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Traders may go easy on sugar imports

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SUGAR millers and private traders are unlikely to enter into a new contracts to import raw sugar for now due to lack of parity between global prices and the domestic rates, analysts and millers said. Raw sugar prices in the global market jumped to a 28-year high at 26.43 cents per pound last week amid expectations of large-scale imports by India, the world's largest consumer, which is facing a shortfall due to lower sugar cane production this year.

"Prices in the world sugar market have surged due to expectations of significant imports from India. At the current high rates, imports may not be possible," the Hyderabad-based commodity brokerage Karvy Comtrade analyst Veeresh Hiremath said. Expressing similar view, Mawana Sugars managing director Sunil Kakria opined that "at present, importing raw sugar would not be cost-effective. So, no millers are not thinking of imports".