



Media Statement

16 June 2021

New UK-Australia free trade deal stirs sugar industry confidence

Australia's raw sugar manufacturers and exporters have congratulated the Australian Government on securing greater access for raw sugar in the proposed Aus-UK Free Trade Agreement.

The Australian Sugar Milling Council (ASMC) has acknowledged the prospect of an immediate access gain of 80,000 tonnes.

"Annual improvements leading to full access after eight years is a positive outcome for Australia's sugar industry," said ASMC Chief Executive Officer David Pietsch, "the Council will be further briefed on the deal and other trade matters by Federal Trade Minister Dan Tehan during its Board meeting this afternoon."

"Australia's access to the UK sugar markets has been historically poor, with just 9,925 tonnes allowed under the old EU Tariff Rate Quota (TRQ) pre Brexit.

"Raw sugar is Queensland's second largest agricultural export by earnings with 85% of total production or around 3.5 million tonnes sold overseas mainly to South Korea, Japan and Indonesia," he added.

Mr Pietsch said Australia's highly competitive position and focus on supplying the nearby Asian region would not change as a result of the deal, however it was vital to continue to grow market options for the future of the industry.

"Once ratified, and when commercially feasible, this deal will provide the UK market the option to source high quality raw sugar from Australia to support their domestic refinery sector and customers."

"We particularly acknowledge the tremendous hard work done by the Australian negotiating team on securing a fair outcome," Mr Pietsch concluded.

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Background

Sugar is Australia's second largest export crop, after wheat, with a total annual revenue of almost \$2 billion. Around 95% of sugar produced in Australia is grown in Queensland with the remainder in northern New South Wales. Australia exports around 85% of its raw sugar to buyers overseas, placing it among the top four raw sugar exporters in the world.



ASMC is the peak body representing the interests of raw sugar manufacturers and marketers. ASMC represents five sugar manufacturing companies which collectively produce 90 percent of Australia's raw sugar at their 16 sugar mills in Queensland.