

Import tax on sugar not reduced - minister

Sufficient. Ms Kyambadde says government cannot import duty-free sugar because the country is producing enough.

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KAMPALA. The minister of Trade, Industry and Cooperative has refuted claims that there are plans to fix the price of sugar as well as reduce taxes imposed on imported sugar.

Ms Amelia Kyambadde told a news conference at the Uganda Media Centre in Kampala yesterday that although government expects to see the price of sugar dropping further, there is no intention at the moment to reduce taxes on the imported product, let alone regulating the cost at which the commodity would be sold on the market.

She said no such decision has ever been reached by Cabinet since the country is producing enough sugar. She also added that there is no need for replenishing the stock with imports.

"Sugar prices have steadily reduced from an average of Shs8,500, to currently Shs4,500 with expectation to reduce even further," she added.

With the sugar price stabilising, thanks to sufficient stock to meet domestic demands, Ms Kyambadde



Not yet. A retailer weighs sugar at his shop in Namuwongo, Kampala, yesterday. Government announced it has not yet reduced taxes on imported sugar.

PHOTO BY ALEX ESAGALA

port duty-free sugar into the country because there is no need for that at the moment."

On Tuesday, *Daily Monitor* reported that a kilogramme of sugar is set to drop from the current average of Shs5,000 to as low as Shs3,600 after Cabinet resolved to scrap tax on imported sugar. Apparently the decision was prompted by the prohibitive sugar price occasioned by declining production in the country.

According to sources, during a Cabinet meeting chaired by President Museveni two weeks ago, the minister of Finance was asked whether the

Uganda Revenue Authority, the Uganda Sugar Manufacturers Association, and the ministry of Trade to work out modalities to expeditiously allow tax-free sugar imports but without hurting the local producers.

Ms Kyambadde said her ministry would continue to monitor the sugar situation to ensure adequate supply and affordable prices for the population.

Sugar industry players through their umbrella associations and unions have applauded the government position, saying there is enough

Mr Jim Mwine Kabeho, the chairman of Uganda Sugar Manufacturers Association, in an earlier interview, said the stability in the sugar industry will not be achieved unless government implements the "zoning" provided for in the National Sugar Policy 2010 and the Sugar Bill 2016, which bar the setting up of sugar factories in close proximity to each other.

Mr Joram Pajobo, general secretary of the National Union of Plantation and Agricultural Workers, said: "Government would have killed the sugar industry if it allows duty-free

LOCAL SUGAR INDUSTRY

- Sugar is one of the fastest growing industries in Uganda and contributes more than Shs291b in taxes annually and employs more than 60,000 Ugandans.
- Over the last 10 years, sugar production has been increasing by nearly 12 per cent annually culminating in record annual production of more than 438,000 metric tonnes in 2014.
- But the annual sugar production dropped to 392,115 tonnes in 2016 (6 per cent drop) due to lack of sugarcane mainly in the Busoga Sub-region where sugarcane poaching and diversion was reported.
- Cane productivity is expected to increase in 2017/18 due to adequate amounts of rainfall and increased cane planting.
- Currently, there are 30 licensed sugar mills in the country although only 11 are in operation.