

WORLD TRADE ORGANIZATION

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**Working Party on the
Accession of Lithuania**

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ACCESSION OF LITHUANIA

Communication from Lithuania

The Permanent Mission of Lithuania has submitted the following information concerning the sugar industry in Lithuania, with the request that it be circulated to members of the Working Party.

The Sugar Industry in Lithuania: Situation and Perspectives

The sugar industry in Lithuania is an old traditional activity and an important sector of its agriculture. The first sugar refinery with capacity of only 800 tons of beet per day started its operations in 1932. Later in 1935, the second one was constructed, the third in 1940 and the fourth in 1975. Lithuanian sugar refineries have been processing cane raw sugar since 1954. Most of it under agreements with Cuba concluded by the former Soviet Union. The white sugar produced from cane raw sugar was supplied to Moscow, Leningrad (now St. Petersburg) and Estonia. Since independence, the policy is to let sugar be produced for the market from local material - sugar beet.

The Capacity of the Refineries and Sugar Production

Year	Total capacity (tons per year)	Processed sugar beet during campaign (thou. t)	Length of campaign (days)	Sugar production from beet (thou. t)	Sugar production from cane (thou. t)
1993	6,600	733	95	86.2	40.7
1994	7,200	410	80	47.0	-
1995	8,200	600	73	75.9	29.0
1996	8,800	645	73	89.1	47.1
1997	10,100	940	89	118.4	-

As can be seen from table, the total capacity of sugar refineries has grown and reached 10,100 tons in 1997. The production of cane raw sugar shows strong fluctuations or a rather low level while that of beet sugar is rising.

In 1993-1997, factories produced approximately 118.6 tons of sugar; 78.8 tons or 66.4 per cent sugar were made from local material - sugar beet. The present technical status of sugar factories does not ensure rational processing of sugar beets, so they need modernization.

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On 23 June 1998, "Danisco Sugar" concluded a conditional agreement for the acquisition of private shareholdings in Lithuania's four sugar factories. On 30 June 1998, "Danisco Sugar A/S" bought the shares belonging to the State in the Marijampolė (24.89 per cent) and Pavenėiai (21.3 per cent) sugar factories.

The investment by this world-wide-known company in Lithuania's sugar industry will help raise productivity in the production of sugar beet and modernisation of the sugar refineries, also in the processing into sugar. In 1997, the beet acreage in Lithuania was 35.2 thousand hectares; the yield averaged 29.1 tons of beet per hectare; in Denmark it was 49.9 tons per hectare.
