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Price Control Promises Ring Hollow as Sugar Costs Surge Across Pakistan

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Sugar prices in Pakistan continue to climb despite official claims of market stabilization. After a brief agreement between the government and sugar mills to lower the ex-mill rate, retail prices remain unchecked, fueling inflation and public frustration.

Over the past seven months, the price of sugar, a commodity largely derived from sugarcane in Pakistan, has soared from Rs140 to Rs200 per kilogram. According to Rauf Ibrahim, Chairman of the Wholesale Grocers Association, a halt in sugar supply by mills last Friday added further pressure to already strained markets.

In response, the Ministry of National Food Security and Research (MNFSR) reached an agreement with the Pakistan Sugar Mills Association (PSMA), setting the ex-mill (price at which mills sell to wholesalers) rate at Rs165 per kg. However, this agreement appears to be more of a political formality than a market reality. Retailers and wholesalers report that mills are instead demanding Rs 175 per kgRs 100 higher than agreed. Under the Rs165 ex-mill arrangement, the expected wholesale price should be Rs168, and the retail range between Rs172 and Rs175. Yet, even at Rs185, sugar remains scarce in wholesale markets.

Retail Grocers Association Chairman Fareed Qureshi noted that sugar in Karachi was being sold for Rs200 per kg on Tuesday, with no indication of a return to agreed-upon prices. In Lahore, the situation is worse. Despite the official government-fixed price of Rs180 per kg, shopkeepers are charging anywhere between Rs185 and Rs210, openly disregarding the state-set pricing without consequence.

Lahore Deputy Commissioner Syed Musa Raza has instructed assistant commissioners and price control magistrates to crack down on profiteering. Still, enforcement remains toothless, and the public continues to bear the brunt of failed oversight. This is hardly surprising given the repeated pattern of weak governance when it comes to regulating essential goods.

A high-level meeting chaired by Federal Minister for National Food Security Rana Tanveer Hussain included top officials from the PSMA and ministry representatives. The minister stated that the government had developed a “comprehensive strategy” to ensure a steady supply and control prices. The PSMA, for its part, agreed to cooperate, but once again, the ground reality does not reflect the promises made behind closed doors.

“The impact of the reduced price will be visible in two to three days,” officials claimed at the meeting. But as of now, those claims have proven hollow. The government continues to boast about its measures while markets tell a very different story.

In parallel, the Trading Corporation of Pakistan (TCP), a state-owned enterprise tasked with handling the import-export of essential commodities, has revised its sugar import tender. Initially set at 300,000 metric tons, the volume has now been reduced to just 50,000 metric tons. Bids will be accepted until July 22. The sudden downscaling raises questions about the seriousness of the government’s response to the shortage and price volatility.

Ultimately, the current administration appears more focused on public relations than real solutions. Price control rhetoric may win headlines, but it does little to alleviate the financial burden on ordinary Pakistanis. Without genuine enforcement and market accountability, sugar will remain yet another example of how government interference, when paired with ineffective leadership, often worsens the problem rather than solving it.