

## **MEDIA RELEASE**

### **India's resumption of sugar exports risks global market disruption**

The Indian Government's announcement to export up to one-million tonnes of raw sugar, ignoring previous WTO rulings against it, has raised alarms about potential market disruptions causing a decline in sugar prices globally.

India's history of employing trade-distorting subsidies has faced wide-spread criticism and led to multiple legal challenges. The WTO ruled in 2021 that India breached international trade agreements by artificially inflating sugar production and distorting global markets with subsidised exports.

"India's disregard for its WTO obligations threatens the global sugar industry's viability. It is imperative that sugar producing countries including Australia work collectively to address this challenge and safeguard their interests" said Ash Salardini, CEO of the Australian Sugar Milling Council (ASMC).

"The Australian sugar industry exports more than 80% of its production, and these exports are worth well over \$2 billion. This decision threatens the livelihoods of Australian sugar manufacturers, growers, and regional communities that rely on a stable and profitable sugar industry."

The ASMC has previously acknowledged India's suspension of subsidised sugar exports and its progress in developing a domestic ethanol program as positive steps toward compliance with the WTO's 2021 rulings. However, the recent announcement to renew large-scale sugar exports has reignited concerns.

"Any sudden resumption of subsidised sugar exports risks destabilising global markets. This undermines efforts to ensure fair trading conditions and places additional pressure on the Australian sugar industry", said Mr Salardini.

The ASMC will continue to advocate for strong enforcement of international trade rules and support measures to mitigate the adverse impacts of India's policies on Australian sugar producers.

"We are a trade exposed economy, with a quarter of our GDP generated through exports. Australia needs to be front and centre in defending international trade rules, as decisions like this have grave implications for the broader Australian economy.

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## Background

The WTO rulings referenced in this release are as follows:

- **WT/DS579/R:** Brought by Australia against India, concerning India's domestic support measures for sugarcane and sugar.
- **WT/DS580/R:** Brought by Brazil, challenging India's export subsidies and support policies.
- **WT/DS581/R:** Initiated by Guatemala, addressing similar trade-distorting subsidies.

These cases highlighted India's breaches of its WTO commitments, including exceeding agreed-upon subsidy limits and failing to operate transparently.

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***About the Australian Sugar Milling Council:** The Australian Sugar Milling Council is the peak industry body for the Australian sugar milling sector - contributing \$4.4 billion annually to the Australian economy and supporting more than 20,000 jobs. The ASMC works with its members, industry stakeholders, other industry representatives and government to develop and promote policies that enhance the sustainability, viability and economic contribution of the sugar industry in Australia.*