

Govt to seek consensus among ministries on decontrol of sugar



New Delhi, Feb 26: The Centre plans to seek a consensus among various ministries on ending four-decade old state controls on the domestic sugar industry, food minister KV Thomas said.

A cabinet approval to allow mills freely sell sugar in the local market will be sought only after an agreement is reached among ministries including finance, which has expressed concerns over a possible increase in prices, Thomas said in an interview in New Delhi on Tuesday. The food ministry also plans to end the practice of

the government buying sugar from mills at below market prices to supply to the poor, Thomas had said January 31.

Scrapping of state purchases from mills at below market price may allow Bajaj Hindusthan and Balrampur Chini Mills, the nation's biggest mills, and other producers, earn about 27 billion rupees (\$499 million) to 30 billion rupees annually, according to the Indian Sugar Mills Association. A government panel in October recommended ending of controls including limits on sales by mills, first introduced in 1972.

"The finance ministry has expressed concerns over inflation and we will address those concerns," Thomas said. "I do not think there will be any major increase in sugar prices after decontrol."

Consultations with the finance ministry will begin after the federal budget on Feb. 28, he said. *Reuters*