



Ministry of Industries and Production
Government of Pakistan

PRESS RELEASE

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Presently, there are 83 functional sugar mills in the country of which 45 are in Punjab, 31 in Sindh and 07 in NWFP. The total crushing capacity of the mills is about 600,000 tons per day. The capacity utilized by the mills is about 60 to 70% dependent upon the sugarcane production and sugarcane purchased by the mills. The sugar production during 2008-09 stood at 3.19 million tons and the sugar production in 2009-10 is expected to be around 3.1 million tons while the annual consumption 4.2 million tons, the gap therefore is met through previous year's stocks if any as well as through imports. One Pakistani eats more than half a maund of sugar in one year i.e 25 kg. While in India the per capita consumption is 18 Kg annually.

2. In order to prevent the future crises a comprehensive Sugar Policy has been approved by the Cabinet on 04-11-2009 which clearly gives the guidelines regarding short and long term policy measures, inter alia; protection of vulnerable groups through Benazir Income Support Program and USC intervention, market forces to decide sugar price, appropriate import timing of raw and white sugar, maintaining strategic reserves preventing smuggling of white sugar integration of domestic market with international market through necessary tariff protection, linking of sugarcane price with the sucrose content, declaration of cane purchase receipt as a negotiable instrument, research on high yield variety, production of sugar from sugar beet, weighbridges and sucrose testing facilities monitoring mechanism etc.

3. The short term implementation of the sugar policy has begun. 0.5 million tons of white sugar is being imported by the public sector while another 0.75 million tons of white sugar is being imported by the private sector (free of sales tax and excise duty etc). Therefore against anticipated shortfall of 11 lac tons we are importing 12 and a half lac tons. This increased supply of sugar is expected to discourage hoarding and stabilize market price. In addition strategic reserves of 0.5 million tons of white sugar are being built. USC intervention is being fine tuned to ensure that the deserving (*mustahiqeen*) only avail of the low price concessionary sugar and the system is not abused by meting out exemplary punishments to those found misusing the USC sugar.

4. In the long term price of sugarcane is being linked to sucrose content by introducing a premium price on high sucrose content cane varieties. Sugar beet production is likely to supplement sugarcane to the tune of 10 lac tons production in 2011-12. Some parties are introducing brown sugar which is not harmful to health like the chemical treated, bleached 'white' sugar; coloured cubes made from sugar beet, sugar powder from sugar beet for confectioners and beverages are also being introduced. Such interventions will add to sugar stocks by supplementing sugar from sugarcane with sugar produced from sugar beet, cheeko and sweet potato.

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