

Media Statement

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Governments urged to act to save sinking sugar price

Meeting in Geneva today the Global Sugar Alliance called on Pakistan, India and the European Union to eliminate the subsidies that have created a glut of sugar and caused a world price collapse.

The degree to which subsidies provided and proposed by Pakistan, India and the European Union contravene World Trade Organization (WTO) rules was the focus of the meeting between Global Sugar Alliance countries in Geneva.

“Fuelled by a glut of government-supported sugar from Pakistan, and the threat of subsidised Indian sugar exports, the world sugar price (ICE #11) has dropped to a level below the cost of production of even the most efficient producers in the world,” Global Sugar Alliance Chairman Greg Beashel of Australia said.

“Subsidy-induced sugar production surpluses have completely undone the sugar programme reforms implemented by the European Union, returning sugar inventories and exports to the record levels that prevailed historically when sugar production and exports were unfettered,” said Sandra Marsden, President of the Canadian Sugar Institute.

Global Sugar Alliance members were resolute in their call on their governments to take action before the market is driven to new lows.

“There must be no exports of the subsidised sugar,” Eduardo de Sousa, Executive Director, UNICA said. “Global Sugar Alliance Members have identified export subsidies and domestic price supports in excess of WTO allowances and are urging our governments to take all necessary steps to ensure that Pakistan and India comply with WTO rules.”

Vibul Panitvong, Chairman of the Executive Board, Thai Sugar Millers Corporation said, “In the spirit of the decision taken at the Nairobi WTO Ministerial meeting to end export subsidies, Global Sugar Alliance members called on the Pakistani and Indian Prime Ministers to commit unequivocally to the elimination of sugar export subsidies.”

The Global Sugar Alliance urges these countries to commit to a reform agenda that removes trade-distorting government assistance.

“Improved trading conditions are in everyone’s interests. Subsidised sugar exports must not be allowed to prevail,” said Leopoldo Bolaños of the Guatemalan Sugar Association.

The rules-based multilateral trading system has contributed significantly to global economic dynamism and growth over the past 23 years and for decades before. The WTO’s rule-setting, monitoring and dispute-settlement functions deliver real benefits to the world economy, generating employment, raising living standards and lifting people from poverty.

Global Sugar Alliance members are committed to supporting the effectiveness of the WTO, strengthening its rules and enforcing existing rights.

About us

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

Media comment

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