

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:2761  
ANSWERED ON:19.12.2003  
CURB ON IMPORT OF ARECANUT  
V.S. SIVAKUMAR

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) whether the Director-General of Foreign Trade has granted permission to some arecanut exporters for import arecanut as advance licence without imposing any import duty;
- (b) if so, whether this decision of DGFT has causes steep fall in price of arecanut in the market, affecting the growers of the crop in Kerala;
- (c) if so, whether the arecanut grower has requested the Government to intervene in the matter; and
- (d) if so, the reaction of Government thereto?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY ( SHRI S. B. MOOKHERJEE )

(a) to (d): The price of arecanut has shown a downward trend over the years on account of domestic conditions. The Customs duty already stands raised from 35% to 100%.

Advance licensing is an established policy to allow zero duty imports of commodities for export of relevant products. Duty free import of products being allowed for relevant export product should normally have no co-relation with domestic prices. Accordingly Advance Licences for arecanut have been issued.

A reference was received from the Government of Kerala, in this regard. The purpose of Advance Licences having been explained, there is no intention to discontinue this Licensing Scheme.