GOVERNMENT OF INDIA COMMERCE AND INDUSTRY LOK SABHA

STARRED QUESTION NO:488
ANSWERED ON:28.04.2000
IMPORT OF EDIBLE OIL UNDER OGL
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) The details of quantity of arecanut and edible oil imported under Open General Licence during 1999-2000 and proposed to be imported during 2000-2001;
- (b) whether the Government have assessed the impact of this import on the domestic farmers; and
- (c) if so, the steps taken by the Government to stop importing arecanut and edible oil to save the farmers particularly of Karnataka and Kerala?

Answer

MINISTER OF COMMERCE & INDUSTRY (SHRI MURASOLI MARAN)

(a) to (c) A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TOARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO. 488 FOR 28.04.20 REGARDING IMPORT OF EDIBLE OIL UNDER OGL

Import of all edible oils excepting coconut oil as classified under chapter 15 of ITC(HS) Classifications of Export and Import Items, 1997-2002, is presently free. Import of all refined edible oil excluding coconut oil, Palm kernel oil, RBD palm oil and RBD palm stearin was made free prior to 01.04.95. Import of various crude edible oils and Palm kernel oil, RBD palm oil and RBD palm stearin was made free on 31.03.99. Import of crude edible oil was made free to provide for proper utilisation of the indigenous processing and refining capacities.

Import of arecanut was restricted upto 31.03.2000. In the amendments to Export and Import Policy announced on 31.03.2000, this item has been allowed to be imported against surrender of Special Import Licence(SIL). Import of this item has been free from SAARC countries since 01.08.98.

Import of these two items since 95-96 is as follows:

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Year Vegetable oil (Edible) Arecanut

Qty.(in tons) Value (in Rs.Crores) Qty.(in tons) Value (in Rs. Crores)

1995-96 1061988 2261.9 137 0.32
1996-97 1415794 2929.1 34 0.11
1997-98 1265753 2764.6 18 0.07
1998-99 2378566 7131.4 4777 14.24
1999-2000

(Apr-Jan)

(Figures are provisional 3671232 7099.7 2231 6.79

[Source: DGCI&S, Calcutta]
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Imports of any commodity in the country depend on the domestic demand and supply situation. Thus it is difficult to predict the import of these items in the year 2000-2001.

Import of arecanut constitutes less than 1% of the total production of this item in the country. Import of this item is subject to total custom duty of 44.04%. At this level of duty the domestic farmers are unlikely to be affected.

Import duty on edible oils has been recently rationalised to provide adequate protection to the domestic oil seed producers. Besides, the Government also provides protection to the farmers through the mechanism of guaranteed purchase at minimum support prices.