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Sugar Crackdown Fails as Prices Soar in Major Cities

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Despite aggressive government interventions, including crackdowns and price controls, sugar prices remain stubbornly high across urban centers, leaving consumers grappling with shortages and inflated costs for this household staple.

Pakistan's sugar crisis has worsened in 2025, with retail prices soaring to Rs200 per kilogram in major cities like Rawalpindi and Islamabad, far exceeding the government's mandated cap of Rs173. The Federal Board of Revenue (FBR) has taken unprecedented steps, seizing control of 1.9 million metric tons of sugar stocks and deploying agents to monitor mills nationwide. A digital "Track and Trace" system now tracks inventory to curb hoarding, yet the measures have failed to stabilize the market. Consumers face empty

shelves or exorbitant prices, with some retailers secretly selling sugar at Rs220 per kg to select customers, according to a July 29, 2025, report by The Express Tribune.

The government, led by Federal Minister for National Food Security and Research Rana Tanveer Hussain, insists there is no real shortage, citing 6.3 million metric tons of available stock against an annual demand of 6.6 million tons. Hussain has accused mill owners of orchestrating an “artificial shortage” through market manipulation, prompting authorities to place 18 sugar mill owners on the Exit Control List (ECL), barring them from leaving the country pending investigations. “This is about protecting citizens from cartels thriving on scarcity,” Hussain stated at a recent press conference.

Economist Dr. Kaiser Bengali, in an August 2, 2025, interview with Daily Capital, pointed to structural issues, including the influence of politically connected mill owners who exploit lax oversight to manipulate supply and prices. “This crisis is predictable, happening every two to three years,” he said, criticizing weak enforcement and opaque policies. Despite 757,597 metric tons of sugar exports in 2024, loosened regulations have not eased domestic supply constraints, exacerbating consumer hardship.

Local retailers face heavy fines and shop closures for non-compliance with price caps, with Rawalpindi reporting 127 violations and Rs145,000 in fines in a single day. Yet, the crackdown has disrupted wholesale supply chains, leaving many retailers out of stock. The government’s failure to coordinate federal and provincial price controls has further fueled the crisis, leaving low- and middle-income households struggling with rising food insecurity.