

Prices drop as sugar floods market

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Reduced. The chairperson of Busoga Sugarcane Outgrowers Association Mr Isa Budhugo, said all factories in the sub-region are now buying their sugarcane currently at Shs150,000 per tonne from Shs154,000.

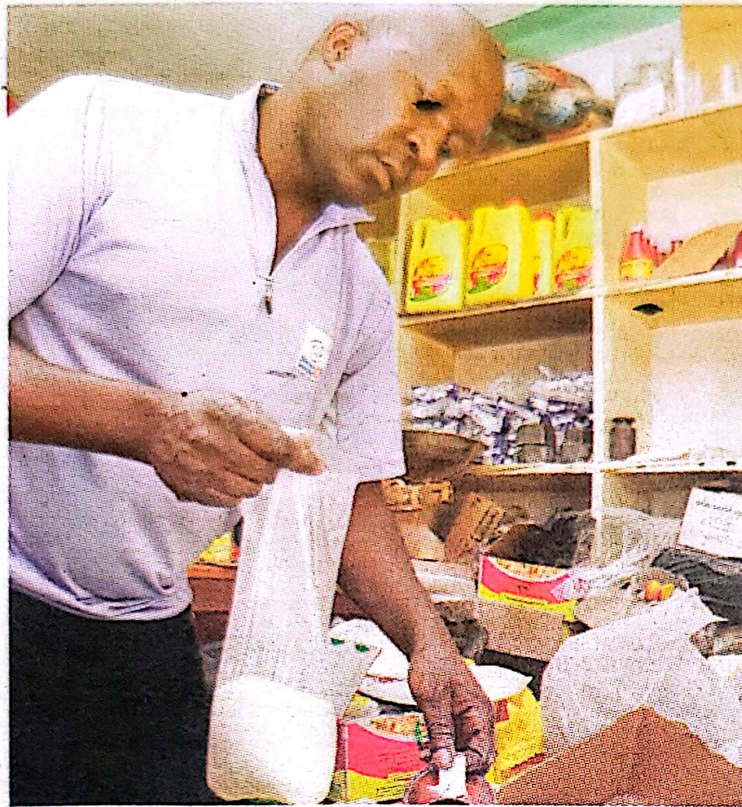
BY TAUSI NAKATO
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JINJA. Although many traders hike prices of some commodities during the festive season, the story is now different with the price of sugar continuing to drop to as low as Shs3,800 in some places in Busoga.

Currently, a kilogramme of sugar costs Shs3,800 from Shs4,500 at retail points, while for wholesale it goes for Shs3,100. And at the factory a 50kg bag costs Shs155,000 down from Shs175,000 a few weeks ago.

Speaking to *Daily Monitor* yesterday, the chairperson of Uganda Sugar Manufacturers Association (USMA), Mr Jim Kabeho, said they have reduced the prices of sugar due to duty free sugar flooding the market.

He said all factories have accumulated stocks, which has forced them to reduce on the



Sugar. A retailer puts sugar in a polythene bag recently. Sugar prices have dropped in some parts of the country. PHOTO BY ALEX ESAGALA

prices to compete with the flooded sugar on the market.

"Illegal sugar has taken over the market. We have accumulated stocks and we are not selling that's why we are reducing so that we can be able to pay our workers. Sugar is being smuggled from Kenya

and has already entered into Uganda more especially in the border towns. Smuggled sugar has replaced the locally produced Uganda sugar," he said.

Mr Kabeho called upon government to intervene by stopping the cheap smuggled

sugar from entering the country.

He added, "We wonder how duty free sugar finds its way into the country. Unless government intervenes, the price is likely to continue falling."

When contacted, the Uganda Revenue Authority manager for public and corporate affairs Ian Rumanyika, dismissed the allegations as baseless and unfounded.

Mr Rumanyika said they have enforcement team at borders, which ensures that no product enters the country without paying taxes.

IN OTHER PLACES

Price. By last evening, a kilo of sugar in Kampala was costing Shs3,800 in some shops while the majority of traders were still in the range of Shs4,000 and Shs5,000. In Kamwenge Town, a kilo for weighed sugar was going for Shs4,500 while the packed one was Shs5,000. And in Bundibugyo it stood at Shs4,500 and Shs5,000 respectively.