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Government Sugar Price Controls Fail as Retailers Push Costs Higher Across Karachi

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Despite official directives to regulate sugar prices, many consumers in Karachi continue to pay above the government-set rates. Weak enforcement of pricing guidelines has contributed to the continued burden on shoppers.

On July 15, the federal government reached an agreement with the Pakistan Sugar Mills Association (PSMA) to fix the ex-mill price of sugar at Rs165 per kilogram (kg). Following this, the Karachi Commissioner set official wholesale and retail sugar prices at Rs170/kg and Rs173/kg respectively. (Note: Rs = Pakistani Rupee.) These measures aimed to curb

inflation and reduce the financial burden on consumers. However, current market conditions suggest the intended impact has not been fully realized.

Sugar is currently being sold for around Rs175/kg in wholesale markets, already Rs5 above the government-mandated wholesale price. Retailers have been charging between Rs185 and Rs190/kg, with smaller neighborhood shops reportedly selling at Rs200/kg, well above the official rate. Despite recent reductions in wholesale prices, the savings have yet to be passed on to consumers.

The enforcement gap has been attributed to the limited presence of price control committees. Without regular inspections, retailers have operated outside the official pricing framework. Some consumers say government pricing policies have had a limited practical effect.

Retailers have pointed to increased operational costs and supply issues as reasons for elevated prices. Some economic observers note that weak enforcement mechanisms may be enabling excessive price markups. The continued rise in commodity prices highlights challenges in the government's inflation management efforts.

For many Karachi residents, sugar is a staple that has become increasingly unaffordable amid rising prices and stagnant incomes. Without stronger enforcement, including regular inspections and penalties, the effectiveness of price controls may continue to be limited. As a result, many households are likely to face continued financial strain.

The current situation in Karachi's sugar market underscores the challenges faced in curbing inflation and ensuring price stability for essential goods.