Editorial-The Sugar Industry of Asian Region

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The Asian sugar-producing countries contribute substantially to the global sugar market. These countries together produce around 40% of the sugar produced in the world. The main players in this region include India, China, Sri Lanka, Bangladesh, Pakistan and also the South East Asian countries, viz., Thailand, Indonesia, Vietnam, The Philippines, Myanmar, along with other minor producers. India is the second largest sugar producer (26 MT), largest consumer of sugar in the world and has a target to produce 35 MT of sweeteners by 2030. China is currently the world's third largest producer and second largest consumer of sugar after India. The total sugar production in China during 2016–2017 is projected to be around 10 MT. Sri Lanka a major consumer of sugar is expected to have a demand of 1 million metric ton of sugar by 2020. At present, only around 7% of the demand is being covered through local production and >90% of its sugar demand is being met through imports. The major sugar export markets are concentrated in Asia, with countries like Thailand, Indonesia, China, Cambodia, Japan, S. Korea and these nations together account for about 12% of the total world sugar exports. The Asian countries are responsible for around 60% of the global sugar imports. The production, consumption and trade cycle changes with the changing demands. USDA forecasts an increase in Thailand sugar exports by 2–3% due to increasing demands in Indonesia and China. Sugar consumption in China is expected to expand by 1.7–18% MMT by 2020, with corresponding increase in imports also. The Asian share of global sugar consumption is projected to increase to 49% by 2030. Thus, overall, there is immense scope for the sugar industry in Asia to enhance its cane and sugar production to meet the increasing demands of the future.

The ASEAN countries, mainly Thailand, Indonesia, Vietnam, The Philippines, Cambodia, Myanmar and Lao PDR, are important players in sugar production–

consumption and trade, accounting for approximately 10% of the global sugar production. These countries together produce over 17 million tons of sugar and consume around 15 million tons of sugar annually. A large quantity of plantation white sugar and raw sugar is imported from other countries to meet the domestic requirement. Thailand is the second largest sugar exporter after Brazil. Indonesia is the world's third largest consumer and a major importer of sugar. At present, the per capita sugar consumption in the ASEAN countries is low compared to the world average indicating immense potential for future growth of sugar industry. In line with the increasing sugar demands at the global level which is expected to reach 260 million tons by 2030, the SE Asian region will also see substantial increase in demand for sweeteners. To boost sugar production and trade within the region, ASEAN sugar alliance (ASA) has been formed, comprising of sugar industries of seven countries in the SE Asia, which will serve as a venue for member industries to exchange information on latest technology and researches on sugarcane farming, sugar production and by-product diversification.

The ASEAN member countries have made significant progress in the lowering of intra-regional tariffs through the common effective preferential tariff (CEPT) scheme for AFTA. Regional reduction in sugar tariffs may see more free flow of sugar in this region, a reduction in sugar prices in the region, changes in import–export patterns, reduced cost of production in downstream sectors, resource re-

allocation to non-sugarcane sectors, etc. These will translate to a better investment climate in ASEAN, facilitating the implementation of trade, services, investment and others. The recent economic developments like formation of ASEAN economic community (AEC) leading to ASEAN free trade area (AFTA) and other related reforms have provided sufficient impetus for these countries to gear up to the emerging situations and become globally competitive.

The sugarcane farmers and sugar industry in the region have a formidable task to sustain sugar production in the backdrop of numerous biotic, abiotic and climatic challenges, apart from various regional issues. The ever increasing demands for sugar and other allied products will invariably necessitate an increase in the cane production and productivity in Asia, which need to translate into spurt in the sugar production and also that of allied products. Along with the technological and related improvements in the rest of the sugar-producing countries in Asia, these developments in ASEAN will also aid the Asian region as a whole to improve its cane and sugar production levels and help the sugar industries to become more competitive, economically viable and sustainable.

This special issue on “The Sugar Industry of Asian Region” highlights the present status of sugar industry in Asian countries, the challenges faced by these countries and the way forward, especially in the light of the new technological and economic developments in this region.