

**"SAVE TREES & PROTECT ENVIRONMENT"**

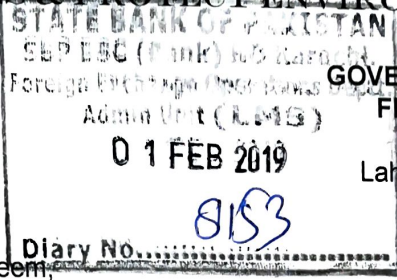
**URGENT**



To,



Rana Salim Saleem,  
Deputy Director,  
State Bank of Pakistan,  
SBP Banking Services Corporation (Bank),  
Foreign Exchange Operations Department,  
3<sup>rd</sup> Floor, Head Office, BSC House,  
I.I. Chundrigar Road, Karachi – 74000.



No.FD(W&M)2-3/2018

**GOVERNMENT OF THE PUNJAB  
FINANCE DEPARTMENT**

Lahore, the January 31, 2019

Subject: - **FREIGHT SUPPORT AGAINST EXPORT OF SUGAR.**

I am directed to refer to your letter No.FEOD/21518/Sugar Freight Support-2019 dated 14.01.2019 on the subject noted above and to inform that the matter regarding which subsidy scheme of sugar the funds amounting to Rs.3.000 billion has been released was taken up with the Food Department, Government of the Punjab vide letter dated 24.01.2019 (copy enclosed). The Food Department, Government of the Punjab in response vide letter bearing No.SO(F-III)3-21/2012(Pt-I) dated 28.01.2019 (copy enclosed) has informed that ECC of the Federal Cabinet in its meeting held on 04.12.2018 allowed export of 1.1 MMT of Sugar and made the following decision with regard to payment of export rebate / freight subsidy:-

*"The ECC under scored the importance of providing relief to the farmers by ensuring start of crushing by sugar mills at the earliest. It was also decided that since the entire issue of freight support arose due to varying procurement prices of sugar cane fixed by the Provincial Government, therefore, the freight support may be determined / paid by the respective Provincial Government, if deemed appropriate."*

2. In the light of the said decision, Provincial Cabinet of the Punjab in its meeting held on 29.12.2018 decided freight support / export subsidy from the sugar mills in the Punjab Province @ Rs.5.35/Kg on a sliding scale of \$ 383.80/MMT to \$ 435.00/MMT subject to maximum limit of Rs.3.000 billion. It was further decided that total export from the Province of Punjab shall not exceed 52% of total export allowed of 1.1MMT (0.572 MMT). The subsidy is valid to the extent of export of sugar mills of Punjab only and Federal Government shall not share in the provision of subsidy / rebate and it is to be paid within the FY 2018-19.

*Ghias Baig*

(GHIAS BAIG)  
SECTION OFFICER (W&M)

CC:

1. The Section Officer (Sugar), Government of the Punjab, Food Department w.r.t. his letter referred above.
2. PS to Finance Secretary, Govt. of the Punjab