

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

UNSTARRED QUESTION NO:4311
ANSWERED ON:04.08.2009
IMPORT OF RAW SUGAR
Sudhakaran Shri K.

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

- (a) whether the Government has allowed import of raw sugar and white sugar at zero duty so as to cope with the domestic demands during 2009-10;
- (b) if so, whether this move is likely to lead to higher sugar prices in the domestic market; and
- (c) if so, the action proposed to be taken to contain rise in price of sugar in the domestic market?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a): Yes, Madam. In order to augment domestic availability of sugar, the Central Government had permitted duty free import of white / refined sugar upto 1 million ton under OGL by the designated agencies viz., STC, MMTC, PEC and NAFED upto 01.08.2009. This has now been extended upto 30.11.2009. Furthermore, the duty free import of white/refined sugar under OGL has been opened to other Central/State Government agencies and to private trade in addition to existing designated agencies.

The Government had permitted sugar factories to import raw sugar under Advance Authorization Scheme upto 30.09.2009 and under Open General License (OGL) upto 01.08.2009 and sell the processed raw sugar within India so as to cope up with the domestic demand in the current sugar season and during 2009-10 sugar season. The Government has now decided to extend the terminal date for import of duty free raw sugar under OGL by sugar factories from 01.08.2009 to 31.03.2010. Further, import of raw sugar has also been opened up to private trade upto 31.03.2010 for being processed by domestic factories on job basis.

(b)&(c): The domestic price of a commodity including sugar in the open market depends upon a number of factors viz. supply, demand, international prices and market sentiments etc. As such, it is not possible to indicate the impact of import of sugar on prevailing price situation in domestic market. However, the Government apart from permitting import of white/ refined sugar has also imposed stockholding and turnover limits on sugar traders to moderate sugar prices. Further, futures trading in sugar has been suspended upto 31.12.2009.