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## GROWER INFORMATION UPDATE ►

**TITLE:** IU085-18 - WTO Notice on Indian sugar subsidies

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### Indian sugar subsidies:

#### Australia lodges a Counter-Notification Notice in the WTO

Following a significant and coordinated lobbying effort by CANEGROWERS and the ASMC, the Australian Government has lodged a Notice in the World Trade Organisation (WTO) increasing global pressure on India to bring its sugar industry subsidies back into compliance with WTO rules.

This is a serious and important escalation of diplomatic steps to have India reconsider and revise its sugar policies.

- The Notice is expected to be considered by the WTO Committee on Agriculture during its 26-27 November meeting in Geneva.
- The Notice seeks further clarification from India of its domestic sugarcane policies and the accompanying diplomatic effort is directed to encourage India's compliance with its international obligations.

The Counter-Notification Notice covers subsidies paid by the Indian Government to its sugar industry between 2011-12 and 2016-17 and clearly outlines the basis of Australia's claims that India is breaching its WTO obligations.

- WTO rules allow market price supports of up to 10% of the total value of production.
- Since 2013-14, India's supports have exceeded 90% of the value of its sugarcane production (*see the table below*)
- The Notice is necessary because India is in breach of its WTO obligations and has not included, as required by WTO procedures, sugarcane products in any of its domestic support notifications since marketing year 1995-96.

It is important to note that the Notice does not:

- initiate a formal WTO dispute resolution process,
- diminish the need to activate a WTO dispute against India in relation to its sugar subsidies, or
- include either the production and price supports offered under India's state-based programs or the support package offered by the Indian central

government in October, both of which would significantly increase the market price supports on offer.

<b>India's Apparent Market Price Support (INR and USD millions and as a share of the value of sugarcane production)</b>							
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Production (share of value)	%	77.7	77.1	94.1	94.4	99.8	94.4
Rupees (INR)	M	467,124	526,758	684,508	740,551	747,017	656,163
US Dollars (USD)	M	6,353	7,164	9,309	10,071	10,159	8,924

In welcoming the Australian Government's leadership and collaboration on this important issue, CANEGROWERS is urging it to continue to act with the governments of other sugar exporting countries, to progress this as a matter of urgency.



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