

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:2102
ANSWERED ON:01.12.2000
IMPACT OF IMPORTED SUGAR
SULTAN SALAHUDDIN OWASI

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether sugar industry particularly in Andhra Pradesh is passing through a very difficult phase on account of the depressed prices of both sugar and molasses;
- (b) if so, the reasons therefore;
- (c) whether Andhra Pradesh State Sugar industry also suffers being in the coastal State with a major port with adverse impact of imports much more than the inland States;
- (d) if so, the details thereof;
- (e) whether some States have requested the Union Government to instruct Bureau of Industrial Costs and Prices to consult the sugar producing States in the process of finalizing the levy price of sugar; and
- (f) if so, the decision taken by the Government in this regards?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SREENIVASA PRASAD)

- (a) & (b) : The domestic sugar industry in general is facing problem of accumulation of stocks and its consequent effect on liquidity position due to high level of production/stocks. Further, the sugar industry has not been able to export substantial quantity of sugar due to low level of prices in the international market in spite of certain measures taken by the Central Government to boost exports.
- (c) & (d) : As per DGCIS-Calcutta, there has not been any import of sugar during the financial year 2000-2001 (upto July, 2000) through any port of Andhra Pradesh and as such, the sugar industry in the State is not adversely affected on this count.
- (e) & (f) : No State Government has requested the Union Government to instruct Bureau of Industrial Costs & Prices (BICP) to consult the sugar producing States in the process of finalizing the levy price of sugar. However, the State Government of Andhra Pradesh have informed that they have requested BICP to consult Directorate of Sugar and Government of Andhra Pradesh in addition to the industry before finalizing the levy sugar prices. The latest cost study of sugar industry for the sugar seasons 1999-2000 to 2001-2002 was entrusted to the Cost Accounts Branch

(CAB) of Ministry of Finance on BICP's inability to undertake the cost study. CAB in addition to obtaining relevant information from the sugar factories also hold meetings with the representatives of the apex bodies of the sugar industry before finalizing their recommendations.