

Pakistan bans road, rail onion exports to India

ISLAMABAD, PAKISTAN: Pakistan this week banned overland onion exports to chief rival India in a bid to control rising prices at home for the South Asian food staple, the commerce ministry said on Friday, 7 January 2011.

"The exports triggered a shortage of onions in our domestic market," a ministry spokesman said.

"I can confirm the restriction has been imposed on exports of the commodity through the Wagah border," he said, in reference to the land crossing between nuclear-armed India and Pakistan, who have fought three wars since 1947.

Exports of onions to India by sea, however, were not restricted, he said.

The clampdown was aimed at discouraging ordinary traders from trucking onions to India, currently facing a shortage of the vegetable, after consumers complained that costs have more than doubled in Pakistan in recent weeks.

Prices in Islamabad, where food items are generally more expensive than elsewhere, have risen from 40 Pakistani rupees last month to up to 90 rupees a kilo (US\$0.47 to \$1.05).

In India, prices reached 80-85 Indian rupees (\$1.75-\$1.87) last month and are currently around 70 rupees a kilo, way above the "normal" retail price of 20-25 rupees.

"We have urged them (the authorities in Pakistan) that the contracted quantities, which were to come via the land route, should be released," The Economic Times quoted Indian Commerce Minister Anand Sharma as saying on Friday.

Talveer Hussain, a Pakistani customs official at Wagah confirmed that trucks had been stranded since the ban order was received on Wednesday.

"The government has banned onion exports by road and rail," he said.

Source: AFP