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WTO moves against sugar subsidies welcome

Media Statement

Sugar subsidies from India, Pakistan and the EU are again depressing world sugar prices.

Meeting in London today the Global Sugar Alliance called on our governments to take formal action in the WTO to initiate formal actions against Indian sugar subsidies.

Australia's counter-notification of India's illegal sugar subsidies lodged in the World Trade Organisation (WTO), supported by thirteen WTO Members increases global pressure on India to bring its sugar policies back into line with WTO rules and its commitments.

This serious and important escalation of international efforts to have India reconsider and revise its sugar policies is a welcome development. But it is not sufficient.

"Australia's counter-notification covers the mandated sugarcane price provided by the Indian Government to its sugar industry between 2011-12 and 2016-17 and clearly outlines the basis of our claims that India is breaching its WTO obligations," **Global Sugar Alliance Chairman, and Managing Director QSL, Greg Beashel said.**

India's current sugar subsidies include a **mandated floor price** for sugarcane and support payments **contingent on sugar exports.**

"India's sugar policies have delivered huge domestic sugar surpluses, more than 10 million tonnes in 2018-19. This excess production and the prospect of five million tonnes of subsidised exports have contributed to the slump in world sugar prices. Prices are currently below the costs of production of the world's most efficient producers."

"As important as Australia's counter-notification of India's sugar subsidies is in identifying and escalating our concerns, these actions are not sufficient. Today we call on our governments to take the next important step and initiate a formal WTO dispute settlement process with India. This action will help those in India calling for reform. India's current approach to setting sugarcane prices independently of sugar prices and providing export subsidies is unsustainable", **Eduardo Leão de Sousa, Executive Director UNICA.**

The EU's voluntary coupled supports and other sugar beet support structures are resulting in over production in parts of Europe. These are also having adverse world market effects – reducing prices and distorting trade flows, **Sandra Marsden, CEO, Canadian Sugar Institute** said.

Leopoldo Bolaños, International Trade, Guatemalan Sugar Association: "Improved trading conditions are in everyone's interests".

The Global Sugar Alliance is urging our governments to work together as a matter of urgency," **Vibul Panitvong, Chairman of the Executive Board, Thai Sugar Millers Corporation** said.

"Our priority is to secure a world in which sugar can be traded freely across regional and global markets. This means reducing border protection, remove trade distorting domestic supports and eliminating export subsidies", **Greg Beashel** said.

Contact

Greg Beashel, Chairman: +61 408 713 316

Warren Males, Secretary: +61 417 002 325

Mr Eduardo Leão de Sousa, Executive Director, UNICA: +55 61 3037 6820

Ms Sandra Marsden, CEO Canadian Sugar Institute: +1 (647) 680 2649

Mr Rangsit Hiangrat, Director-General, Thai Sugar Millers Corporation Limited: +66 81 805 9644

Mr Leopoldo Bolaños, International Trader, Guatemalan Sugar Association, +502 (2215) 8019

ABOUT US: The Global Alliance for Sugar Trade Reform and Liberalization brings together 85% of the world cane sugar exports. The Global Sugar Alliance members (Australia, Brazil, Canada, Chile, Colombia, India, Guatemala, South Africa and Thailand) are active advocates to improve the world sugar trading environment. Members work closely together to ensure the fair and equal treatment of sugar and ethanol in the WTO negotiations on agriculture so that markets are allowed to work. We are working with our governments to remove restrictions that prevent consumers and sugar users, wherever they are located from accessing the most competitively produced sugar and ethanol in the world.