

effected by MSS in this context on 4th December 2017 to ease the cash flow of producers.

- (ii) **Producers' Support Scheme for Crop 2017** through loan from SIF for an amount of Rs 300M at an annual interest rate of 4.5%. The producers will have to refund the capital plus interest over a period of 5 years with a moratorium of 2 years. This measure will ensure that producers remain in activity and will provide an upfront financial support for an amount estimated at Rs 850/ t sugar for crop 2017. Disbursement of fund was effected by MSS on 3 May 2018.

B. Under Consideration:

- (iii) **Waiving Cess contribution** of producers for Crop 2018 (benefit to producers estimated at Rs430 / t sugar). For Crop 2017, Government has already agreed to this proposal and this measure has brought significant relief to the industry;
- (iv) **Increase in import tariff on sugar for local consumption** from actual 15% to 100% (estimated benefit of Rs 275/ t sugar). The measure will assist the industry in securing sales on the domestic market as is the case for other sugar producing countries. An estimated additional 11,000t local sugar is expected to replace imported sugar, thus generating additional revenue of some Rs103M (at present price of Rs26,000 / t sugar sold on the local market). This measure will contribute to making this sector competitive and viable;
- (v) **Alignment of cargo handling and storage charges** for both export of sugar in containers and import of raw sugar feedstock on that of freeport operators(estimated benefit of Rs 150 / t sugar);
- (vi) **Taking over of the operation of BSSD Co Ltd by the MSS** (estimated benefit of Rs140 / t sugar in the medium term on the basis of private operators' benchmark). This measure will allow the MSS to increase its operational efficiency as regards the storage and handling of its sugars. Given that this transfer will not be implemented immediately, the full benefit might, however, not be reaped for the 2018 crop;
- (vii) **Loan replantation scheme** (estimated benefit ranges from Rs 488 / t to Rs 544 / t sugar). Measures and incentives have to be put at the disposal of planters to replant their fields and more importantly to maintain it under cultivation for a given time span.