MANAGEMENT OF PAKISTAN SUGAR MILLS ASSOCIATION FOR 2002-2004

CENTRAL EXECUTIVE COMMITTEE

1.	Mr. Iskander M Khan	Chairman
2.	Mr. Javed A Kayani	Vice Chairman
3.	Mr. Shunaid Qureshi	Vice Chairman
4.	Mr. Abdul Qadir Khattak	Vice Chairman
5.	Ch. Ijaz Ahmed	Member
6.	Mr. Aslam Faruque	Member
7.	Haji Munawar Khan	Member

SECRETARIAT

MR. K. ALI QAZILBASH
SECRETARY GENERAL

RASHID PLAZA, JINNAH AVENUE
ISLAMABAD
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ZONAL COMMITTEES
2002-2004

ZONAL COMMITTEE PUNJAB

1.	Mr. Javed A Kayani	Chairman
2.	Mian Fawad Ahmed	Member
3.	Mian Muhammmad Javed Shafi	Member

Zonal Secretariat

Col. (Retd.) Maqsood Cheema	Secretary
Unit No. 1, Happy Homes	Tel: 042-5710190
38-A, Main Gulberg, Lahore	Fax: 042-5752940

ZONAL COMMITTEE SINDH

1.	Mr. Shunaid Qureshi	Chairman
2.	Mr. Naveed Muhammad Javeri	Member
3.	Mr. Abdul Wajid	Member

Zonal Secretariat

Mr. Umer Latif	Secretary
1st, Floor, Modern Motors House	Tel: 021-5686526
Beaumont Road, Karachi	Fax: 021-5680344

ZONAL COMMITTEE N.W.F.P

1.	Mr. Abdul Qadir Khattak	Chairman
2.	Haji Munawar Khan	Member
3.	Ch. M. Ashiq Khalid	Member

Zonal Secretariat

Premier Sugar Mills &	Tel: 0931-62051-52
Distillery Co. Ltd, Mardan	Fax: 0931-62989

ANNUAL REVIEW
38TH ANNUAL GENERAL MEETING
04th October' 2003

Distinguished Members Of Pakistan Sugar Mills Association,

I welcome you on behalf of the Central Executive Committee, at the 38th Annual General Meeting of the Pakistan Sugar Mills Association. Historically, our meeting is held at the end of the sugar year to jointly review the overall picture, and discuss what industry has been through during the year.

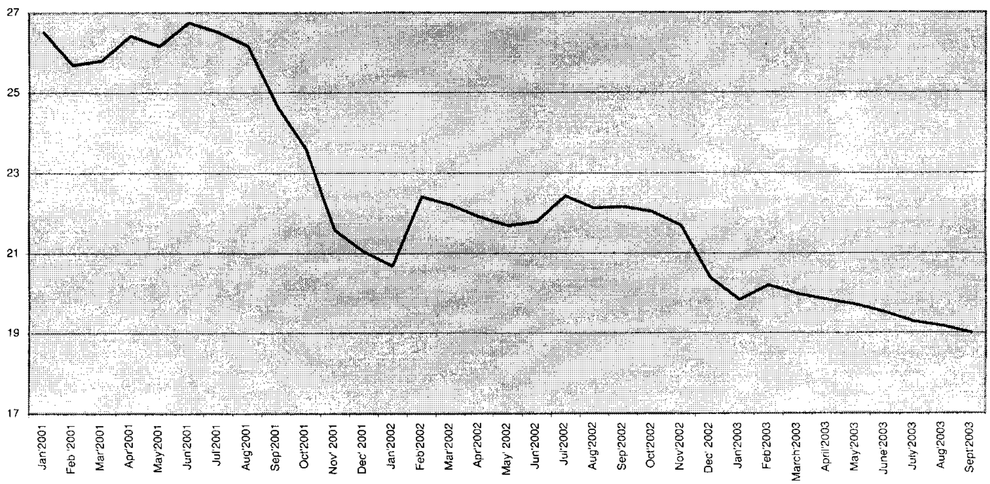
All-important concerning events and efforts are put on record, and future strategy is discussed to have a unanimous view. Unfortunately, in the past due to lack of cohesion the industry has suffered tremendously and today we require to take measures to save the interest of the industry, farmers and the end consumer with selfless devotion.

During the last three years the industry has suffered on account of a glut created in the year 2000-01, when during the shortfall at the end year 2000, traders were allowed to import over 1.0 million tonnes of subsidized sugar resulting in a surplus of 621,000 on 30th Sept' 2001.

Since then, we had two years of good harvest which increased the surplus stock to 759,000 tonnes on 30th Sept' 2003, in-spite of the export purchase of 100,000 tonnes made through TCP, and the annual increase of 85,000 tonnes in the domestic consumption each year. During the year the consumption also increased on account of excessive sale of over 150,000 tonnes of sugar as carry along ration by about 250,000 Afghan Refugee families returning home and the unrecorded direct sale to Afghanistan from the local market ultimately going up to CAR states.

Thus the perpetual excess of supply over the demand has caused a continuous slide in the domestic sugar prices, shown herewith as recorded by the concerned Government Agencies.

Monthly Retail Sugar Prices
Jan' 01 to Sept' 03



Our past two years annual reports highlighted the events that led to the low tariff adjustments to facilitate traders dump the subsidized sugar, restricting the sale of the indigenous sugar. Without going into further details that led the industry into present situation, it is worth mentioning that during this period of three seasons over thirty meetings took place with the Ministers and the senior officials of the Ministry of Finance, Commerce, Industry and Food, drawing their attention to the situation, which ended precariously with fresh promises.

We also recall that during our meetings a single figure controversy would provide an excuse to delay the decision. For instance: -

* In the beginning of each season, the crop condition and sugarcane production is advised much lower than the PSMA estimates.
* Sugar production is disagreed till the crushing ends.
* Consumption is disagreed till the season ends.
* With all these factors applied, the end stocks are disagreed till close to the start of next season.

It is on the approach of the new season that the figures are reconciled, and fresh threats and promises are made with the advise to commence early crushing and make prompt payment to the growers. So once again, we go through the same cycle of promises with no progress on ground.

PRODUCTION 2002-03

In the past years, we have noted that the sugarcane plantation has been more or less, on 1.0 million Hectares. The variation from this figure has been within a range of (+) 15.5% in 1998-99 i.e. maximum and (-) 4 % i.e. minimum in 2000-2001. Similarly the yield has been varying between 50-42 tonnes' per hectare depending on the quality, health and water availability for the crop during the particular year.

Sugarcane plantation in 2002-03 crop was over an area of 1.0997 Hectares that produced well over 52 million tonnes. The Mills utilized 41.79 million tonnes of sugarcane i.e. about 80.28% of the total cane production, with a yield of 3.66 million tonnes of sugar, an all time high production in Pakistan. With addition of the beet sugar and a small quantity of sugar processed from raw sugar the total production ended up with 3.677 million tones, and 2.05 million tonnes of Molasses.

At the start of this year under review i.e. on 1st Oct 2002 the sugar stock balance was 637,000, which ensured the availability of 4.323 million tonnes against a projected consumption of 3.324 million tonnes. Ending stocks on 30th Sep 03 were foreseen at about 860,000 tonnes.

The situation warranted serious consideration as the prices were alarmingly on the slide. After considering 300,000 tonnes as buffer stock for consumption in Oct' 03, the balance stock of 560,000 tonnes was declared as net exportable surplus, for the disposal of which efforts were geared up to convince Government, for a relief to secure the future of the industry and the sugarcane growers.

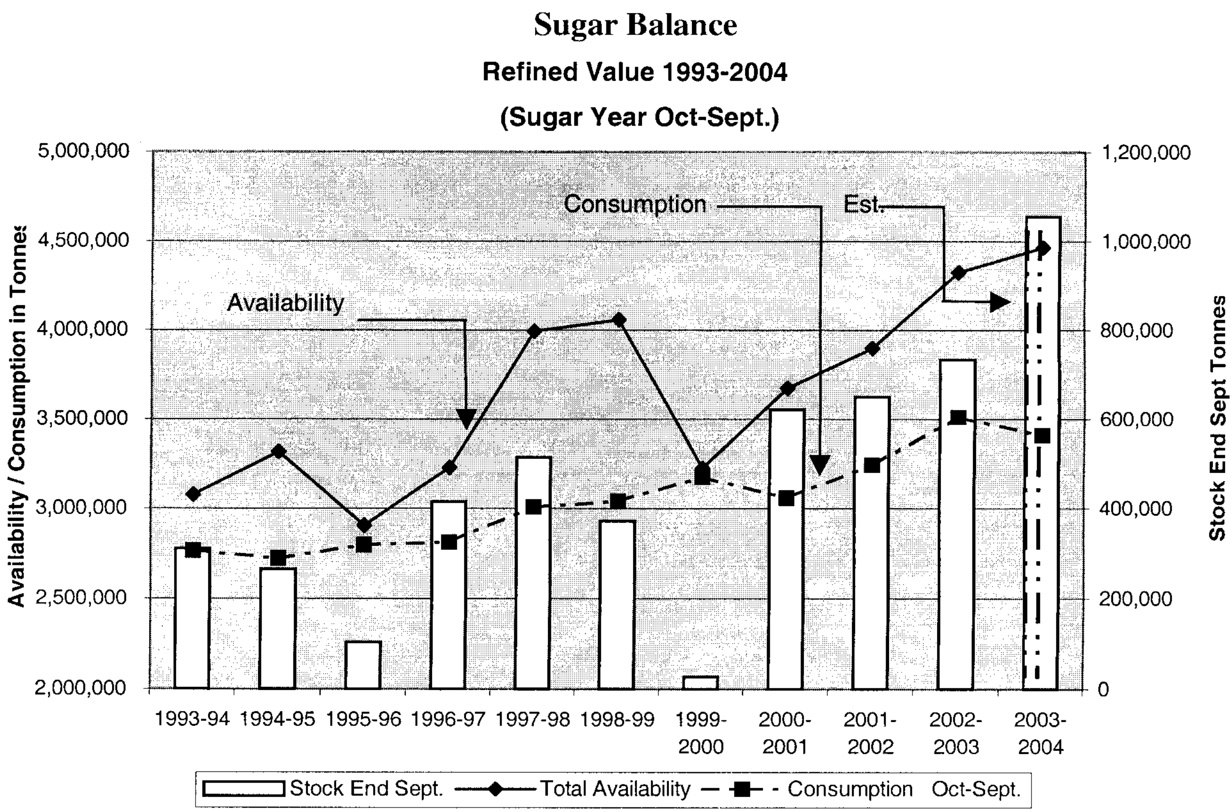
ECC's decision on March '03 was welcomed by the industry, which instructed export of 300,000 tonnes of sugar through T.C.P. After the TCP had financial approval, it proceeded with the export of first tranche of 100,000 tonnes. With the first tranche still incomplete, i.e. 20% stock still laying with the mills, no further action was taken for the export of the balance. Therefore, the year has ended up with the balance stock of 759,000 tonnes on 30th Sept' 03.

PRODUCTION 2003-04

Nature has been very kind for the past two years, and water supply in the most areas of the country has been in abundance, which resulted in high sugarcane production. Our forecast came true when the year 2002-03 ended with high stocks as foreseen by us an year earlier.

Winter rains and recent monsoon has further brightened the crop production estimates for the year 2003-04. With the exception of some areas where rains and floods have damaged a portion of the sugarcane crop in southern Sindh, we have satisfactory reports from the rest of the country. Preliminary estimate shows that the sugarcane plantation is over an area of 1.086 million hectares, marginally lower than the past year and not 4-7% as stated in the press, whereas the yield is expected to show a boost in the cane crop much higher than the expectations.

With a very conservative estimate, we foresee a sugar production of over 3.8 million tonnes, or even higher, which will result in a record stock of over 1.0 million tones on 30 September 2004. Catering for Oct' 04 and the strategic stock, in the absence of another big take along sugar ration by the Afghan refugees, we will be still left with a net surplus of 500,000 tonnes or more by the 1st Nov '2004. A blessing with no chance of jubilation unless a favorable opportunity is created prudently.



International Sugar Scenario

In the recent estimates for 2003-04 world sugar production is averaged at 145.4 million tonnes raw value i.e. 135.9 million tonnes white. World consumption is foreseen at 143.0 million tonnes raw i.e. 133.6 white. Global sugar surplus of 2.30 million tonnes is forecasted in the preliminary reports for 2003-04. Thus 2003-04 is likely to be another surplus year in a consecutive row of 10 years, and oversupply plus large stocks held internationally are likely to continue to keep the world sugar prices under pressure leaving little hope for a sustained recovery in the world sugar market. **Thailand has already capped its sugarcane production to 65.0 million tonnes and has guaranteed the cane price at about 580/- baht**

per tonne i.e. around Rs. 825/- per tonne, equivalent to Rs. 33/- per 40 kg, having average sucrose contents of 10.3% (ISO).

Recently Brazil and Australia together with Thailand filed their complaint with the WTO against lavish subsidy on Sugar export provided to 15 nations by the European Union.

EU is one of the world's largest Sugar buyer, and procures about 1.7 million tonnes of Sugar annually having extremely low custom duty from 19 ACP countries which are considered small and vulnerable and largely dependent on only one commodity i.e. sugar. European Union buys from these countries and exports the surplus by giving high subsidies, against which Brazil, Australia, and Thais have protested, as these subsidies have artificially depressed the world Sugar market prices. EU is also playing a role of large size sugar exporter distorting world sugar prices with multibillion Euros subsidy.

ACP: - Agriculture Common Policy (Countries)

Agriculture including Sugar was the core issue in WTO round at Doha Qatar during the free trade negotiations, which later headed to Cancun- Mexico held recently.

Appropriate policy adoption to offset the negative policy of WTO regime was expected, as agriculture is the single largest sector of our economy with a limited market access. European Union and US were expected to take a joint position in farm trade position.

Failure of Ministerial meeting to a draft resolution was an expected bad news, as its blockade was indicated. This has certainly communicated a damaging signal for the countries hoping for an economic recovery, as developing countries were justified in demanding a substantial reduction in the lavish subsidies and a fair market access. We wait and see what happens in the next rounds, while the pressure for action from many countries is mounting.

Conclusions

* Present stock inventory, higher than the previous year by 17% and the expected next year's harvest is once again posing a threat. The global surplus and the continued downward price trend will also have a direct impact on our domestic prices to remain depressed.

* It is well in your knowledge that PSMA opted for a desperate move by offering a self financing scheme to export 15% of the stock held on 30th April' 2003, with the condition of levy of penalty in case of mills unable to export. A limited period was suggested to the Government to achieve optimum benefit in an effort to stabilize and curb the sliding prices. The offer was later withdrawn after the laps of its effective period.

* In the meantime with ECC's approval TCP was asked to purchase and export 100,000 tonnes of sugar. The export is still in progress, which could hardly bring any effect on the market due to a smaller quantity movement in six months. 20% of TCP's purchased stock is still lying at the mills godowns.

* With the score of these events and our successive meetings with the Government we should now realize the necessity of self help.

* It is not very late to own up to our mistakes and realize that the domestic price of sugar fell from Rs. 26/- in Jan 2001, to Rs. 20/- in Sept 2003, in the retail market. The market crashed Rs. 6/- (23%) within a period of less than three years. Whereas, the sugarcane support price was increased from Rs. 35/36 to Rs. 40/43.

- Sugarcane farmers also had some bitter moments, whereas loss of revenue to the Government was obvious. We are afraid the worst is still to come, and the growers will have to face the brunt of it in the face of changing situation in the coming season i.e. linkage of sugarcane prices with sucrose contents and market price.

Realizing the past moves and efforts it has become obvious that, had we financed an export effort two years back to get rid of the surplus instead of slow bleeding, we could have made it better. Though it is always easy to be wise after events, but future planning always depends on the experience and the cost paid for it.

* In a recent move Government has shown its interest by approving purchase of another 100,000 tonnes of sugar from the mills for a buffer stock, on the condition that the grower's outstanding are cleared and the industry pledges to commence the crushing season 2003-04 by no later than 1st Nov'2003. This beside making no impact on the domestic market would rather destroy the price mechanism and stability.

  However, PSMA has so far declined to response till a consensus is achieved from our member mills at the General Body meeting today.

* In the meantime PSMA has suggested a fresh proposal to the Government for the export of 400,000 tonnes by TCP with the help of funds to be generated by the levy of an export surcharge of Rs. 0/60 per kg on the domestic sale of 2003-04 only, through CED. This is a fair proposal, which could lead such ventures with mild effect on collection and the domestic market.

In case we fail to pursue the Government to accept this proposal, then we must be prepared to consider alternative means to support the export loss through a workable and united decision to resolve our problems rationally. Present situation demands extreme cohesion, and ability for joint implementation of decisions made at the Association level.

During Jan 2001 to Sept 2003, **9.148 million tonnes** of sugar was marketed, sold at a retail price Rs. 26/51 Per kg down to Rs. 20/50 Per kg. A detail calculation confirms that the 9.148 million tonnes of sugar was sold in retail market for **Rs. 204.292 billion,** thus you arrive at an average retail sale price of Rs. 22/33. If the industry could hold the retail market at a fair price of Rs. 24/-, the same quantity would have fetched **Rs. 219.558 billion.**

Squarely the industry has sustained a loss of **Rs. 15.265 billion** on the basis of fair retail price evaluation. Had the industry supported an export of 500,000 tonnes by bearing a loss of Rs. 3.0 billion, it could have been in a different situation today, saving a major portion of the loss Rs. 12.265 billion sustained at the cost of only 19%.

We should now decide to take some measures for the future of the industry, and I wish we have the will and consensus to stand on our feet and revive the industry and secure its future i.e. self financed export.

To conclude I would like to thank the Chairmen and the Members of the Central and Zonal Committees for their help and co-operation. I shall still be looking forward for their valuable views and guidance.

Iskander M. Khan
Chairman

04 Oct' 2003

APPENDIX TO 2003 ANNUAL REPORT
LIST OF ATTACHED STATISTICAL TABLES

TABLE 1
SUGARCANE CRUSHING, SUGAR PRODUCTION & RECOVERY % 1990-91 TO 2002-2003

PAKISTAN

YEAR	NO. OF MILLS	CANE CRUSHED TONNES	SUGAR MADE TONNES	RECOVERY %
1990-91	51	22,603,696	1,908,838	8.44
1991-92	53	24,795,815	2,296,698	9.25
1992-93	61	27,274,806	2,375,289	8.71
1993-94	63	34,181,899	2,900,523	8.49
1994-95	66	34,193,290	2,983,101	8.72
1995-96	66	28,151,434	2,449,598	8.70
1996-97	68	27,152,918	2,378,751	8.76
1997-98	71	41,062,268	3,548,953	8.64
1998-99	71	42,994,911	3,530,931	8.21
1999-00	69	28,982,711	2,414,746	8.33
2000-01	65	29,408,879	2,466,788	8.39
2001-02	69	36,708,638	3,197,745	8.71
2002-03	71	41,786,689	3,652,745	8.74

PUNJAB

1990-91	24	12,094,630	933,721	7.72
1991-92	25	11,745,224	1,012,297	8.62
1992-93	32	13,433,045	1,103,531	8.22
1993-94	34	20,066,265	1,634,154	8.14
1994-95	36	20,975,836	1,771,084	8.44
1995-96	37	16,992,633	1,375,789	8.10
1996-97	37	16,293,237	1,292,912	7.94
1997-98	39	25,905,541	2,065,886	7.97
1998-99	39	26,081,066	2,033,356	7.80
1999-00	37	16,829,610	1,315,637	7.82
2000-01	35	18,068,437	1,437,450	7.96
2001-02	37	25,252,609	2,152,175	8.52
2002-03	38	27,583,062	2,351,102	8.52

SINDH

YEAR	NO. OF MILLS	CANE CRUSHED TONNES	SUGAR MADE TONNES	RECOVERY %
1990-91	22	9,597,884	902,311	9.40
1991-92	22	11,956,718	1,187,576	9.93
1992-93	24	12,723,563	1,175,195	9.24
1993-94	24	13,031,888	1,172,507	9.00
1994-95	24	12,037,995	1,107,880	9.20
1995-96	24	10,341,372	1,008,127	9.75
1996-97	27	10,314,835	1,028,169	9.97
1997-98	27	13,853,107	1,374,477	9.92
1998-99	29	15,095,412	1,353,012	8.96
1999-00	25	10,856,757	996,317	9.18
2000-01	25	10,493,428	968,175	9.23
2001-02	27	10,162,607	940,959	9.26
2002-03	28	12,415,817	1,158,674	9.33

N.W.F.P.

1990-91	05	911,182	72,806	7.99
1991-92	05	1,093,873	96,824	8.85
1992-93	05	1,118,197	96,562	8.64
1993-94	06	1,083,745	93,861	8.66
1994-95	06	1,179,458	104,136	8.83
1995-96	05	817,429	65,682	8.19
1996-97	04	744,845	57,669	7.74
1997-98	05	1,303,619	108,589	8.33
1998-99	05	1,818,433	144,563	7.95
1999-00	05	1,296,344	102,792	7.93
2000-01	05	847,015	61,163	7.22
2001-02	05	1,293,422	104,611	8.09
2002-03	05	1,787,810	144,917	8.11

TABLE 2
BEET SUGAR PRODUCTION, BEET SLICED, SUGAR MADE & RECOVERY BY NWFP SUGAR MILLS

YEAR	NO. OF MILLS	BEET SLICED TONNES	SUGAR MADE TONNES	REC. %	MOLASSES MADE TONNES
1990-91	03	282,103	23,312	8.26	8,636
1991-92	03	314,758	29,009	9.21	12,840
1992-93	03	214,950	18,916	8.80	8,649
1993-94	04	242,482	21,933	9.05	9,392
1994-95	04	193,595	18,371	9.49	7,412
1995-96	03	211,670	20,435	9.65	7,738
1996-97	03	166,875	14,610	8.76	6,115
1997-98	02	81,794	6,267	7.66	3,127
1998-99	03	126,123	10,831	8.59	5,069
1999-00	03	187,478	14,618	7.80	7,750
2000-01	03	226,252	17,276	7.64	8,684
2001-02	03	316,041	29,127	9.23	13,376
2002-03	03	222,063	22,066	9.94	8,490

TABLE 3
CONSOLIDATED SUGAR PRODUCTION IN PAKISTAN
(IN TONNES)

YEAR	SUGARCANE	BEET	RAW	TOTAL
1990-91	1,908,838	23,312		1,932,150
1991-92	2,296,698	29,009		2,325,707
1992-93	2,375,289	18,916		2,394,205
1993-94	2,900,524	21,933		2,922,457
1994-95	2,983,104	18,370		3,001,472
1995-96	2,449,598	20,435		2,470,034
1996-97	2,378,751	14,610		2,393,361
1997-98	3,548,953	06,267		3,555,220
1998-99	3,530,931	10,831		3,541,763
1999-00	2,414,746	14,618		2,429,364
2000-01	2,466,788	17,276	531,930	3,015,994
2001-02	3,197,745	29,172	22,111	3,249,029
2002-03	3,652,748	22,066	1,945	3,676,759

TABLE 4
MOLASSES PRODUCTION IN PAKISTAN FROM CANE, RAW & BEET (IN TONNES)

YEAR	PAKISTAN	PUNJAB	SINDH	NWFP
1990-91	1,119,978	611,033	473,432	35,513
1991-92	1,168,158	545,125	581,683	41,350
1992-93	1,330,419	632,055	652,789	45,575
1993-94	1,694,852	972,827	676,790	45,235
1994-95	1,650,952	1,010,890	592,067	47,994
1995-96	1,361,471	821,298	503,692	36,481
1996-97	1,319,860	798,448	482,636	32,661
1997-98	1,978,801	1,237,940	684,823	56,038
1998-99	2,113,595	1,276,391	760,533	76,670
1999-00	1,397,378	800,536	534,003	62,838
2000-01	1,501,501	901,732	550,605	40,480
2001-02	1,822,959	1,224,905	522,939	75,115
2002-03	2,048,117	1,304,284	656,520	87,313

TABLE 5 (1)
SUGARCANE SUPPORT PRICES MILL-GATE DELIVERY

YEAR	PUNJAB	SINDH	N.W.F.P	QUALITY PREMIUM
1990-91	15.25	15.75	15.25	0.19
1991-92	16.75	17.00	16.75	0.22
1992-93	17.50	17.75	17.50	0.22
1993-94	18.00	18.25	18.00	0.22
1994-95	20.50	20.75	20.50	0.27
1995-96	21.50	21.75	21.50	0.27
1996-97	24.25	24.50	24.25	0.27
1997-98	35.00	36.00	35.00	0.32
1998-99	35.00	36.00	35.00	0.50
1999-00	35.00	36.00	35.00	0.50
2000-01	35.00	36.00	35.00	0.50
2001-02	42.00	43.00	42.00	0.50 (Indicative price)
2002-03	40.00	43.00	40.00	

Prices are per 40 kg of sugarcane.

TABLE 5(2)
SUGARCANE SUPPORT PRICES IN COMPARISON WITH SEASON'S AVERAGE RETAIL PRICES

YEAR	PUNJAB	SINDH	NWFP	AV. SUGAR PRICE/KG
1990-91	15.25	15.75	15.25	11.04
1991-92	16.75	17.00	16.75	11.85
1992-93	17.50	17.75	17.50	12.62
1993-94	18.00	18.25	18.00	12.80
1994-95	20.50	20.75	20.50	14.36
1995-96	21.50	21.75	21.50	17.86
1996-97	24.25	24.50	24.25	21.46
1997-98	35.00	36.00	35.00	18.75
1998-99	35.00	36.00	35.00	19.63
1999-00	35.00	36.00	35.00	22.85
2000-01	35.00	36.00	35.00	26.73
2001-02	42.00	43.00	42.00	22.00
2002-03	40.00	43.00	40.00	19.83
2003-04	40.00	41.00	40.00	

Sugarcane support price is per 40 Kg
Retail Price is Season's Average
Source: MINFAL

Pakistan Sugar Mills Association
sugar Season 1991-2003
Season's Av. Sugar retail price / Sugarcane support price

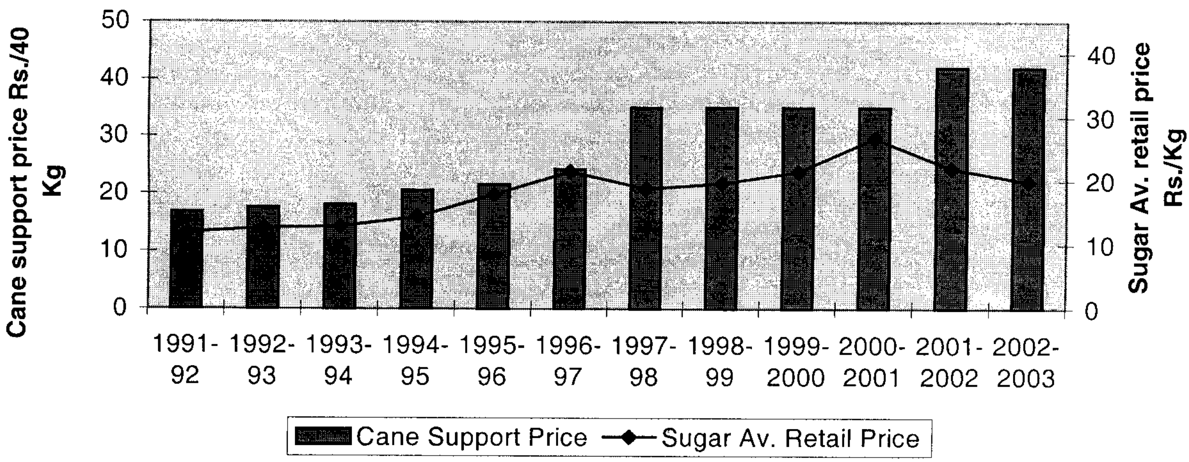


TABLE 6 (1)
MILLWISE SUGARCANE CRUSHING, RAW UTILIZATION SUGAR PRODUCTION, RECOVERY % AND MOLASSES PRODUCTION FOR SEASON 2002-2003

	PUNJAB	No. of Days	Cane Crushed	Production Tonnes	Rec %	Total Mol. Production	Rec %
1	ABDULLAH	147	960,586	77,080	8.10	45,300	4.71
2	ADAM	172	503,018	45,285	9.01	20,230	3.99
3	ASHRAF	151	638,361	58,500	9.17	31,710	4.97
4	BABA FARID	149	468,868	37,517	8.01	22,050	4.70
5	BROTHERS	149	1,008,298	78,636	7.80	48,590	4.82
6	CHANAR	144	733,923	62,901	8.57	35,040	4.78
7	CHAUDHRY	143	858,422	71,917	8.37	39,459	4.59
8	CHISHTIA *	172	540,000	43,000	7.94	21,000	3.70
9	CRESCENT	156	331,960	24,685	7.43	15,250	4.59
10	FATIMA	149	815,325	72,003	8.60	39,137	4.80
11	FAUJI	161	476,027	41,449	8.71	22,491	4.73
12	FECTO	149	709,892	50,014	7.04	34,738	4.89
13	G.SAMMUNDRI	138	348,872	27,967	8.02	17,236	4.94
14	HAMZA	157	1,184,201	116,862	9.87	56,974	4.81
15	H.WAQAS	149	956,591	81,533	8.52	44,620	4.66
16	HUNZA (Qand Ghar)	49	35,597	2,698	7.58	1,423	4.00
17	HUSEIN	150	663,111	57,791	8.71	31,156	4.70
18	INDUS	159	652,729	61,581	9.43	32,940	5.05
19	ITTEFAQ	148	746,255	62,400	8.36	36,139	4.84
20	J.D.W	170	1,094,212	109,875	10.04	49,594	4.53
21	KAMALIA	147	748,706	65,291	8.72	37,210	4.97
22	KASHMIR	139	881,758	76,935	8.70	41,099	4.65
23	KOHINOOR	166	630,565	48,786	7.74	29,383	4.66
24	LAYYAH	143	719,746	54,767	7.61	34,242	4.76
25	NATIONAL	161	670,491	56,378	8.40	30,491	4.55
26	NOON	154	459,238	40,782	8.86	20,384	4.44
27	PAHRIANWALI	158	685,292	58,379	8.52	35,730	5.22
28	PATTOKI	153	486,600	37,905	7.79	23,442	4.82
29	PHALIA	146	768,112	67,855	8.83	36,479	4.75
30	PUNJAB	164	636,625	57,148	8.97	28,495	4.47
31	RAMZAN	145	926,984	80,010	8.62	38,948	4.20
32	SHAHTAJ	144	1,088,652	103,618	9.52	52,398	4.81
33	SHAKARGANJ	187	1,675,370	127,060	7.58	84,277	5.03

	PUNJAB	No. of Days	Cane Crushed	Production Tonnes	Rec %	Total Mol. Production	Rec %
34	SHEIKHOO	150	1,067,113	88,057	8.25	51,984	4.87
35	TANDIANWALA	160	854,076	71,168	8.33	41,926	4.91
36	UNITED	156	634,139	58,675	9.25	28,954	4.57
37	YOUSAF	147	843,348	71,095	8.43	40,765	4.83
38	Gunj Buksh (Pasrur)	*	80,000	3,500	7.30	3,000	3.75
TOTAL 2002-2003			**27,583,062**	**2,351,102**	**8.52**	**1,304,284**	**4.73**
TOTAL 2001-2002			25,252,609	2,156,053	8.52	1,224,905	4.85

TABLE 6 (2)

MILLWISE SUGARCANE CRUSHING SUGAR PRODUCTION, RECOVERY AND MOLASSES PRODUCTION FOR SEASON 2002-2003

S.No.	N.W.F.P	No. of Days	Cane Crushing	Sugar Production	Rec. %	Molasses Production	Rec.%
1	BANNU	129	253,534	18,271	7.25	11,795	4.68
2	CHASHMA	144	889,074	64,698	7.28	44,332	4.98
3	FRONTIER	151	110,158	10,680	9.70	3,390	3.08
4	KHAZANA	121	295,225	30,164	10.22	11,156	3.79
5	PREMIER	142	239,819	21,105	8.80	8,150	3.40
TOTAL 2001-2002		**NWFP**	**1,787,810**	**144,917**	**8.11**	**78,823**	**4.41**
TOTAL 2001-2002			1,293,422	104,611	8.09	61,739	4.77

TABLE 6 (3)
MILLWISE SUGARCANE CRUSHING, RAW UTILIZATION SUGAR PRODUCTION, RECOVERY % AND MOLASSES PRODUCTION FOR SEASON 2002-2003

	SINDH	No. of Days	Cane Crushed	Production Tonnes	Rec %	Total Mol. Production	Rec %
1	AL-ABBAS	117	531,940	50,851	9.55	27,630	5.20
2	AL-ASIF	109	265,822	26,126	9.80	13,171	4.94
3	AL-NOOR	131	622,697	52,508	8.40	34,824	5.58
4	ANSARI	117	633,047	64,065	10.12	35,252	5.57
5	ARMY WELFARE	101	332,931	32,961	9.90	16,775	5.04
6	BAWANY	113	399,158	38,017	9.53	20,345	5.10
7	DEWAN	114	824,622	80,315	9.74	42,604	5.17
8	DIGRI	102	368,734	35,354	9.58	18,936	5.13
9	FARAN	101	627,726	59,955	9.57	29,930	4.78
10	FAUJI- KH	98	360,003	34,225	9.52	18,173	5.05
11	FAUJI- TMK	120	411,197	41,487	10.08	18,960	4.61
12	HABIB	128	755,621	65,839	8.71	41,439	5.48
13	KHAIRPUR	157	512,871	42,633	8.32	30,077	5.87
14	LARR	117	401,406	38,942	9.70	20,261	5.05
15	MATIARI	139	517,940	48,518	9.37	27,400	5.29
16	MEHRAN	118	635,388	57,296	9.00	34,645	5.45
17	MIRPURKHAS	106	415,111	39,898	9.61	20,683	4.98
18	MIRZA	110	288,080	28,351	9.84	15,726	5.46
19	NAJMA	80	52,154	1,519	4.99		
	from Raw Sugar			1,039	85.05	4,359	8.39
20	NAUDERO(Larkana)	116	141,213	11,737	8.31	7,062	5.00
21	PANGRIO	108	272,718	27,288	10.19	13,640	5.00
22	RANIPUR	147	386,751	30,950	8.00	21,413	5.54
23	SAKRAND	119	501,123	43,900	8.75	26,715	5.33
24	SANGHAR	116	447,676	40,026	8.89	22,392	4.99
25	SERI	132	375,300	35,649	9.49	21,210	5.65
26	SHAHMURAD	126	576,636	54,135	9.40	33,057	5.74
27	SINDABADGAR	108	374,760	38,270	10.20	18,800	5.01
	NON-MEMBERS						
28	THARPARKAR	122	383,193	35,917	9.37		
	from Raw Sugar			906	86.24	21,041	5.49
TOTAL 2002-2003		**SINDH**	**12,415,818**	**1,158,674**	**9.32**	**656,520**	**5.29**
TOTAL 2001-2002			10,162,607	940,959	9.26	522,939	5.15
G. TOTAL 2002-2003			**41,786,689**	**3,654,693**	**8.74**	**2,039,627**	**4.88**
G. TOTAL 2001-2002			36,708,638	3,197,745	8.71	1,809,582	4.93

TABLE 6 (4)

MILL WISE BEET SLICING, SUGAR PRODUCTION, RECOVERY AND MOLASSES PRODUCTION FOR SEASON 2002-2003

	NWFP	No. of Days	Beet sliced	Production Tonnes	Rec %	Total Mol. Production	Rec %
1	FRONTIER	35	40,866	4,176	10.24	1,701	4.16
2	KHAZANA	35	76,629	7,556	9.90	3,273	4.29
3	PREMIER	36	104,568	10,335	10.00	3,516	3.38
TOTAL 2001-2002		**NWFP**	**222,063**	**22,066**	**9.94**	**8,490**	**3,82**
TOTAL 2000-2001			316,041	29,172	9.23	13,376	4.23

TABLE 6(5)
PROVINCE WISE TOTAL PRODUCTION OF PAKISTAN
SUMMARY 2002-2003

	CANE CRUSHED	RAW UTILIZED	BEET SLICED	SUGAR PRODUCTION			TOTAL SUGAR	MOL. C+B+R
				(Cane)	(Raw)	(Beet)		
PUNJAB	27,583,062	NIL	NIL	2,351,102	NIL	NIL	2,351,102	1,304,284
SINDH	12,415,817	2,287	NIL	1,156,726	1,945	NIL	1,158,674	656,520
NWFP	1,787,810	NIL	222,063	144,917	NIL	22,066	166,983	87,313
Total 2002-2003	**41,786,689**	**2,287**	**222,063**	**3,652,745**	**1,945**	**22,066**	**3,676,759**	**2,048,117**
Total 2001-2002	36,708,638	23,760	316,041	3,197,745	22,112	29,172	3,249,029	1,822,959

TABLE 7(1)
ESTIMATED GUR EQUIVALENT PRODUCTION FROM SUGARCANE NOT MILLED AFTER 15% DEDUCTION FOR SEED, FODDER AND WASTAGE ETC.

YEAR	GUR EQUIVALENT		
1990-91	853,800	Tonnes	
1991-92	600,100	Tonnes	
1992-93	688,000	Tonnes	
1993-94	653,400	Tonnes	
1994-95	827,100	Tonnes	
1995-96	875,000	Tonnes	
1996-97	709,400	Tonnes	
1997-98	346,485	Tonnes	
1998-99	332,990	Tonnes	
1999-00	511,470	Tonnes	*
2000-01	649,623	Tonnes	
2001-02	354,341	Tonnes	
2002-03	208,672	Tonnes	

Note:
- * **Gur equivalent is based on 8.5% recovery.**
- * **These are not Gur production figures.**
- * **(Recovery rate of Gur is 13.5-14.5%)**
- * **Sugarcane Production 1999-2000 amended**

TABLE 7(2)
SWEETENER CONSUMPTION IN PAKISTAN
SUGAR + GUR EQUIVALENT

Sugar Year	Population Millions	SUGAR CONSUMPTION M.T		Gur Equivalent	Total Sweetener	Sweetener kg per capita
		Year's	Kg Per Capita			
1993-94	121.48	2.763	22.74	0.653	3.416	28.11
1994-95	124.49	2.722	21.86	0.827	3.549	28.50
1995-96	127.51	2.797	21.93	0.875	3.672	28.79
1996-97	130.56	2.812	21.53	0.709	3.521	26.96
1997-98	133.61	3.004	22.48	0.346	3.350	25.05
1998-99	136.64	3.039	22.24	0.333	3.372	24.67
1999-00	139.76	3.172	22.69	*0.511	3.683	*26.35
2000-01	142.86	3.055	21.38	0.649	3.704	25.92
2001-02	145.96	3.252	22.28	0.354	3.606	24.70
2002-03	149.00	3.554	23.85	0.208	3.763	25.26

* **Sugarcane Production 1999-2000 amended**

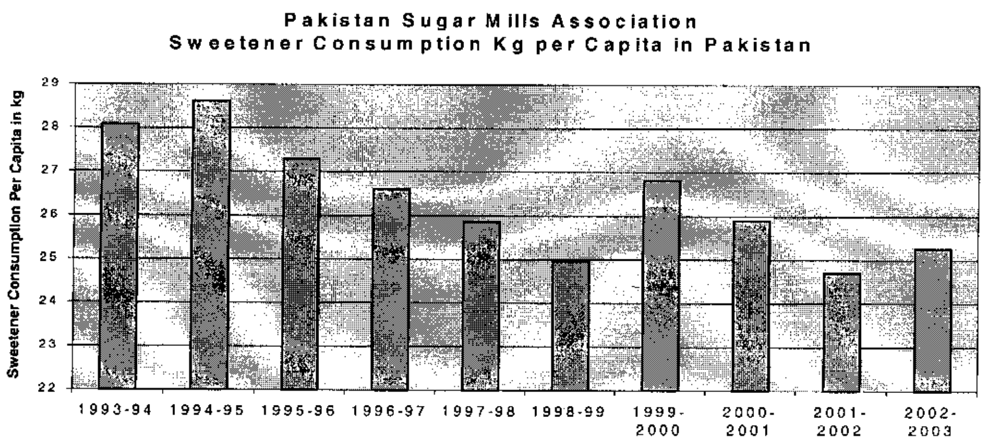


TABLE 8
SUGARCANE PLANTATION AREA, PRODUCTION, YIELD AND UTILIZATION OF SUGARCANE BY SUGAR MILLS

PAKISTAN

YEAR	AREA HECTARES	PRODUCTION TONNES	YIELD PER HECTARE	UTILIZATION % BY SUGAR MILLS
1990-91	883,800	35,988,700	40.72	62.80
1991-92	879,800	34,204,000	38.90	72.49
1992-93	884,600	38,058,900	43.02	71.66
1993-94	962,800	44,427,000	46.14	76.93
1994-95	1,009,000	47,168,400	46.75	72.49
1995-96	963,100	45,229,700	47.00	62.24
1996-97	964,500	41,998,400	43.54	65.13
1997-98	1,056,200	53,104,200	50.28	77.32
1998-99	1,155,100	55,191,100	47.78	77.90
1999-00 *	1,009,800	42,000,000	41.59	69.00
2000-01	960,000	43,590,000	45.41	67.47
2001-02	999,700	48,091,000	48.10	76.33
2002-03	1,099,700	52,049,000	47.33	80.28

PUNJAB

YEAR	AREA HECTARES	PRODUCTION TONNES	YIELD PER HECTARE	UTILIZATION % BY SUGAR MILLS
1990-91	525,600	19,633,400	37.35	61.60
1991-92	516,900	18,580,800	35.95	63.21
1992-93	536,100	20,044,800	37.39	67.02
1993-94	596,200	24,510,000	41.11	81.87
1994-95	656,700	28,268,000	43.00	74.20
1995-96	605,600	26,880,000	44.40	63.22
1996-97	604,200	24,010,200	39.74	67.86
1997-98	685,300	32,110,600	46.86	80.67
1998-99	780,300	33,382,800	42.78	78.12
1999-00 *	672,100	25,000,000	37.20	67.32
2000-01	615,000	26,740,000	43.48	67.57
2001-02	657,000	31,803,000	48.40	79.40
2002-03	735,000	33,169,000	45.12	83.15

* Cane production 1999-00 amended

SINDH

YEAR	AREA HECTARES	PRODUCTION TONNES	YIELD PER HECTARE	UTILIZATION % BY SUGAR MILLS
1990-91	253,099	12,511,135	49.43	76.71
1991-92	255,280	14,240,476	55.78	83.00
1992-93	248,000	13,556,800	54.66	93.85
1993-94,	265,800	15,420,000	58.01	84.51
1994-95	249,700	14,310,300	57.30	84.12
1995-96	254,400	13,737,200	54.00	75.28
1996-97	251,200	13,110,600	52.19	78.68
1997-98	261,600	15,990,600	61.16	86.58
1998-99	270,800	17,050,700	62.96	88.53
1999-00	230,600	12,100,000	51.27	83.99
2000-01	239,000	12,050,000	50.42	87.08
2001-02	241,000	11,416,000	47.37	89.90
2002-03	259,000	13,798,000	53.27	89.98

N.W.F.P

1990-91	104,600	4,516,100	43.17	20.18
1991-92	107,000	4,563,200	42.64	23.97
1992-93	99,900	4,428,400	44.33	25.25
1993-94,	100,300	4,470,000	44.57	24.25
1994-95	102,100	4,562,200	44.70	25.86
1995-96	102,500	4,583,000	44.70	17.84
1996-97	108,400	4,841,600	44.66	15.38
1997-98	108,600	4,956,500	45.64	26.30
1998-99	103,300	4,719,500	45.68	38.53
1999-00*	106,300	4,900,000	46.10	26.40
2000-01	106,000	4,800,000	45.28	17.64
2001-02	101,000	4,787,000	47.40	26.94
2002-03	105,000	5,049,000	48.08	35.40

* **Cane production 1999-00 amended**

BALOCHISTAN

1990-91	500	23,600	47.20	-
1991-92	600	26,300	43.83	-
1992-93	600	28,900	48.17	-
1993-94	500	25,000	50.00	-
1994-95	500	27,900	55.80	-
1995-96	600	29,500	49.20	-
1996-97	700	36,000	51.43	-
1997-98	700	37,500	53.57	-
1998-99	700	38,100	54.40	-
1999-00	800	43,400	54.20	-
2000-01		N.A		
2001-02	700	35,000	50.00	-
2002-03	700	33,000	47.14	

SOURCE: **Federal Bureau of Statistics.**

TABLE 9
IMPORT OF REFINED SUGAR

YEAR	QUANTITY TONNES	VALUE IN "000" RS.	AVERAGE PRICE RS. PER TONNE.
1990-91	433,320	3,583,000	8,269
1991-92	116,741	914,117	7,830
1992-93	75,156	552,000	7,345
1993-94	47,669	444,105	9,316
1994-95	5,188	68,761	13,254
1995-96	3,214	50,239	15,631
1996-97	681,083	9,861,825	14,480
1997-98	10,990	1,685,859	15,189
1998-99	10,097	152,591	15,113
1999-00	66,627	769,179	11,545
2000-01	930,142	14,488,243	15,576
2001-02	85,037	1,472,326	17,314
2002-03	8,315	152,746	18,370

TABLE 10
EXPORT OF SUGAR

YEAR	QUANTITY TONNES	VALUE IN RS. "000"	AVERAGE PRICE RS.PER TONNE.
1993-94	121,565	1,204,964	9,912
1994-95	315,886	3,770,558	11,936
1995-96	29,134	350,066	12,016
1996-97	-	-	-
1997-98	210,632	2,897,750	13,757
1998-99	906,602	11,549,170	12,739
1999-00	-	-	-
2000-01	-	-	-
2001-02	-	-	-
2002-03	45,669	627,949	13,750

Data In Table 9 And 10 Are Shown For Fiscal Year
Source: Federal Bureau of Statistics.

TABLE 11

EXPORT OF MOLASSES

YEAR	QUANTITY TONNES	VALUE IN RS. "000"	AVERAGE PRICE RS. PER TONNE.
1990-91	776,071	823,636	1,061.29
1991-92	947,000	1,351,762	1,427.41
1992-93	892,618	1,396,111	1,564.06
1993-94	703,450	993,627	1,412.50
1994-95	769,636	1,213,545	1,576.78
1995-96	806,399	1,852,514	2,297.26
1996-97	1,056,134	2,021,755	1,914.30
1997-98	1,359,328	2,542,504	1,870.41
1998-99	1,688,505	1,802,899	1,067.75
1999-00	1,748,000	2,200,000	1,258.58
2000-01	1,190,012	2,456,573	2,064.32
2001-02	1,607,380	3,898,800	2,425.56
2002-03	1,272,630	2,652,975	2,084.63

Source: Federal Bureau of Statistics
Data in table 11 is for Fiscal Year

TABLE 12

EXPORT OF FERMENTATION ETHYL ALCOHOL (NOT DENATURED)

YEAR	QUANTITY LTRS.	VALUE RS."000"	AVERAGE PRICE PER LTR.
1990-91		8,229,448	61,090 07.42
1991-92	7,636,000	55,332	07.25
1992-93	8,660,900	90,213	10.42
1993-94	13,206,697	125,866	09.54
1994-95	6,050,200	68,137	11.26
1995-96	1,166,000	16,856	14.45
1996-97	1,232,145	18,273	14.83
1997-98	4,107,000	69,646	16.96
1998-99	6,722,000	115,788	17.22
1999-00	7,608,000	136,364	17.92
2000-01	10,061,000	208,082	20.68
2001-02	14,594,000	341,438	23.39
2002-03	16,341,575	342,658	20.96

Source : Federal Bureau of Statistics
Data is for Fiscal Year.

SUGAR AND SUGARCANE – I

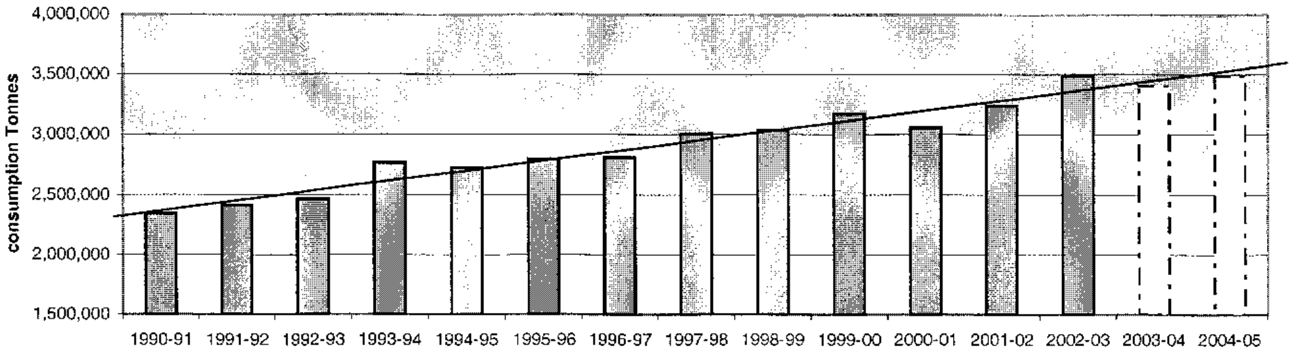
Sugar Year (Oct – Sept.)	1995-96	1996-97	1997-98	1998-99
Sugarcane Area HA.	963,100	964,500	1,056,200	1,155,000
Sugarcane produced	45,229,700	41,998,400	53,104,200	55,191,100
Yield Tonnes / Ha	47.00	43.54	50.28	47.77
Cane Utilized by Mills	28,151,434	27,352,918	41,062,268	42,994,911
% age of utilization	62.24	65.13	77.32	77.90
Cane support / Indicative. Price Punjab, NWFP / Sindh	21.5/ 21.75	24.25/ 24.5	35 / 36	35 / 36
Recovery % age	8.70	8.69	8.64	8.21
Sugar Production (Cane)	2,449,598	2,378,751	3,548,953	3,530,931
Sugar Production (Beet)	20,435	14,610	6,267	10,831
Sugar Production (Raw)				
Total Sugar Production	2,470,033	2,393,361	3,555,220	3,541,762
Beginning Stocks 1st Oct.	264,689	103,553	413,290	513,062
Import Refined Sugar	166,472	728,501	26,345	4,129
Total Available	2,901,194	3,225,416	3,994,863	4,058,946
Export	100	-	477,331	648,230
End Stock 30th Sept.	103,553	413,290	513,062	371,389
Consumption / Marketing Mills Sale + import – (Export)	2,797,541	2,812,126	3,004,470	3,039,327
Average Consumption /Month	233,100	234,300	250,400	253,300
Season's Av. Domestic Retail price Rs. / Kg	17.86	21.46	18.75	19.63
Int. Sugar Av. Trade price US$ / Tonne	383.75	319.21	272.46	216.28

- Sugarcane production & Utilization controversial figures for 1999-2000 amended.
- Refined value of Raw unrecorded imports 1996-97 & 1997-98 added to imports

SUGAR AND SUGARCANE – II

Sugar Year (Oct - Sept.)	1999-2000	2000-2001	2001-2002	2002-2003	Prelim Est. 2003-2004
Sugarcane Area HA.	1,009,800	960,000	999,700	1,099,700	1,086,000
Sugarcane produced	42,000,000	43,590,000	48,091,000	52,049,000	54,200,000
Yield Tonnes / Ha	41.59	45.41	48.10	47.33	49.90
Cane Utilized by Mills	28,982,711	29,408,880	36,708,638	41,786,689	43,500,000
% age of utilization	69.00	67.47	76.33	80.28	80.26
Cane support /Indicative Price Punjab, NWFP / Sindh	35/36	35/36	42/43	40 / 43	40 / 41
Recovery %age	8.33	8.39	8.71	8.74	8.74
Sugar Production (cane)	2,414,746	2,466,788	3,197,745	3,652,745	3,801,900
Sugar Production (Beet)	14,618	17,276	29,173	22,066	24,000
Sugar Production (Raw)		531,930	22,111	1,945	
Total Sugar Production	3,429,364	3,015,994	3,249,029	3,676,756	3,825,900
Beginning Stocks 1st Oct.	371,389	27,274	620,791	637,149	759,103
Import Refined Sugar	420,740	632,645	27,494	9,052	
Total Available	3,221,493	3,675,913	3,897,314	4,322,957	4,585,000
Export	22,160	-	8,000	80,000	20,000
End Stock 30th Sept.	27,274	620,791	637,149	759,103	1,145,000
Consumption / Marketing Mills Sale + Import – (Export)	3,172,059	3,055,122	3,252,165	3,483,854	3,420,000
Average Consumption/ Month	264,300	254,600	271,000	290,321	285,000
Season's Av. Domestic Retail price Rs. / Kg	22.85	26.73	22.96	20.12	
Int. Sugar Av. Trade price US $ / Tonne	200.52	242.90	234.30	222.85	

Pakistan Sugar Mills Association Consumption (1990-91 to 2002-03) & projected Sugar Year Oct- Sept.



Years	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Annual / Supply Consumption	2,342,158	2,413,439	2,463,085	2,763,142	2,722,775	2,797,541	2,812,125	3,004,913	3,039,327	3,172,059	3,055,122	3,252,165	3,483,854		
Monthly Av. Consumption	195,180	201,120	205,257	230,262	226,900	233,100	234,300	250,400	253,300	264,300	254,600	271,000	290,321		
Annual Proj. Consumption	*2,342,158*	*2,423,780*	*2,505,402*	*2,587,024*	*2,668,646*	*2,750,268*	*2,831,890*	*2,913,512*	*2,995,134*	*3,076,756*	*3,158,378*	*3,240,000*	3,321,622	3,403,244	3,484,866
Monthly Proj. consumption	*195,000*	*202,000*	*209,000*	*216,000*	*222,000*	*229,000*	*236,000*	*243,000*	*250,000*	*256,000*	*263,000*	*270,000*	277,000	284,000	290,000

* Consumption / market supply Oct-Sept. (12 months)