

## Media Statement

27 September 2018

### It's time to act! Indian sugar subsidies must stop.

The governments of the world's major sugar exporting countries are being urged to band together and take an urgent complaint against India to the World Trade Organisation (WTO).

The Global Sugar Alliance of exporting countries says the Indian Government's approval of a Rs. 5500 crore (USD760 million) support package for its sugar industry, including assistance to export up to 5 million tonnes of subsidised sugar, is a snub to world trade rules, adding a new layer of distortion to the world sugar market.

Already down by 36% in the past year, sugar prices sank to a new 10-year low as the market reacted to the announcement and the fact that the world market no longer reflects the cost of production in the most efficient producing nations.

**Greg Beashel, Chairman Global Sugar Alliance and Queensland Sugar Limited (QSL) Managing Director and CEO:** "The illegal subsidy announced by the Indian Government caused life-of-contract low prices in the subsequent trading session of the world sugar market.

"If the subsidy is not repealed, dire social and economic consequences will be felt by sugar producing countries around the world. The Global Sugar Alliance calls on governments from sugar producing countries around the world to launch a WTO action to limit the damage.

"The illegal subsidy has serious consequences for the Australian sugar industry and the regional communities it supports, driving world prices well below the cost of production. The Australian Government needs to take action immediately to prevent the unsustainable sugar policies of India decimating the returns of Australian producers."

**Eduardo Leão de Sousa, Executive Director of UNICA (the Brazilian Sugarcane Industry Association):** "With this bitter announcement, India sends the wrong signal to the Indian producers and, in parallel, hurts even more the revenues of mills and cane growers throughout the world.

"Artificial solutions such as export aids may seem to be an easy solution to get rid of surpluses but they are highly distortive for international trade and must be condemned. The Brazilian industry does not see these measures as an option and we have been encouraging our government to challenge them in the WTO dispute settlement mechanism."

**Vibul Panitvong, Chairman of the Executive Board, Thai Sugar Millers Corporation:** "The Thai industry along with the Office of Cane and Sugar Board have asked our country's Mission at the WTO in Geneva to raise urgent questions with India. It is important that all countries work together on this."

**Leopoldo Bolaños, International Trader, Guatemalan Sugar Association:** "Improved trading conditions are in everyone's interests. Subsidised sugar exports must not be allowed to prevail."

Global Sugar Alliance members are committed to supporting the effectiveness of the WTO. Its rule setting, monitoring and dispute settlement functions deliver real benefits to the world economy, generating employment, raising living standards and lifting people from poverty.

#### 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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