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Philippines

Sugar

Philippines to Export Excess Sugar at a Loss

2003

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Report Highlights:

The Philippine Sugar Regulatory Administration announced recently that it would be exporting 80,000 metric tons of excess sugar next year at prevailing world market prices. 2003/2004 sugar output is projected to reach over 2.2 metric tons, exceeding domestic consumption.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Manila [RP1]
[RP]

The Sugar Regulatory Administration (SRA) announced recently that it would ship 80,000 metric tons (MT) of excess sugar to the world market by early next year, possibly at a loss. This shipment will be in addition to the 142,160 MT tariff-rate quota (TRQ) allocation from the United States under the US tariff-rate quota program. According to the SRA, the volume that would be shipped to the world market is equivalent to four percent of total output for the 2003/2004 crop year.

According to the SRA, the Philippines will be selling excess production in the world market even at a loss to protect the domestic industry. Countries being considered include Japan and Taiwan as possible markets. A sugar industry executive estimated the production cost of Philippine raw sugar at 11 US cents per pound as against 9.5 cents for Thai sugar and 9.3 cents for Australian sugar.

The SRA Administrator stated that the new projected sugar output for the Philippines in crop year 2003/2004, which began last September, is expected to exceed 2.2 million tons. This figure is more than last year's production of 2.16 million metric tons, which had been the highest in 10 years. The return to sugar self-sufficiency has been attributed to the use of higher-yielding cane varieties, improved milling and good weather.