

MiC	MATICHON <small>INFORMATION CENTER</small>	Subject Heading :
Source : BANGKOK POST		
Date : 23 AUG 2014	Page : 36	No : 57399192

AGRICULTURE

India ^{Bt} ups sugar import duty

NEW DELHI/MUMBAI: India, the world's biggest sugar consumer, yesterday raised the import duty on the sweetener to 25% from 15% as part of efforts to help regional mills struggling with lower prices and higher stocks.

A rise in the duty will make imports unviable for port-based refiners despite a plunge in global prices SBc1 due to ample supplies from top exporters Brazil and Thailand.

In June, Food Minister Ram Vilas Paswan had said the import duty could be raised to 40% from 15% if mills pay farmers' dues, estimated at nearly 50 billion rupees.

Mills say a 70% jump in the price that they have to pay to farmers in the biggest cane-growing state of Uttar Pradesh and a meagre 7% rise in sugar prices have worsened their finances, leading to cane dues.

"There was an import parity but mills were not signing deals, expecting revision in the import duty. At 25% duty, imports are not viable," said a Mumbai-based dealer

with a global trading firm.

"In the current sugar year to September, India is likely to import just 30,000 tonnes compared with 680,000 tonnes a year earlier," an industry official told Reuters earlier this month.

The benchmark sugar futures NSMU4 in India rose 1% after the increase in the duty.

"The duty will certainly support prices, but local prices are unlikely to jump. Supplies are adequate," said Ashok Jain, president of the Bombay Sugar Merchants Association.

Prices in India, the world's biggest producer after Brazil, fell below the cost of production in some states as the south Asian country produced surplus sugar for the four straight year.

Even in the next year starting October, the country's output is likely to jump 4% to 25.3 million tonnes because of higher cane yields in Maharashtra and Karnataka states.

Indians consume around 23 million tonnes of sugar annually. REUTERS