

MARKETS



SUGAR CARTELIZATION

Why Sugar Cartelization Happened – A Survey

Despite serving as the backbone of the economy, agricultural sector has been facing chronic crises since the early days. Competitiveness in the agriculture markets has nearly been a myth due to the rooted cartelization and procurement crisis fueled both by provincial and federal governments.

The 2020 report on the industry confirmed the loss of billions of rupees in the name of an export subsidy. This subsidy led to a shortage and an upheaval of prices of sugar. The shortage or inappropriate usage of sugar is chronically linked with the political powers. The probe report has shown the linkages of the politicians of the federal ruling party as well as the opposition's party members in the realisation of subsidized monetary benefits for their personal gain of approximately PKR 30 billion across the country through their owned mills rather than provision of benefits to the consumers for whom the subsidy was intended.



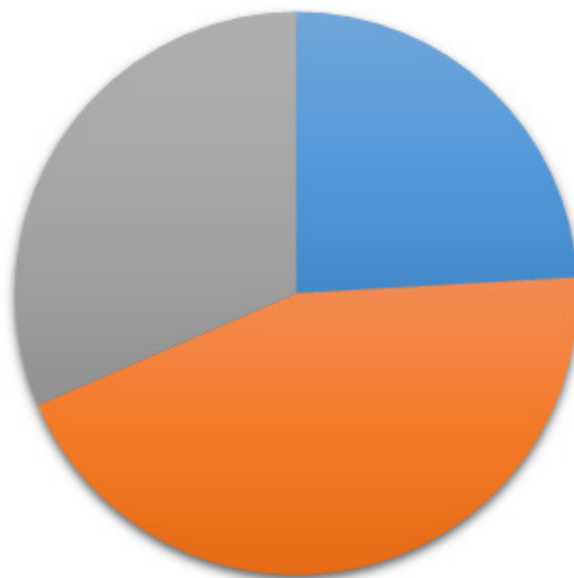
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Even with increased yields of sugarcane in recent years these political affiliation and reaping of profit has led the country's economy into a lose-lose situation. It has caused a gap between demand and supply of sugar in the market along with export of sugar at a low price in international market.

A survey (by Dr Nadeem ul Haque) reveals the general public perspective regarding origins of the crisis. Most of the people selected the slow government process, which reflects the idea of missmanagement and weak law enforcement leaving the general public to bear the cost.

Why Sugar Cartel Happened?



■ Mere Corruption ■ No Government Process ■ DMG Don't Get It