

## No Net Export of Sugar to EU: A Clarification

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INVC,, Reports have appeared in the press that the Central Government has allowed export of 10,000 tonne of sugar to the European Union (EU) despite ban on export of sugar. The correct position in this regard is reiterated as follows: The Central Government has been allocating the preferential EU sugar quota to Indian Sugar Exim Corporation Ltd., since 1997. Even when ban on export of sugar was imposed in June, 2006, the export of preferential quota to EU countries was allowed. The EU, through the Commission of the European Communities regulation No. EC (891/2009 dated 25th September, 2009 under the caption "Opening and providing for the administration of certain community tariff quota in the sugar sector" allocated duty free 10,000 metric tonne of sugar to India. Department of Commerce, Ministry of Commerce & Industry, inter alia, informed that EU is a vast market with high degree of potential for export of Indian agricultural products. Earlier when sugar was in surplus, India has been requesting for opening the market and not restrict by quota or increase quota for India. Department of Commerce recommended that by not discharging / availing this quota India may lead EC to reduce quantities of import quota from India which may not be in country's interest. After considering all pros and cons of allocating 10,000 metric tonne of sugar to Indian Sugar Exim Corporation, Food & Public Distribution Department agreed with the recommendation of the Department of Commerce and allowed export of 10,000 metric tonne of sugar to EU countries through Indian Sugar Exim Corporation subject to the condition that the said Corporation import equivalent quantity of sugar in this season. Hence, there will be no net export of sugar from the country Although, there is no ban on export of sugar, export under OGL is subject to release order mechanism of the Government since 1st January, 2009. The Department of Food & Public Distribution will issue export release order to M/s Indian Sugar Exim Corporation only after receipt of requisite documents from the Corporation relating to import of 10,000 metric tonne of sugar as per said condition.

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