

Sugar subsidies: Brazil to challenge Thailand

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Brazil will challenge Thailand at the World Trade Organisation over subsidies for sugar producers that it says have dragged down global prices for the sweetener, the Trade Ministry said.

Brazil said the Thai government has given support to cane growers and sugar mills that is inconsistent with international trade agreements, allowing the

Asian country to win market share at the expense of Brazilian producers.

"These subsidies have been subject of several questionings at different committees in the WTO, but we saw no signs of changes," the Brazilian Trade Ministry said in a statement.

Last year, Brazilian sugar producers said they were gathering evidence to launch the case against Thailand and India for subsidies they say could cost

them \$1.2 billion a year in revenue.

Brazil's cane industry group Unica has been asking its government to take action against Thailand and India for some time.

It blames the policies of the two Asian countries for stimulating sugar production over a period when the commodity endured a long cycle of low prices that only now seems to be ending.