

1) It is good move to ~~leverage~~ Government of India to leverage the diplomatic value in the global sugar trade scenario by restricting its supply. Do you agree with this view? Comment.

→ After wheat ban India government decided to restrict sugar export setting a cap of 10 million tonnes for current marketing of sugarcane crop

→ Directorate General of Foreign Trade (DGFT) notified sugar export ban from June 1.

Sugar Production in India.

→ Sugar Production increased by 14% to 34.2 MT in ongoing year 2021-22.

→ Sugarcane producing states Uttar Pradesh, Maharashtra, Karnataka, supported by both manual feeding of sowing data and validated by global positioning system.

→ Sugar price remains stable.

Reasons.

→ Domestic availability and price stability under inflationary pressure.

→ Government is also concerned about the threat of food crisis caused by supply chain disruption.

→ The Government intends to encourage ethanol blending

→ NBCC to advance ethanol blending of 20% in Petrol.

→ Domestic sugar molasses towards ethanol production and also India offering subsidies.

WTO - Has advised India to withdraw Sugar Subsidies they are not consistent with WTO Agreement on Agriculture and Agreement on Subsidies.

Export Restriction on Sugarcane.

→ External Developments such as lower Sowing of Sugarcane in Brazil due to COVID-19 Protocols and associated labour shortages along with harsh weather conditions.

→ Safeguard domestic availability government has opted for limited exports.

→ World economy is passing through difficult phase

→ Economic Disruptions

→ COVID-19 Pandemic

→ Container Shortages

→ Economic and trade Sanctions

→ Supply chain disruptions caused by Russia - Ukraine war.

→ Commodities wheat / Sugar can provide us diplomatic freedom to serve humanitarian needs of countries.

Conclusion.

→ It is export restriction not a ban

India will continue to request of supply of sugar to the export limit of 10 mt.

→ India must recognize that its ambition to evolve as regional power can only be fulfilled if it emerges as key supplier to the global economy.