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## Punjab's Sugar Crisis Worsens as Supplies Halt, Prices Soar to Rs200 per Kilogram

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Punjab faces a deepening sugar crisis as dealers have halted supplies, driving retail prices to an unprecedented Rs200 per kilogram (kg) amid disputes over government-fixed rates. This article examines the causes of the crisis, its impact on consumers, and the urgent need for effective market oversight to curb profiteering and restore stability.

Since July 17, 2025, sugar supplies from mills in Punjab have been suspended, triggered by disagreements between sugar mills, brokers, wholesalers, and retailers over the federal government's price controls. The government set the ex-mill price at Rs165 per kg and retail at Rs173, but mills are reportedly offering sugar at Rs176, making compliance unprofitable for dealers. "We can't sell at a loss," said Hafiz Arif, President of the Kiryana Merchants Association, highlighting that operational costs like transportation and packaging exceed the Rs8 profit margin, as reported by Daily Pakistan. Consequently, retail prices in Lahore have surged to Rs190–200 per kg, with similar spikes in Faisalabad and Multan, per The Express Tribune.

The crisis stems from a supply-demand imbalance exacerbated by excessive exports of 700,000 tonnes last year, leaving stocks at 5.8 million tonnes against an annual demand of 6.6 million, according to industry experts. Pakistan Sugar Mills Association (PSMA) claims prices reflect market dynamics, but critics point to hoarding and a "sugar mafia" manipulating supplies for profit. Rauf Ibrahim, Chairman of the Wholesale Grocers Association, told The Express Tribune, "The government's inaction against mill owners fuels this crisis." The federal cabinet's approval to import 500,000 tonnes of sugar aims to stabilize markets, but delays in implementation have left consumers reeling, per Arab News.

With inflation already straining households, the sugar price surge—coupled with a 45% rise in terrorism-related deaths straining national resources—demands swift action. The government's subsidized sales at Rs130 per kg through Ramazan bazaars are insufficient, covering only 100,000 tonnes. Stronger enforcement against black-market practices

and transparent supply chain management are critical to protect Pakistanis from further economic hardship.