

TRADE

Sugar body rails against subsidies

POST REPORTERS *B3*

Thai sugar millers are teaming up with the Global Sugar Alliance for Sugar Trade Reform and Liberalization (GSA) to file complaints with the World Trade Organization (WTO) to seek the abolition of India's sugar cane farmer subsidy.

India's measures have brought global sugar prices to a 10-year low as by allotting US\$760 million (25.1 billion baht) to increase sugar cane prices for local farmers and subsidise transport costs to ports for 5 million tonnes of sugar exports from India.

Thai sugar millers, consisting of the Thai Sugar Producer Association, Thai Sugar and Bio-Energy Producers Association, and Sugar Industry Trade Association, are joining hands with GSA, headed by leading sugar producers Brazil, Australia, Guatemala, Colombia, Chile, Canada and Thailand to call for the WTO as arbitrator to act on their complaints.

Vibul Panitvong, vice-chairman of coordinating committee for three Thai associations said India's measures have pulled



Mr Vibul says Indian measures have cut the global sugar price by 36%. BLOOMBERG

down the global sugar price by 36%, well below the production costs for global sugar millers worldwide because the cost relies on higher production efficiency.

"Brazil, Australia and Thailand have already applied new production technology," he said.

The International Sugar Organization quoted the sugar price at 12.47 US cents per pound on Oct 4.

"India's measures are distorting the global sugar price. Until the measures are put off, the negative momentum will have an extended wider impact worldwide," said Mr Vibul.

Moreover, three Thai associations are calling for the Office of the Cane and Sugar Board to propose this issue to the permanent mission of Thailand to the WTO for inquiry and petition in a bid to put pressure on India to abolish the export subsidies in dispute.

"All sugar producers must stop measures that distort the actual sugar price," said Mr Vibul, also executive chairman of The Thai Sugar Millers Corporation.

"Thailand is also a GSA member, we have to call for our government sugar agency to file complaints and resolve trade disputes at the WTO level."