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

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

Islamabad, 2nd January, 2015

OFFICE MEMORANDUM

Subject: <u>EXPORT OF SUGAR</u>

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

<u>Distribution</u> 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.

(NAME OF THE BANK, ADDRESS & CONTACT INFORMATION)

WEEKLY PROGRESS REPORT SHOWING THE PARTICULARS OF SUGAR EXPORT BY AUTHORISED DEALERS IN PAKISTAN (In terms of EPD Circular Letter No. 01 dated 05-01-2015)

DATED

4 3		2		-	7	S.No.		
								. Name of Sugar Mill Approval No.
								Approval No.
								Dated
								E-Form No.
								Approved Quantity (MT) (a)
								Shipped Quantity (M.T) (b)
								Unshipped Quantity (MT) (a-b)
							22	Date of Shipment
								Remarks (if any)

Certified that the above information is in respect of all approvals of sugar export in terms of the above circular letter, handled by all branches of _(Name of Bank)_ located in Pakistan

Name of Authorised Person

Contact No. Designation

Name of Authorised Person Designation

Contact No.

Instructions:

- The data shall be reported in MS excel format.
- The Status shall reflect all E-Forms approved by SBP under the current scheme in terms of the above circular letter
- į. The data shall be reported in ascending order as per the date of SBP approval letter.
- The consolidated data shall be provided on a bank-wide basis.