



Impact of the 2010 Flood on the Sugar Industry of Pakistan

MBA - Final Project

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ABSTRACT

The floods that hit Pakistan in 2010 have been classified by many as being the worst natural disaster the country has seen in its entire history. The agriculture sector which is the backbone of the country's economy has been reported to be effected the most by this natural calamity. The country already had several problems to deal with before the occurrence of the natural calamity that at one time had one-fifth of the country under water. People affected by the flood are said to be close to 20 million. On the whole the cost of the flood on the economy has been calculated to be a massive Rs 855 billion with the agriculture sector bearing a substantial Rs 429 billion. Kharif crop damaged has been estimated to be spread over 2.1 million hectares.

The floods further added to the troubles of the sugar industry of the country, which was already in turmoil prior to the natural disaster, as sugarcane upon which the major percentage of sugar production depends was one of the Kharif crops that were ruined by the flood. The affected sugarcane plantation area is estimated to be 18 percent. This is expected to damage 7.5 million tons of the crop, which in turn means the government would have to increase its imports further to meet the demand resulting in further enhancing the trade deficit as well as increasing the prices of the commodity to new limits.

This report highlights the extent of the damage caused to the sugarcane crop and the sugar industry by the 2010 floods. In addition, the government responses to the floods and the crises facing the sugar industry have been assessed and suggestions for improvements have been made.

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