

Centre likely to withdraw sugar export subsidies from new season

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THE GOVERNMENT IS expected to withdraw sugar export subsidies from the new season beginning October as a sharp rise in global prices makes it easier for Indian mills to sell the sweetener on the world market, a top government official said on Tuesday.

"The government is not considering any subsidy at the moment for next year," Sudhanshu Pandey, the most senior civil servant at the ministry of consumer affairs, food and public distribution, told



Reuters in an interview.

"Under current circumstances, as we see the scenario, there appears to be no need to have the support of the subsidy. If exports can happen on their own, then it's also better for the global market that no subsidy is provided," he said.

India, the world's biggest sugar producer after Brazil, incentivised overseas sales for three years in a row, helping

New Delhi emerge as a significant, stable exporter of the commodity.

Rival suppliers have often opposed India's sugar export subsidies. After protests from Brazil, Australia and Guatemala, the World Trade Organization (WTO) in 2019 decided to set up panels to rule on complaints against India's export subsidies for sugar.

India has maintained that its sugar export subsidies do not violate WTO rules. "The demand for Indian sugar is going to be higher, so (global) prices are expected to firm up. There may be no requirement of subsidy," Pandey said.

