

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

Voluntary _ Public

Date: 4/24/2015

GAIN Report Number: PK1521

Pakistan

Post: Islamabad

Pakistan Allows Government-to-Government Wheat Sales

Report Categories:

Grain and Feed

Trade Policy Monitoring

Policy and Program Announcements

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Report Highlights:

The Government of Pakistan has allowed the export of wheat on a government-to-government basis using the same export subsidy rates that were announced for private exporters in January 2015.

Pakistan Allows Government-to-Government Wheat Sales

The Government of Pakistan has allowed the export of wheat on a government-to-government basis under the same conditions that were previously announced in January 2015. At that time, the Government gave permission to the provinces of Sindh and Punjab to sell up to 400,000 tons and 800,000 tons of wheat from publicly held stocks to private exporters who would then qualify for a subsidy of \$45 and \$ 55 per ton respectively. The previous announcement did not specifically authorize public sector exports of wheat or government-to-government transactions.

The decision to allow government-to-government sales at the existing subsidy level was approved by the cabinet-level Economic Co-ordination Committee (ECC), the lead trade policy decision making body, on April 23, 2015. The decision comes amid reports that the Government is considering government-to-government sales. Interest in commercial purchases of Pakistani wheat sourced from public stocks has been limited due to the high price of publicly-held wheat. A rough calculation suggests that Pakistan would have to increase its subsidy significantly, perhaps by as much as 100 percent, to attract commercial buyers beyond nearby Afghanistan and South Asian countries. For additional background see PK1504 *Pakistan Announces Wheat Subsidy for Exports*.