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Australia, Brazil and Guatemala join forces in WTO action against India

Media Statement

Global Sugar Alliance member Guatemala has joined Australia and Brazil in lodging a request for consultations in the World Trade Organisation.

India's sugar subsidies include domestic supports provided by both national and state level governments and export subsidies.

Activating the WTO's first formal dispute resolution process is a serious and important escalation of international efforts to have India reconsider and revise its sugar policies to bring them into line with its WTO commitments.

"Without India's subsidised surplus sugar production, the world sugar market this year would have been in significant deficit, stocks would be drawn down and sugar prices much stronger. Guatemala's decision to join the WTO action is very welcome and shows India's policies are affecting efficient sugar producers around the world." **Global Sugar Alliance Chairman, and Managing Director QSL**, Greg Beashel said.

Australia's counter-notification in November last year raised the flag on this important issue. Rather than bringing its subsidies into compliance with its WTO obligations, India in February announced further supports in the form of soft loans and further increased the domestic support price.

"Guatemala's decision to make use of the WTO dispute settlement mechanism is important. Our industries are suffering significant injury as a direct result of India's subsidies and domestic support measures. We are confident that a solution can be achieved during the consultations with India or, in any event, that the positions of Australia, Brazil and Guatemala will prevail before a WTO Panel," **Leopoldo Bolaños, International Trader, Guatemalan Sugar Association**.

"Responding to the price crisis caused by India, with losses estimated at more than USD3 billion to the worldwide-sugar industry in the 2018/2019 harvest season, the Brazilian government decided act in a firm and timely manner in the WTO together with Australia. We are delighted that Guatemala has joined the fight to overturn India's market distorting sugar policies," **Eduardo Leão de Sousa, Executive Director UNICA**.

"The Thai sugar industry is fully supportive of the action. We are working with our government and hope that, after the March elections, Thailand too can join Australia, Brazil and Guatemala in this important WTO initiative," **Vibul Panitvong, Chairman of the Executive Board, Thai Sugar Millers Corporation**.

"The action is necessary because India is ignoring its WTO obligations. We are encouraging the Canadian government to join as a third party, once a Panel is established," **Sandra Marsden, CEO, Canadian Sugar Institute**.

The Global Sugar Alliance 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.

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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.