beet and white sugar in the Union. In marketing year 2025/26, the area under beet cultivation reduced by 12 %. However, as a result of favourable growing conditions the estimated production was only reduced by 3 % to 16 million tonnes of white sugar. Considering the world market situation, a large share of the excess production is expected to be added to already significant Union sugar stock levels, which, according to the Member States' notifications submitted under Implementing Regulation (EU) 2017/1185, were 2,3 million tonnes at the end of marketing year 2024/25 compared to 1,5 million tonnes at the start of marketing year 2022/23.
- (10) In addition to the reduction in area under sugar beet cultivation, a market response has also been visible in the intensified white sugar exports. Eurostat trade statistics for the period 2022/23 to 2024/25, show that the Union sugar market shifted from a net-importing to a net-exporting market. In that period, normal exports of sugar increased from 0,6 million tonnes to 1,6 million tonnes, while normal imports decreased from 2,3 million tonnes to 0,6 million tonnes. This reflects the reduced need for sugar from third countries on the Union market and the surplus in Union production.
- (11) According to Eurostat trade statistics, between the marketing year 2022/23 and 2024/25, normal and inward processing imports combined declined from 3 million tonnes to 1,4 million tonnes of sugar. However, imports under inward processing represented 54 % of total sugar imports in 2024/25, compared to 21 % in 2022/23. In the first three months of marketing year 2025/26, the share of imports under inward processing was 58 % of total imports. Consequently, the growth in use of inward processing has increasingly displaced demand for sugar originating in the Union and weakened the market effect of the reduction in normal imports and increased normal exports.

^(*) Commission Implementing Regulation (EU) 2017/1185 of 20 April 2017 laying down rules for the application of Regulations (EU) No 1307/2013 and (EU) No 1308/2013 of the European Parliament and of the Council as regards notifications to the Commission of information and documents and amending and repealing several Commission Regulations (OJ L 171, 4.7.2017, p. 113, ELI: http://data.europa.eu/eli/reg_impl/2017/1185/oj).

- (12) Moreover, the shift from normal imports of sugar to imports under inward processing puts additional pressure on the Union average price, as the average import value (Cost Insurance Freight 'CIF') of imports under inward processing is lower than the average CIF value of normal imports. Under inward processing it is possible for Union operators to import duty and charges free sugar from more competitive origins than from origins that have preferential access to the Union market. Particularly the increasing share of raw sugar imports, which in the case of EX-IM inward processing procedure may be refined and released for free circulation on the Union internal market, puts pressure on the Union sugar prices by exposing the market more to low world market prices and causes delays to market recovery. It also reduces the effectiveness of the carefully calibrated market access arrangements negotiated under bilateral and multilateral trade agreements, where sugar is considered a sensitive product, as requested by the High-Level Group on Sugar in its report of 5 July 2019 ⁽⁷⁾.
- (13) To illustrate, in the marketing year 2024/25, raw cane sugar falling within CN code 1701 14 90 imported under inward processing had an average CIF value of EUR 469 per tonne, compared to an average CIF value of EUR 604 per tonne for normal imports of raw cane sugar falling within CN code 1701 14 10. These CIF prices are calculated based on the value and volume of these imports according to Eurostat trade statistics. Under normal imports, raw cane sugar that is imported to obtain white sugar enters under CN code 1701 14 10, which is subject to an end use procedure. Under the inward processing procedure CN code 1701 14 90 is used for raw cane sugar imported to obtain white sugar.
- (14) Even though imports of sugar under inward processing are balanced with exports of processed products, the excessive use of inward processing, especially the import of raw cane sugar to obtain white sugar, displaces demand for Union originating sugar on the Union market. It contributes to weakening the negotiating position of Union sugar producers, delays contracting, and increases the likelihood of stock accumulation and discounted sales. These effects can alter price formation and sales planning in the Union market and therefore cause a market disturbance.
- (15) Based on the above, the Commission considers that the Union sugar market is disturbed and liable to be further disturbed by the continuously increasing share of imports under inward processing, in particular for raw cane sugar used for obtaining white sugar of which the CIF value has been below the CIF value of normal imports and significantly below the Union average price.
- (16) Therefore, the use of inward processing arrangements in the sugar sector for raw cane sugar used for obtaining white sugar should be suspended. Considering that the increase of imports under inward processing mainly concerns raw cane sugar imports, which represent the largest share in the total use of inward processing and the largest price difference with normal imports, it is proportionate to only suspend the use of inward processing arrangements partially, meaning only for raw cane sugar used for obtaining white sugar.
- (17) To avoid the market from being further disturbed, the granting of new authorisations for inward processing of raw sugar falling within CN codes 1701 13 90 and 1701 14 90 used for obtaining white sugar and the use of sugar as equivalent goods as described in Annex 71-04 to Delegated Regulation (EU) 2015/2446 should therefore be suspended from the day of this Regulation's publication in the *Official Journal of the European Union*. To maintain legal certainty and to avoid disruption to contractual obligations already in place by authorisations that have already been granted, a transitional period of thirty days should be provided for, after which these existing authorisations that give the right to use inward processing for raw cane sugar or use equivalent goods should be suspended.
- (18) In view of the production estimates for marketing year 2025/26 and the accumulated stocks that will be carried over to marketing year 2026/27, the market is expected to remain liable to being disturbed by imports under inward processing beyond the end of the current marketing year 2025/26. It is therefore appropriate to suspend the relevant inward processing arrangements for raw cane sugar for a period of 12 months until 27 May 2027. The Commission will review the impact of the suspension within six months from the date of entry into force.
- (19) The measures provided for in this Regulation are in accordance with the opinion of the Committee for Common Organisation of Agricultural Markets – Arable Crops and Olive Oil,

⁽⁷⁾ https://agriculture.ec.europa.eu/farming/crop-productions-and-plant-based-products/sugar_en.

HAS ADOPTED THIS REGULATION:

Article 1

1. As of the date of entry into force of this Regulation, the use of inward processing arrangements is suspended in respect of raw cane sugar falling within CN codes 1701 13 90 and 1701 14 90 used for obtaining processed products falling within CN code 1701 99 10 (white sugar).
2. Paragraph 1 shall not apply to imports made under inward processing arrangements during a period of 30 days from the date of entry into force of this Regulation, pursuant to authorisations valid at that date.

Article 2

Within six months from the date of entry into force of this Regulation, the Commission shall review the impact of the suspension provided for in Article 1 and take any appropriate measures required.

Article 3

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Union*.

It shall apply until 27 May 2027.

This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with the Treaties.

Done at Brussels, 26 May 2026.

For the Commission
The President
Ursula VON DER LEYEN
