



**64<sup>th</sup>**

**ISO COUNCIL MEETING  
NEW DELHI 2024**

## **WORKSHOP ON SUGAR & BIOENERGY – EMERGING VISTAS**

### **TRADE PATTERNS**

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# TRADE PATTERNS AND LOGISTICS

Trade patterns are the result of regular transactions of goods between two countries



Ranging from simple flows such as the movement of cocoa between West Africa and EU/US more complex patterns such as in sugar (the T&L Save Sugar map from 2010/11 is incomplete)

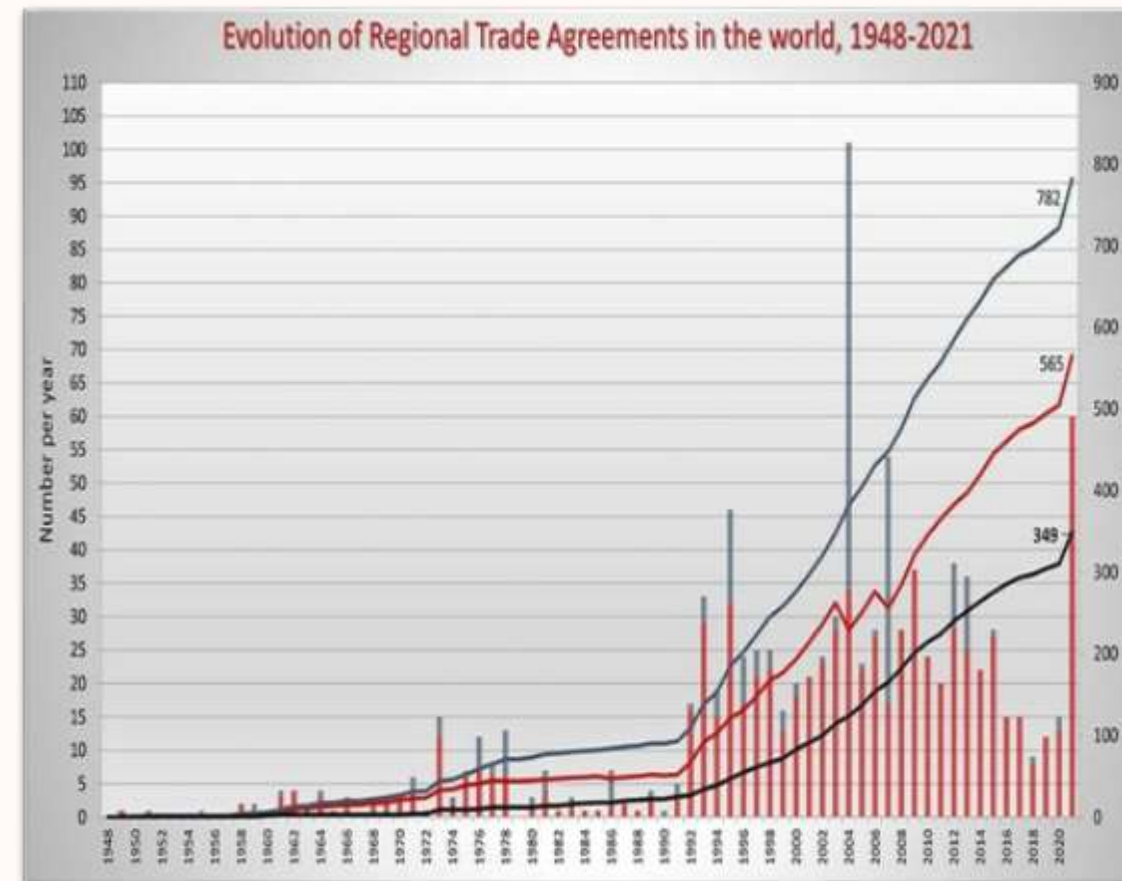


# THE WORLD OF TRADE AGREEMENTS

Global trade is seen as a key driver for economic growth and prosperity. The essence of global resource management and specialisation should offset transport costs.

Global sugar trade has often been seen as tertiary market, behind domestic market and regional/preferential market requirements.

This secondary regional/preferential market is evolving, which has meant that the focus for some national industries and governments has shifted considerably.



Evolution of regional trade agreements  
New agreements in red; inactive in grey  
1948 - 2021

# THE PREFERENTIAL MARKETS

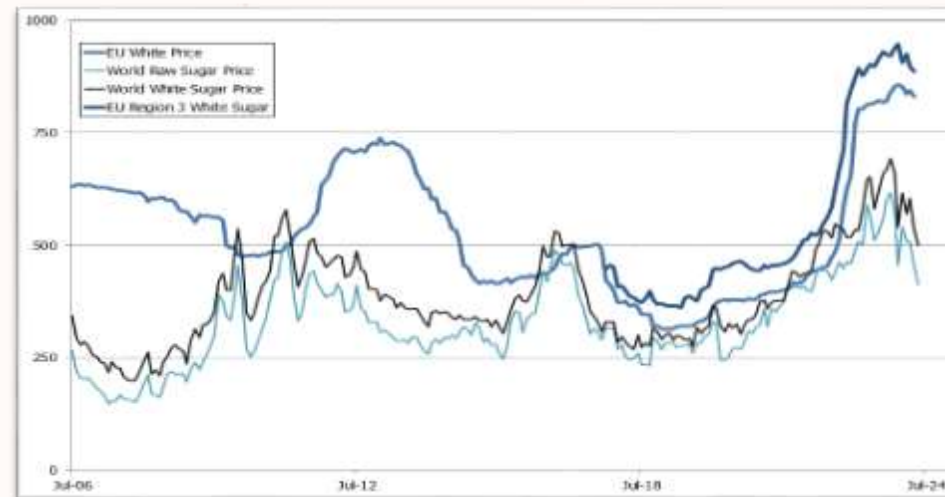
## Pricing models in preferential markets:

EU / UK from fixed price to quota-free, duty-free

US continues to be underpinned by No16 market, includes freight and stevedoring costs

Most new bilateral trade agreements have a zero or reduced import duty rate, with access quotas used as volume limiters, although often increasing by a set annual volume

There has been limited use of quality parameters as a method for securing preferential access, such as fortification requirements amongst other changes in quality specification (both facilitating and restricting) or limits as simple as bag marks





# THE LOGISTIC CHAIN - AT ORIGIN

Exporters are the pivot to all trade patterns  
However, domestic goods movements are a key consideration for effective logistics.

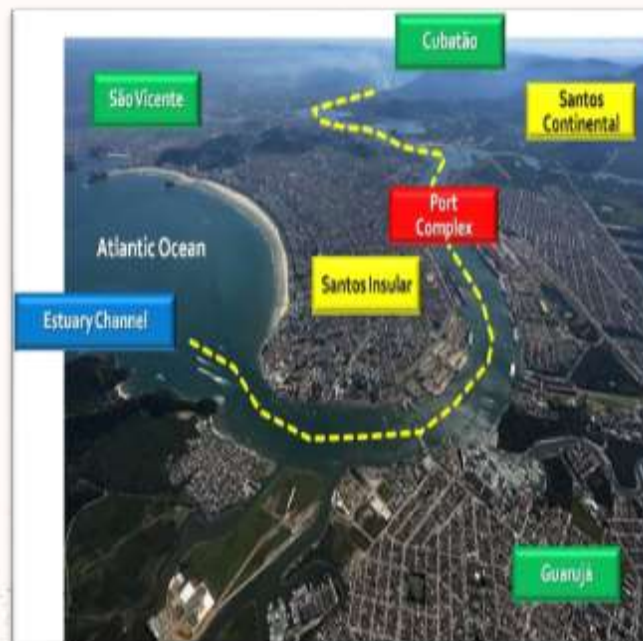
Requirements include:

Dedicated export handling terminal

Cost-effective truck/train movements from inland operations

Vessel access

Documentary and Inspection support services



# THE LOGISTIC CHAIN - AFLOAT

Vessel size – key considerations

Bigger is cheaper

Draft and “air” draft is key

Load rate needs to match vessel size

LOA (length overall) for berthing

Suitable route needs to be found

Currently facing key issues in the Red Seas/ Suez and Panama canal regions

Vessel availability at time of requirement





# THE LOGISTIC CHAIN – AT DESTINATION

Discharge location and facility  
T&L in London has 8-hour river voyage  
Chittagong to Kaptai refinery takes 2 days

Vessel-operated gear or shore cranes

Discharge into hoppers or onto quayside

Transport by truck or conveyor

Warehousing capacity



# OPERATIONAL ASPECTS

Dovetailing the specifications is key:

Fast loading vessels need fast discharging

High polarity raw sugar / Low colour is often preferred, but need to be permitted

Voyage routes, including bunkering locations, provide the backbone of the operation

Regardless of the length of voyage, the operational aspect of the transaction will take more than 2 months; documentary resolution can take up to 2 years

Coordination between authorities in loading and discharge countries is important





# PROJECTION FOR RAW SUGAR EXPORTS IN 2024

Rank	2024		2014		2004		1994		1984	
	Exporters	mmt	Exporters	mmt	Exporters	mmt	Exporters	mmt	Exporters	mmt
1	Brazil	33.80	1 Brazil	19.26	1 Brazil	12.94	2 Australia	4.40	Cuba	7.02
2	Australia	2.75	3 Thailand	4.32	2 Australia	4.06	Cuba	3.20	1 Brazil	3.00
3	Thailand	2.40	2 Australia	3.06	3 Thailand	1.58	3 Thailand	2.00	2 Australia	2.59
4	Guatemala	0.55	7 Mexico	1.24	4 Guatemala	1.35	1 Brazil	0.60	3 Thailand	1.44
5	South Africa	0.40	4 Guatemala	1.17	South Africa	0.85	Mauritius	0.60	Philippines	1.20
6	El Salvador	0.40	Cuba	0.93	Cuba	0.77	Fiji	0.50	9 Dom Rep	0.89
7	Mexico	0.40	Swaziland	0.54	Mauritius	0.53	4 Guatemala	0.40	5 South Africa	0.69
8	Nicaragua	0.36	6 El Salvador	0.39	Colombia	0.4	Colombia	0.30	Mauritius	0.56
9	Dom Rep	0.23	8 Nicaragua	0.33	6 El Salvador	0.35	Swaziland	0.30	Fiji	0.39
10	India	0.20	Zimbabwe	0.29	Fiji	0.3	South Africa	0.20	Swaziland	0.39

## Notes

- Brazil raw sugar exports have increased by 10-fold over 40 years
- Fewest exporters of more than 0.5mln tonnes of raws today

# PROJECTION FOR RAW SUGAR IMPORTS IN 2024

Rank	2024		2014		2004		1994		1984	
	Importer	mmt	Importer	mmt	Importer	mmt	Importer	mmt	Importer	mmt
1	China	5.00	1 China	3.15	Russia Fed	2.89	1 China	2.20	Russia Fed	5.70
2	Indonesia	4.80	2 Indonesia	2.88	EU	1.86	Japan	1.70	EU	3.87
3	India	2.42	EU	2.65	5 USA	1.77	EU	1.70	5 USA	3.00
4	Algeria	2.19	6 Malaysia	1.94	SKorea	1.62	5 USA	1.50	Japan	1.90
5	USA	2.10	9 Bangladesh	1.81	India	1.55	SKorea	1.30	1 China	1.35
6	Malaysia	1.96	5 USA	1.81	Japan	1.37	Russia Fed	1.10	Canada	1.05
7	Nigeria	1.78	SKorea	1.77	6 Malaysia	1.35	6 Malaysia	1.00	Egypt	0.90
8	Saudi Arabia	1.75	4 Algeria	1.65	4 Algeria	1.33	Canada	1.00	SKorea	0.84
9	Bangladesh	1.70	7 Nigeria	1.41	Canada	1.19	Egypt	0.40	Iran	0.61
10	Morocco	1.40	Egypt	1.38	1 China	1.19	Venezuela	0.30	6 Malaysia	0.58

## Notes

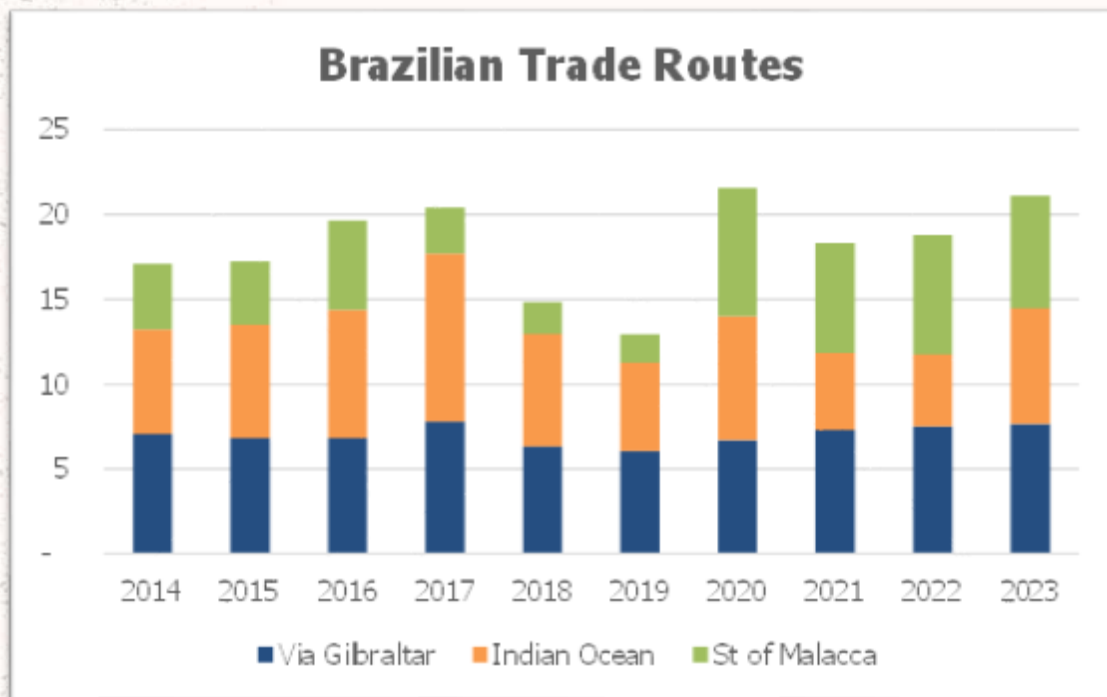
- Asian importers take place 1 and 2; re-exporters take place 3,4,6,8 and 10
- EU is no longer a top-10 importer / Russia is now a regional exporter



# TOP 10 BRAZIL RAW SUGAR EXPORT DESTINATIONS

Row Labels	ALGERIA	BANGLADESH	CHINA	EGYPT	INDIA	MALAYSIA	MOROCCO	NIGERIA	SAUDI ARABIA	UAE
2013	194,595	296,764	422,923	106,900	43,000	364,125	124,000	228,610	145,335	438,016
2014	1,854,824	1,757,023	2,062,015	1,717,464	1,571,437	1,245,353	591,404	1,692,370	936,872	2,232,844
2015	1,801,214	2,389,677	2,577,642	1,038,495	1,610,575	901,752	1,036,864	1,476,093	1,189,856	1,505,616
2016	1,927,207	2,404,690	2,294,092	983,196	1,992,053	1,463,950	1,024,851	1,617,797	1,042,835	1,366,491
2017	2,310,647	2,756,252	135,350	1,979,487	2,095,721	1,575,331	1,202,710	1,373,580	1,019,851	2,197,229
2018	2,133,365	1,761,259	759,725	1,019,900	1,718,334	1,063,602	952,355	1,245,957	1,136,722	1,368,076
2019	2,374,715	1,859,609	1,391,037	672,840	719,865	251,280	845,847	1,589,920	1,574,279	630,636
2020	2,345,400	1,986,609	4,534,757	924,685	2,075,671	1,473,991	1,241,225	1,802,292	1,301,698	1,170,680
2021	2,523,738	1,704,306	4,180,431	1,127,683	298,488	1,368,538	1,266,344	1,813,564	1,198,459	876,229
2022	2,153,485	1,142,349	4,693,291	1,250,837	538,602	972,858	1,495,799	2,077,415	914,997	906,623
2023	1,940,339	1,465,142	3,403,952	1,334,904	2,706,651	1,573,307	1,717,027	1,708,132	1,736,043	822,404
2024	850,199	940,700	142,695	876,306	1,030,927	429,960	480,855	916,667	686,172	829,490

# BRAZIL RAW SUGAR EXPORTS IN 2014-2023



Via Gibraltar  
Morocco, Algeria, Tunisia, Egypt, Russia, Georgia  
and Saudi Arabia

Indian Ocean  
Yemen, UAE, Iraq, Iran, India, Bangladesh

Straits of Malacca  
Malaysia, Indonesia, China

THREE REGIONS REPRESENT 73% - 81%



# WHITE SUGAR TRADE PATTERNS

Reliance on containerised freight implies a less-regional focus, but with Increased handling and operational costs

Containers stuffing limits include

27 tonnes of 50kg bags in a 20ft “heavy” container

20 tonnes of 1mt totes in a 20ft container

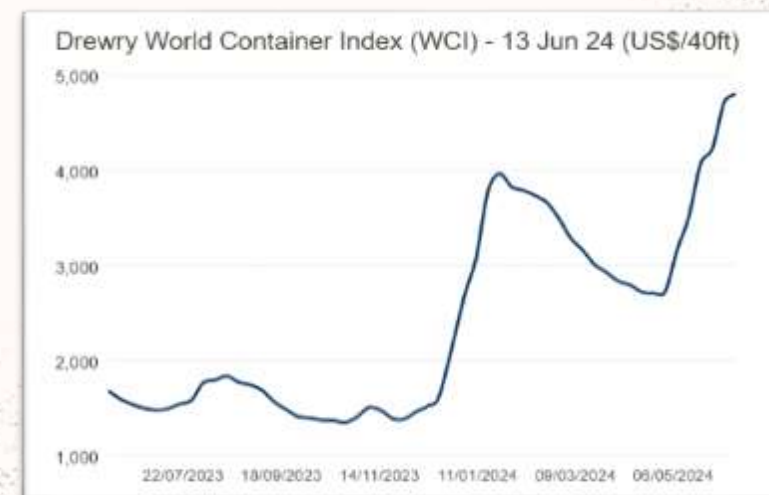
Road haulage limit of 30 tonnes of 1mt totes in a 40ft container

Bulk in a box containers carry 27 tonnes (yet to take off!)

BIBO (bulk in bags out) ships have been scrapped

Bags in ships face slow load and discharge rates / damaged bags when offloading. Totes in ships can face stock collapse issues on arrival

Container costs out of Asia, up in recent weeks, backhaul steady  
Sugar is not a preferred consignment given weight



# GLOBAL TRADE PATTERNS

## Raw Sugar

CS Brazil supplies most destinations  
Constricted through Santos / Paranaguá

Northeast ports handle preferential and  
Caribbean trade

Thailand has regional foothold in Indonesia and  
Japan

Australia has traditional flows to S Korea,  
Indonesia and more recently Japan and UK

Central American origins are focused on US and  
EU preferential demand

## White Sugar

Origin producers looking for value added

Container rates limit East-to-West trade

Toll refiners focused on regional (mostly  
Mediterranean) demand

Indian refiners seen as great provider of market  
liquidity and availability

High colour grades of white sugar becoming  
increasingly sparse in global trade, but still  
substantial in domestic market



# TRADE PATTERNS – LATEST DEVELOPMENTS

Ongoing expansion of bilateral and multilateral free trade agreements

- African Continental Free Trade Agreement
- EU – Mercosur
- UK negotiations
- CPTPP / ASEAN and other bilateral trade agreements

White premium weakness might reduce effectiveness of London market as a toll-refinery's return proxy

Restructuring of the US quota mechanism increasingly needed

China raw sugar import seasonality becoming more pronounced

# TRADE PATTERNS – EVOLUTIONARY DEVELOPMENTS

Global push towards ethanol-blended fuels

Grains and Sugarcane have different profiles and credentials

Global molasses supply will grow with sugar demand growth

Ethanol can be transported through port tank terminals

Restructuring of the US quota mechanism increasingly needed

China raw sugar import seasonality becoming more pronounced;

Trade flows include movement of liquid and blended products;

EU/UK access has been expanded further, leaving little value in preferential access rights



# TRADE PATTERNS – THE CHALLENGE FOR INDIA

Ethanol imports can support domestic expansion

Molasses trade has declined this season after peaking in 2022/23

Sugar trading opportunities are defined by product quality

Unhedged nature of domestic sugar exports

Regional trade is always preferred; continuity is key

Clarity of export objectives and transparency of production prospects

A range of logistic pathways and ports imply positive expansion outlook

**THANK YOU !**

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