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The world sugar price fluctuates in opposite directions

- In January 2024, the world sugar prices surged by 16% to 23.91 USD/lbs due to concerns about sugar supply shortage in India.
- Abundant sugar supply in Brazil and more favorable weather conditions as El Nino is expected to end in mid-2024 will hinder the upward trend of the world sugar price in 2024.
- The domestic sugar price is anticipated to see a slight decrease thanks to positive production prospects, but it will still remain higher than the levels seen in the 2018/19 – 2019/20 crop seasons.

The global sugar supply is influenced by various conflicting factors

Due to concerns about the abundant sugar supply with the bright prospects of the sugarcane season in Brazil improved by the influence of El Nino causing abundant rainfall here, the world sugar price in December 2023 dropped by 24% to 20.58 USD/lbs, the lowest level throughout 2023.

However, by January 2024, the Indian Sugar Mills Association (ISMA) reported that the sugar production in India for the 2023/24 season from 15/10/2023 to 15/01/2024 decreased by 5.3% YoY to 14.95 million tons, raising concerns about a shortage of sugar supply. Additionally, on January 18, 2024, the Indian Government decided to impose a 50% export tax on molasses products, indicating signs that India's restrictions on sugar exports are unlikely to be lifted in the near future. This further reinforces concerns about the sugar supply in this country. Furthermore, the rebound in crude oil prices since the beginning of January 2024 has increased the attractiveness of biofuel ethanol production, indirectly exerting pressure on the global sugar supply. As a result, the world sugar price increased by 16% to 23.91 USD/lbs in January 2024.

The world sugar prices (USD/lbs)



The domestic sugar price shows little volatility

The domestic sugar price has adjusted downwards after a period of following the global sugar price, but the observed decline is lower than the world sugar price and remains in the range of 21,200 – 21,800 VND/kg in