

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

UNSTARRED QUESTION NO:1661

ANSWERED ON:10.12.2004

DAIRY SECTOR SUGGESTING RE NEGOTIATIONS WITH WTO

Adhalrao Patil Shri Shivaji;Adsul Shri Anandrao Vithoba

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

- (a) whether dairy industry has suggested a strategy to re-negotiate with WTO to increase import duties on skimmed milk powder and butter oil;
- (b) if so, the details of strategies suggested by dairy sector;
- (c) the extent to which Government agree with the strategies of dairy sector; and
- (d) the action Government proposes to adopt strategy to save the domestic dairy sector?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN)

(a) to (d): Yes, Sir. A number of measures for the dairy sector, including the renegotiation of the bound duty on imports of butter oil from 40 per cent to 75 per cent, have been proposed in memoranda and representations received from time to time and considered by the Government. The bound duty on imports of whole milk powder (WMP) and skimmed milk powder (SMP) have been increased from zero per cent to 60 per cent with a tariff rate quota of 10,000 MT per annum and an in-quota duty of 15 per cent applicable on the two tariff lines 0402.10 and 0402.21 taken together. Additionally, the applied rate of duty on imports of butter oil has been increased to 40 per cent. The Livestock Importation Act has also been amended requiring a Sanitary Import Permit on imports of a number of livestock products, including dairy products.