

GOVERNMENT OF PAKISTAN
MINISTRY OF COMMERCE

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

Islamabad, the 14th December, 2015

OFFICE MEMORANDUM

Subject: PROVISION OF CASH SUPPORT FOR EXPORT OF SUGAR

The undersigned is directed to refer to the subject noted above and to state that the Economic Coordination Committee (ECC) of the Cabinet considered the summary submitted by Ministry of Commerce on “**provision of cash support for export of sugar**” and decided as under:

- I. (a) Allowed export of 0.5 million MT of sugar in a phased manner as mentioned below:
- i. 200,000 tons by 31st December, 2015.
 - ii. 350,000 tons by 31st January, 2016 (Cumulative).
 - iii. Remaining quantity (150,000 tons) by 31st March, 2016 (500,000 tons cumulative).

Provided that the export of sugar shall be subject to the following conditions:

- i. The Committee constituted by the Prime Minister vide letter No. 3546/M/SPM/15 dated 25.11.2015 would meet in first week of every month to review the sugar stock/export situation; and bring up to ECC any abnormal variation of the stock/export position and the domestic price of sugar.
 - ii. Only those mills would be allowed to export which have cleared the outstanding dues of the farmers upto last season and have started crushing on full scale.
 - b) Cash support for incidental and freight @ Rs. 13 per kg for export of sugar. This cash support for incidental and freight will be shared equally by the Federal Government and the respective provincial governments.
 - c) Minimum price for export of sugar to Afghanistan and Central Asia at US\$ 450 per MT.
 - d) The cash support shall be disbursed through SBP as per the system in vogue.
- II. Regarding the proposal contained in Para-8 (d) of the Summary that the price of sugarcane may be deregulated from the next season so that Government involvement and provision of subsidy is eliminated as the whole issue arises due to fixation of sugarcane price and difference in prices of sugarcane by the provincial governments, the ECC directed the Ministry of Industries and Production to place the case before the Cabinet after due consultations with the provinces. The ECC further directed that while submitting case to the Federal Cabinet, the sponsoring Division should also propose appropriate percentage of the subsidy amount to be committed for research and development.
- III. The ECC also directed that the un-utilized quota for export of sugar allowed earlier by the ECC shall stand cancelled.

2. Copy of the ECC of the Cabinet's decision in Case No. ECC-161/21/2015 dated 7th December, 2015 is enclosed.

3. It is requested that State Bank of Pakistan and Ministry of Industries & Production may take further necessary action to implement Part-I and Part-II of the said decision respectively. Thereafter, implementation status of the decision may be conveyed to Ministry of Commerce for onward transmission to Cabinet Division.


Altaf Hussain Maitlo
Assistant Chief (Exports)
Ph.# 9205737

- 1) **The Secretary,**
Ministry of Industries & Production,
Islamabad.
- ✓ 2) **The Governor,**
State Bank of Pakistan,
Karachi.

Copy alongwith copy of the ECC's decision dated 7th December, 2015, forwarded to:-

- i) Secretary, Ministry of Finance, Islamabad
- ii) Secretary, Ministry of National Food Security & Reserach, Islamabad.
- iii) Chairman, Federal Board of Revenue, Islamabad.
- iv) The Secretaries, Agriculture Departments, Governments of Punjab, Sindh & Khyber Pakhtunkhwa.
- v) Secretary, Trade Development Authority of Pakistan, Karachi.
- vi) Chairman, Pakistan Sugar Mills Association, Karachi.
- vii) Director to Minister for Commerce.
- viii) SO to the Secretary Commerce, 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. 20 dated 28-12-2015)

DATED _____

S.No.	Name of Sugar Mill	Approval No.	Dated	E-Form No.	Approved Quantity (MT) (a)	Shipped Quantity (M.T) (b)	Unshipped Quantity (MT) (a-b)	Date of Shipment	Remarks (if any)
1									
2									
3									
4									

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
Designation
Contact No.

Name of Authorised Person
Designation
Contact No.

Instructions:

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