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Australia's WTO move a welcome step

CANEGROWERS congratulates the Australian Government for taking a lead role in ramping up the global pressure on India to bring its sugar industry subsidies back within World Trade Organisation rules.

“By lodging a Counter-Notification Notice with the WTO, Australia is flagging that this is a serious issue of significant concern at the highest global level,” CANEGROWERS Chairman Paul Schembri said.

“We applaud the Australian Government for drafting the Notice and providing the opportunity for other countries to express their concern also by adding their names to it, further drawing global attention to this serious world sugar industry situation.

“While this Notice does not resolve the problem of subsidised Indian product distorting the world sugar price, it takes the very real difficulties of Australian farmers into an international forum and places further pressure on the Indian Government to change its sugar policies.”

The Notice calls into question the historic and ongoing payments being made to Indian farmers in excess of allowable supports under WTO rules.

“This Notice clearly outlines the basis of our claims that India is breaching its WTO obligations,” Mr Schembri said.

“WTO rules allow market price supports of up to 10% of the total value of production but the Indian payments in recent years have been above 90%, even hitting 99.8% in 2015-16.”

The Notice covers price supports provided by the Indian Government to its sugar industry between 2011-12 and 2016-17 which totalled more than US\$51 billion.

The Notice does not include payments from state governments in India or the further support package, worth US\$800 million, announced last month.

“India’s ongoing and blatant disregard of the rules is having serious implications for the world sugar market and the profitability of Australian growers who are totally exposed to the global sugar price,” Mr Schembri said.

“The need to activate a WTO dispute process against India has not changed and we are urging the Australian Government, along with the governments of other sugar exporting countries, to progress this as a matter of urgency.”

The Notice will be considered during the WTO’s Committee on Agriculture meeting scheduled for 26-27 November.

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