

Updated: 06.09.2023

## Sector brief:

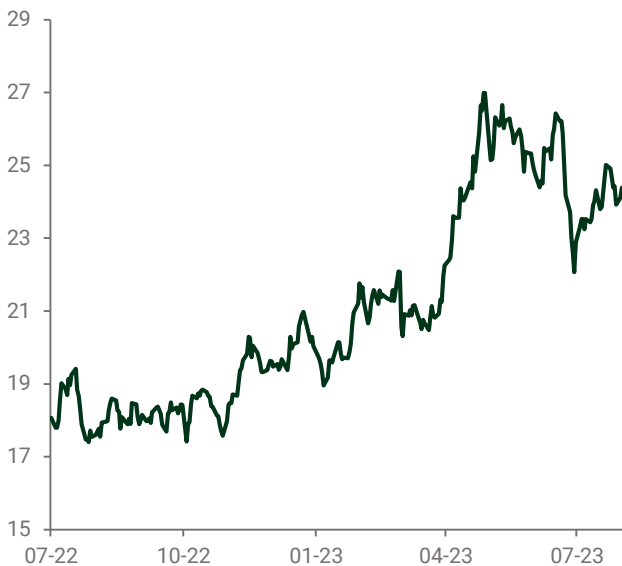
### Global:

**Major Sugar-Producing Countries Impose Export Restrictions Amid El Nino Concerns:** In response to growing concerns over the impact of El Nino, several major sugar-producing countries have implemented restrictions on sugar exports. India, the world's second-largest sugar producer, recently announced plans to ban sugar exports for the upcoming harvest season starting from October 2023. This marks the country's first export suspension in seven years and aims to ensure an adequate domestic supply. Similarly, the Economic Coordination Committee (ECC) of Pakistan has recently approved a ban on sugar exports, aiming to stabilize local market prices. The ban was implemented based on recommendations from Pakistan's National Food Security Ministry. These restrictive measures come amidst rising food inflation in these countries.

**Sugar Prices Surge on Recent Developments:** Sugar prices have experienced a significant reaction to the aforementioned news. The price of the No. 11 sugar futures contract on the ICE exchange has surged to \$25.55 per pound, reaching its highest level in two months.

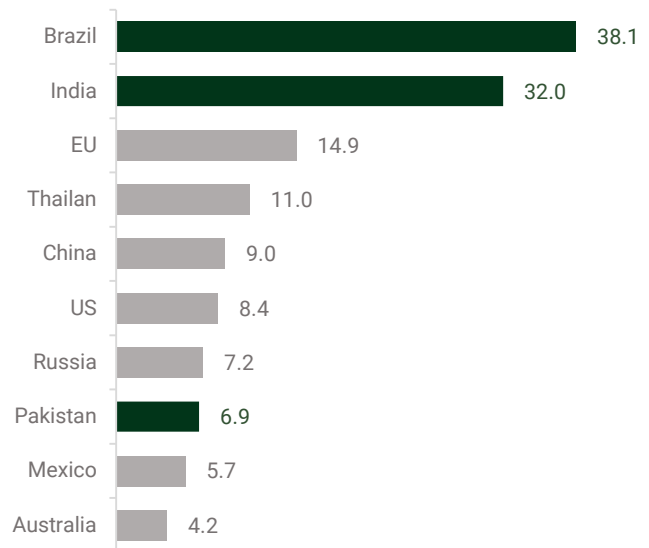
### SUGAR FUTURE CONTRACT PRICES

No.11 | Exchange: ICE, Unit: USD/lbs



### SUGAR OUTPUT FOR 2022/2023 CROP YEAR

Top producers, Unit: mil.ton



Source: Bloomberg, PHS

Source: Statista, PHS

### Domestic:

**Domestic Sugar Prices Respond to Global Trends:** Domestic sugar prices have followed the global market dynamics, driven by positive price movements and trade protection measures against smuggled and illegally sourced sugar. As a result, prices of refined sugar (RS) in An Khe reached 20,800 Vietnamese dong by the end of July, marking a 14.9% increase compared to the beginning of the year and a 16.9% increase year-on-year.

However, according to the July production report by the Vietnam Sugar and Sugarcane Association (VSSA), the projected sugar consumption in Vietnam for 2023 is expected to be around 2.3 million metric tons, roughly in line with the same period last year. Meanwhile, the estimated supply is expected to exceed 2.7 million metric tons. VSSA explained that the ample supply is a result of sluggish demand. Consequently, domestic sugar prices are anticipated to remain stable and relatively lower compared to sugar prices in other regional sugarcane-producing countries.