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New trade deal a boost for Queensland sugar industry

The Queensland sugar industry is set to receive increased access to Japanese, Canadian and Mexican markets after the revised Trans-Pacific Partnership trade agreement was agreed to in Tokyo this week.

Known as TPP 11, the multi-trillion-dollar deal has 11 participants: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. The USA was originally part of TPP negotiations, but withdrew after Donald Trump came to power last year. China is also a notable absence and is promoting a rival deal with seven TPP countries, including Australia, and eight others, known as the Regional Comprehensive Economic Partnership.

QSL Executive Manager Marketing and Risk Mark Hampson said the TPP 11 agreement was a positive for Queensland cane farmers and was expected to include:

- reduced levies on Australian high-pol sugar exported to Japan
- the elimination of Canada's tariffs on refined sugar within five years of TPP 11's introduction (Australia already has duty-free access for raw sugar into Canada)
- Australia guaranteed 7% of any Mexican tariff rate quota for raw sugar in the years it is offered
- the elimination of Vietnam's in-quota tariffs on TPP 11 members' sugar
- Australia allowed to engage in the wholesale distribution of refined sugar in Malaysia for use in the food and beverage industry

Mr Hampson said that while TPP 11, to be signed off in March, would not result in sweeping change for raw sugar exports, it looked set to bring slightly increased market opportunities for Queensland sugar producers and products. "It's shaping up to deliver both exposure to new markets and increased access to existing customers, which is always a good result," he said.

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CAPTION: QSL Executive Manager Marketing and Risk Mark Hampson says the TPP 11 agreement is a positive for the Queensland sugar industry.

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