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## ● NEW AVENUES

# Sugar mills target 'golden opportunity' in Indonesia

Indonesia imports 35-45 lakh tonne sugar annually and is the second-largest importer of the sweetener after China

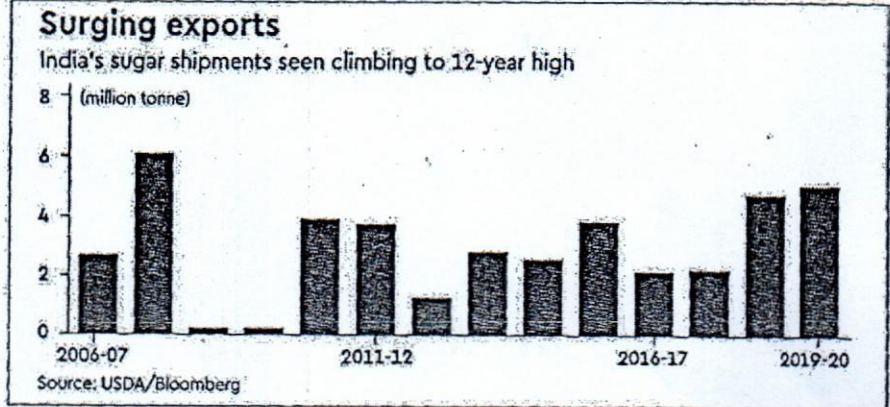
NANDA KASABE  
Pune, February 19

A WINDOW FOR possible export of raw sugar to Indonesia is likely to open for Indian sugar millers. For the first time, Indonesia is likely to tweak its quality norms to enable import of Indian raw sugar, senior industry people revealed.

The country requires at least 35 lakh tonne of raw sugar this season which could throw up new opportunities for Indian sugar mills.

Indonesia imports sugar which has International Commission for Uniform Methods of Sugar Analysis (ICUMSA) level of 1,200 or more. They import only raw sugar, which typically has very high ICUMSA levels, and even the finest quality of Indian raw sugar does not meet its import norms. Sources believe this level will be relaxed to 500-600 ICUMSA. A formal announcement is expected soon.

Indonesia mostly imports sugar from Thailand which has high ICUMSA level. However, Thailand has had a drought this



year and has not been able to meet its own domestic requirements and the Brazilian season is yet to commence which leaves India as the only possible supplier.

According to Prakash Naiknavare, MD, National Federation of Cooperative Sugar Factories Federation (NFCSEF), last year the Indian government had sent a delegation led by Joint Secretary, Sugar, Government of India along with industry representatives to encourage sugar exports and Indonesia had then shown a positive response.

The delegation had met government officials, Indonesian refiners and local sugar associations and had put forth two demands — reduce the duties from 15% to 5% and relaxing the ICUMSA norms for Indian sugar. Indian white refined

sugar, considered the best world over, has ICUMSA level of 45, the low quality white sugar has 150-200, and raw sugar has ICUMSA level of 600-1,000. Naiknavare said that Indian sugar comes under the category of VVHP (Very Very Highly Polarised) which is to the advantage of refiners since this produces better quality sugar which fetches better prices.

Indonesia annually imports 35-45 lakh tonne sugar and is the second-largest importer of sugar after China. Thailand is usually the main supplier of sugar to Indonesia which is currently facing shortage of sugar resulting in high domestic prices. This has put pressure on the government to import sugar which could be advantageous for our country, Naiknavare said.