

22 September 2016

Committee Secretary
Joint Standing Committee on Treaties
PO Box 6021
Parliament House
Canberra ACT 2600

By email: jsct@aph.gov.au

Dear Sir

WTO Ministerial Decision – Export Competition (Nairobi, 19 December 2015)

The Australian Sugar industry Alliance (ASA) welcomes and supports the Ministerial decision taken at the 10th WTO Ministerial Conference held in Nairobi in December 2015 for the elimination of all forms of export subsidies.

With 80% of Australian raw sugar production exported, ASA actively works to improve conditions for raw sugar exports.

In 2003, the Australian sugar industry joined with our industry counterparts in Brazil and Thailand to strongly and actively supported the successful action taken by the Australian, Brazilian and Thai governments in the WTO against the European Union's (EU) breach of its export subsidy commitments. The WTO decision that followed and the subsequent reduction in the volume of subsidised EU sugar exports has had a very substantial and positive impact on the world sugar market. World sugar prices, now consistently higher than before the decision, more closely reflect the costs of production in the most efficient sugar producing regions – Australia, Brazil and Thailand.

The Nairobi Ministerial decision is significant because it will require the EU to eliminate its remaining sugar export subsidies from September 2017. For other developed countries it will see the immediate removal of all forms of agricultural export subsidies. Export subsidies are not widely used by developing and least developed country members of the WTO. Nonetheless, the decision also commits these countries to the phased elimination of export subsidies.

The elimination of subsidies is an important step forward for both the WTO and Australian agriculture.

Implementation of the decision will improve returns to the Australian sugar industry, benefiting growers, millers and the local and regional communities the industry supports.

ASA welcomes the agreement and encourages the Committee to recommend its adoption to Parliament.

Yours faithfully

John Pratt
Chairman