

Decision to export another million tonne of sugar soon



Increase in sugarcane production leads to more export of sugar from India

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Union Commerce and Industry Minister Anand Sharma has said that the decision to export one million tonne of sugar will be implemented after the Ministry of Consumer Affairs, Food and Public Distribution issues a release order. India, the world's second biggest sugar producer, had in March allowed mills to export one million tonnes of sugar to ease a surplus. Sharma said during Question Hour in the Rajaya Sabha on Wednesday that the decision will be implemented as soon as the Directorate General of Foreign Trade (DGFT) got the release order from the ministry. He said the global economic crisis, the

sovereign debt crisis in Europe and the economic slowdown in developed economies including US had adversely impacted demand for India's exports. Even though exports in March this year declined by 5.7 per cent, the steepest fall in three years, the export target of \$300 billion was met in 2011-12 fiscal.

"The exports for the period April 2011-March 2012 were valued at \$303.7 billion as compared to \$251.11 billion in April 2010-March 2011, registering a growth of 21 per cent," he said. However, there was pressure on trade account because of spiralling oil bill. The oil import bill in 2011-12 touched \$162 billion while gold imports cost \$60 billion. "There has been a pressure on our trade account," he said. Sharma said: "Trade

deficit during the current year has widened as imports have been growing both because of higher prices of importable and increased demand." He said that another supplement of Foreign Trade Policy will be released soon as India targets doubling of the share in the world trade and \$500 billion exports by 2014-15. On the World Trade Organisation (WTO) trade negotiations, he said: "WTO remains the only multilateral organisation which ensures that world trade is conducted in rules based regime. Though Doha round of WTO negotiations had not made desired progress, New Delhi remains hopeful for a positive resolution."

"India is committed to strengthening WTO as an organisation," he said, adding that New Delhi was

also keen on continuing efforts for concluding negotiations for opening of sectors like agriculture and services. Indian Sugar Mills Association (ISMA) has, meanwhile, urged the Central government to notify the decision to free exports for ensuring shipments of surplus sweetener on time. In an inter-ministerial meeting chaired by Prime Minister Manmohan Singh on May 2, the government had decided to free sugar exports by putting it under open general licence (OGL). "To ensure that the surplus is physically shipped out in time, the government should issue the orders for unrestricted exports, a decision which was taken at the level of Prime Minister on May 2, orders for which are still awaited.

The early notification of the decision would help millers in clearing cane payment arrears to farmers that have mounted to over Rs 10,000 crore," said ISMA in a statement. The annual domestic demand is estimated at about 22 million tonne considering the quota allowed by the food ministry for sale in open market and ration shops. Before deciding to free sugar exports, the government had permitted three million tonnes of shipments in equal tranches but the notification were issued for only 2 million tonne. The decision to put sugar export under OGL would be applicable on one million tonne permitted on March 26. ISMA Director General Abinash Verma said: "The country can export another two million tonne of sugar in the remaining five months of the current marketing year ending September. Till April, physical shipments of 1.6 million tonnes of sugar were undertaken." "ISMA is confident that sugar production in the current sugar season will be around 26 million tonne," he said.