

Lesson 7: Information sheet 9

UK sugar production and EU protection

Sugar beet is grown in several European countries, including the UK. The beet is processed in factories to make refined sugar. Many European workers and businesses rely on growing sugar beet and refining sugar.

Sugar can be produced more cheaply in other parts of the world. If Europe imports sugar cane or refined sugar from other parts of the world many of the jobs involved in growing sugar beet and refining sugar will be lost in Europe.

However, sugar prices for food manufacturers may be lower.

Key terms

Protectionism: the actions of a government to support its country's trade or industry by taxing goods bought from other countries.

Quota: a limit set on production to avoid surpluses, e.g. milk quotas limit the amount of milk farmers are allowed to produce.

Subsidy: money given, usually by government, to encourage the development of a product or project which might not otherwise be economically viable.

Tariff: a charge or list of charges either for services or on goods entering a country.

Trading bloc: a type of inter-governmental agreement to reduce or eliminate regional barriers to trade among the participating states.

