

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

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Pakistan

Post: Islamabad

Pakistan Allows Subsidized Wheat Flour Exports

Report Categories:

Grain and Feed

Trade Policy Monitoring

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Report Highlights:

The Government of Pakistan has allowed the export of 100,000 metric tons of subsidized wheat flour. The exports will be eligible for the same subsidies that were recently announced for wheat exports. The announcement is not expected to result in a significant increase in flour exports.

General Information:

Disclaimer: This summary is based on a cursory review of the subject announcement and, therefore, should not under any circumstances be viewed as a definitive interpretation of the regulation or policy in question, or of its implications for U.S. agricultural trade interests. For more information, please contact the Office of Agricultural Affairs in Islamabad at agislamabad@fas.usda.gov

The Government of Pakistan has enlarged the scope of its subsidized wheat export program by allowing the export of 100,000 metric tons of wheat flour at the same subsidy level that was previously approved for wheat exports. Exporters who ship at least a metric ton of wheat flour can claim a subsidy for an equivalent quantity of wheat procured from the Provincial Food Departments of Punjab or Sindh. The decision appears to be aimed principally at the Afghan market. Pakistan is a regular supplier of wheat flour to Afghanistan but trade sources believe that the decision will not have significant impact on the pace of wheat exports to Afghanistan. Pakistan's wheat flour exports (expressed in wheat equivalent) during the current marketing year are estimated at 600,000 tons. The trade mostly operates through informal channels.

The Government of Pakistan recently approved the export of 1.2 million metric tons of wheat from government stocks and approved an export subsidy of Rs. 6 billion (\$60 million) to lower the price of wheat destined for export. See PK1504 *Pakistan Announces Wheat Subsidy for Exports* for additional information.