

Nicaragua accuses Washington of violating WTO rules in sugar trade

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Nicaraguan workers pack refined sugar, 2022. | Photo: Twitter/ @CentralNewsHN

Managua, August 5 (RHC)-- Nicaragua's Ministry of Development, Industry and Trade (MIFIC) denounced that the United States violated rules of the World Trade Organization (WTO) by canceling a purchase of 22,114 tons of Nicaraguan sugar.

"For this 2022-2023 production cycle, Nicaragua was assigned the marketing of 22,114 tons of sugar to the U.S. through a quota established with the WTO," Minister Jesus Bermudez said.

"The U.S. made an exception, using it as a political mechanism, to withdraw the Nicaraguan quota. This violates WTO rules," he added, recalling that Nicaragua and 39 other countries are parties to a WTO-backed agreement through which the United States buys 1.1 million metric tons of sugar per year.

The recent import cancellation, however, does not affect purchase agreements made through the Dominican Republic–Central America Free Trade Agreement (CAFTA). "That quota has nothing to do with the CAFTA quota, which is 29,040 metric tons. Our sugar industry can continue exporting this amount to the United States," Bermudez explained and invited the Nicaraguan businessmen to look for other export destinations in countries such as South Korea, Bulgaria, the United Kingdom or Chile.

On April 20, the Office of the United States Trade Representative (USTR) announced the reassignment of sugar imports for fiscal year 2023. However, Nicaragua did not appear on the list of benefited countries.

Currently, the 22,114 tons that will not be imported by the United States are valued at about \$9 million USD and represent six percent of Nicaragua's annual sugar production.

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