

International Confederation of European Beet Growers

CONFEDERATION INTERNATIONALE
DES BETTERAVIERS EUROPEENS

CONFEDERAZIONE INTERNAZIONALE
DEI BIETICOLTORI EUROPEI



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INTERNATIONALE VEREINIGUNG
EUROPÄISCHER RÜBENANBAUER

MIĘDZYNARODOWA KONFEDERACJA
EUROPEJSKICH PLANTATORÓW BURAKA

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WTO concluded that India domestic support and export subsidies violated the WTO Agreement on Agriculture and are illegal

On 14 December 2021, the WTO circulated its panel reports in dispute complaints targeting Indian sugar subsidies. The dispute concerns India's domestic support to sugar cane producers and export subsidies for sugar. It refers to complaints in 2019 by Brazil, Australia and Guatemala (the European Union was a third party) against Indian sugar subsidies.

The panel's reports to the WTO could not be clearer: they find India in violation of the WTO's agriculture agreement. In light of these findings, the WTO requests that India withdraw its prohibited subsidies granted within 120 days of the adoption of these reports. CIBE is not surprised by these conclusions and welcomes them, although CIBE regrets that it took almost 3 years to reach these conclusions.

Between 2017/18 and 2020/21 production and subsidized exports from India weighed heavily on prices: for three years the world market and also the European market were extremely depressed and the loss of value for the European beet sugar sector is undeniable.

However, India has reportedly announced in the press that it will appeal the findings of the WTO Dispute Settlement Body and that these findings will not change its sugar policy. Given the current difficulties and slowness of this Dispute Settlement Body, it is unfortunately likely that India will not change its policy in the short term and that the pressure from Indian overproduction will continue to weigh on the world sugar market and on the European market.

Faced with such a situation, it would be logical for the European Commission to take adequate measures and at least suspend all sugar imports from India now. This is what we are calling for.

CIBE has long advocated fair trade rules and level playing field and is opposed entry of sugar into the EU sugar market which does not obey these rules. We unfortunately note that it is extremely difficult to combat this, with EU growers and producers suffering the consequences. The European Union must equip itself with more effective tools to protect its farmers and its industries and implement them. Similarly, CIBE advocates for production rules for imported sugar which obey the EU standard of production and opposes the entry into the European market of sugar produced under conditions that would be considered illegal in the EU. This is the core of the current debate on imported deforestation, reciprocity and mirror clauses that CIBE is defending.