The evolving future of the sugar industry

José Orive, Executive Director
International Sugar Organization
21\textsuperscript{st} Century Tectonic Shifts in the World Sugar Economy

\textit{inter alia}

- since 2001 world production has grown by 50 mln tonnes or 40%
- the volume of world sugar trade has grown by 20 mln tonnes or 50%
- the introduction of flexible-fuel vehicles in Brazil and new paradigm of cane use
- the EU sugar regime reforms in 2006 and 2017
- a creation of the common sweeteners market in NAFTA
- robust growth of sugar output in Thailand and Russia
- an impressive growth of imports by China
- mushrooming destination refineries
- growing importance of VHP sugar in the international trade
- a widening anti-sugar campaign in many countries all over the world
World Sugar Production and Consumption, 2001-2017 (in 1,000 tonnes, tel quel)
Growth rates of global consumption (in %)

- Consumption growth
- Linear (consumption growth)
Year-on-Year growth in world sugar consumption (in 1,000 tonnes)
“...Usage is forecast to grow further to reach almost 200 tonnes by 2021/22.” August 2012

“World sugar consumption in 2021 = 202 mln tonnes” June 2012

“The new ISO sugar consumption model puts world sugar consumption in 2020 at 201 mln tonnes, a worldwide projected annual growth of 2% a year.” October 2010 - MECAS(10)17
“...Usage is forecast to grow further to exceed 200 mln tonnes, raw value, in 2023/24.” August 2018

“World sugar consumption in 2027 = 198 mln tonnes, tel quel”
June 2018

“Assuming an average growth rate at a level of about 1.6% tonnes world consumption of sugar may reach 200 mln tonnes, tel quel, in 2025/26”
September 2018
Statistical “technicalities”

\[ \text{disappearance} \neq \text{consumption} \]
\[ \text{consumption} \neq \text{human intake} \]
### Table 51 -- Refined cane and beet sugar: estimated number of per capita calories consumed daily, by calendar year 1/

<table>
<thead>
<tr>
<th>Year (market level) 2/</th>
<th>weight</th>
<th>Loss from weight primary to retail/institutional</th>
<th>Weight at retail to consumer</th>
<th>Loss at consumer level</th>
<th>Per capita Consumption, Calories</th>
<th>Calories at consumer level per Serving consumed (teaspoons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>65.9</td>
<td>0.0</td>
<td>65.9</td>
<td>11.0</td>
<td>58.7</td>
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<tr>
<td>2012</td>
<td>66.7</td>
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<td>66.7</td>
<td>11.0</td>
<td>59.3</td>
<td>34.0</td>
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<td>2013</td>
<td>68.0</td>
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<td>68.0</td>
<td>11.0</td>
<td>60.5</td>
<td>34.0</td>
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<td>2014</td>
<td>68.4</td>
<td>0.0</td>
<td>68.4</td>
<td>11.0</td>
<td>60.9</td>
<td>34.0</td>
</tr>
<tr>
<td>2015</td>
<td>69.2</td>
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<td>69.2</td>
<td>11.0</td>
<td>61.5</td>
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<tr>
<td>2016</td>
<td>69.7</td>
<td>0.0</td>
<td>69.7</td>
<td>12.0</td>
<td>61.3</td>
<td>34.0</td>
</tr>
</tbody>
</table>

Statistical “technicalities”

The ISO does not include the sugar equivalent of beet and cane that were not processed into the end product crystal sugar (such as those used for fuel ethanol or biogas) in its sugar production estimates.
Statistical “technicalities”

The trade of sugar-containing products?
The most important drivers of sugar consumption:

- Population growth,
- Per capita incomes,
- Domestic prices for sugar and sugar-containing products,
- The availability of alternative sweeteners and their prices,
- Changes in dietary habits (diet globalization), and since recently
- Health concerns.
Long-term outlook

Population and Sugar Consumption Growth Rates in %

- Consumption growth
- Population growth

Linear (consumption growth) • Linear (population growth)
Long-term outlook

Per capita consumption by regions (kg per head), 2013-2017

Sugar consumption by regions (in 1,000 tonnes)
Long-term outlook

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- Health concerns.
"The sugar tax is too sexy for politicians... Everyone will jump immediately"
Adamo Uboldi, the European Commission's DG AGRI sugar team, April 2018
Sugar Tax World Map
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The Sugar Backlash
Global sugar consumption peaks growing but at a slower rate (satisfying this growth will be a challenge but it is one which the sugar industry is likely to rise up to);

All the stock holders including the governments need reliable and coherent data on the actual human intake of sugar;

Governments must stand up and defend sugar consumption invoking sound scientific evidence and the contribution of sugar for development.

Sugar companies must engage in the dialogue.
Thank you!

José Orive,
Executive Director
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