

**GOVERNMENT OF PAKISTAN
MINISTRY OF COMMERCE
(DOMESTIC COMMERCE WING)**

No. 7(2)/2012-E.III

Islamabad, 2nd January, 2015

OFFICE MEMORANDUM

Subject: EXPORT OF SUGAR

The undersigned is directed to refer to the subject noted above and to state that "the Economic Coordination Committee of the Cabinet considered the Summary dated 23rd December, 2014 submitted by the Ministry of Commerce on "Enabling Sugar Mills to Continue Sugarcane Procurement by Improving Liquidity" and decided the following, in supersession of its earlier decision in Case No. ECC-152/24/2014 dated 12th November, 2014.

- i) Allowed Sugar Mills to export sugar to the extent of 650,000 MT. Quota would be allocated to individual mills on first come first serve basis subject to the conditions that (i) Exports would be made against irrevocable letter of credit or a firm contract with 15% non-refundable advance payment;(ii) Shipment would be made within 45 days of the registration of contract with the SBP; non-refundable advance payment to be forfeited in favor of Government of Pakistan in case of non-performance; and (iii) Quota so allocated must be exported by 15th May, 2015;
- ii) Approved imposition of Regulatory Duty @ 20% ad valorem on import of sugar, including Raw and Beet Sugar through an SRO;
- iii) Allowed export of sugar to Afghanistan and Central Asian Republics by land route in dollar terms; Minimum price for export to Afghanistan shall be 450\$/MT;
- iv) Approved Inland Freight Subsidy of Rs.2/kg; and
- v) Approved cash subsidy on sugar exports @ Rs.8/Kg

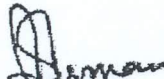
II. The ECC also decided that the total cost of the subsidy amounting to Rs.6.5 billion would be borne by the Federal and the respective Provincial Governments as per sugar mills location on 50:50 sharing basis.

2. Copy of the ECC of the Cabinet's decision in Case No. ECC-170/28/2014 dated 24th December is enclosed.

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3. It is requested that actions to implement the decision of ECC of the Cabinet may kindly be initiated forthwith under intimation to the Ministry of Commerce. Besides, State bank of Pakistan may also arrange via its website full disclosure of the record of quota allocation and its actual exports

Encl: As above


(Atiq-ur-Rehman)
Director General (DCW)
Ph: 051-9217909

Distribution along with copy of the ECC of the Cabinet's decision in Case No. ECC-170/28/2014 dated 24th December forwarded to:-

- i. The Governor, State Bank of Pakistan, Karachi.
- ii. The Secretary, Ministry of Finance, Government of Pakistan, Islamabad.
- iii. Chairman, Federal Board of Revenue, Government of Pakistan, Islamabad.
- iv. Secretary, Ministry of Food Security & Research, Islamabad.
- v. Secretary, Ministry of Industries & Production, Islamabad.
- vi. Secretaries Provincial Agricultural Departments (Punjab, Sindh and Khyber Pakhtunkhwa).
- vii. The Chief Executive, Trade Development Authority of Pakistan, Karachi
- viii. Chairman, Pakistan Sugar Mills Association, Islamabad.
- ix. SO to the Secretary Commerce, Islamabad.
- x. Ms. Nazia Jabeen, Deputy Director (Advertisements), Press Information Department, Islamabad.

