

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

UNSTARRED QUESTION NO:728

ANSWERED ON:21.02.2003

OCEAN FREIGHT SUBSIDY

A. VENKATESH NAIK;ASHOK NAMDEORAO MOHOL;RAMSHETH THAKUR

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

- (a) whether there is any proposal to give ocean freight subsidy to boost country's sugar export;
- (b) if so, the details thereof;
- (c) the extent to which said subsidy is likely to help to boost the sugar export;
- (d) the present level of sugar export; and
- (e) the incentives given/proposed to be given to the sugar industry to overcome deep crisis faced by the industry?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SUBHASH MAHARIA)

(a),(b)&(c): The Central Government has decided that neutralization of ocean freight disadvantage would be reimbursed to sugar factories at the rate of Rs.350 per tonne with effect from 14.02.2003. It would boost exports of sugar further.

(d): As per published data of Director General of Commercial Intelligence & Statistics(DGCI&S), Kolkata, the quantity of sugar exported between April, 2003 and August, 2003 is 4.62 lakh tonnes valued at Rs.509.89 crores.

(e): In the recent months the Government has given the following incentives to the sugar industry:-

(i) Buffer Stock of 20 lakhs tonnes of sugar:

A Buffer Stock of 20 lakhs tonnes of sugar has already been created involving an outgo of Rs.412 crores from the Sugar Development Fund; Rs.374 crores would be released by Banks on account of the Buffer Stock. Thus, an amount of Rs.786 crores would become available for the payment of cane price dues to the farmers.

(ii) Reimbursement of Internal Transport and Freight Charges

It has been decided to reimburse internal transport and freight charges to sugar factories. Reimbursement of internal transport charges, incurred on export shipments of sugar, has already been allowed. Similarly, neutralization of ocean freight disadvantage at the rate of Rs.350 per tonne on account of export shipments of sugar would now be reimbursable.