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Title: Need to import Vanaspati from Sri Lanka through NAFED - laid.

SHRI CHENGARA SURENDRAN (ADOOR): It was decided by the Union Government to import duty free Vanaspati from Sri Lanka through NAFED. This was in accordance with the terms under Free Trade Agreement with the Sri Lankan Government. NAFED was authorized to import the Vanaspati from Sri Lanka with the following purpose:-

- a) To have quality control as stipulated under PFA norms.
- b) To have equitable distribution of quality Vanaspati across India through its network in order that it does not affect the domestic industry.

After the issuance of the circular by DGFT to canalize the import of Vanaspati from Sri Lanka through NAFED, the 10 units of Sri Lanka are not offering any Vanaspati for import to NAFED.

Now it is learnt that the Ministry of Commerce is viewing the policy on the following lines.

- i) NAFED to be removed as a canalization Agency.
- ii) Quantity of Vanaspati imported from Sri Lanka to be restricted to 2.5 lac ton per annum (when the total requirement of the Country is 10 lac ton per annum and out of which 1 lac ton quota is fixed for Nepal) leaving only 6.5 lac ton for the survival of 260 units of the country i.e. only 2500 Tones per annum for each unit. It is very clear that the domestic industry cannot survive with this meagre quantity of imported Vanaspati.

In view of above, import of Vanaspati from Sri Lanka under Free Trade Agreement should be allowed only through NAFED which is not only capable for equitable distribution but can keep quality control under check being a Government Agency. Also, quantity of import of Vanaspati upto 50,000 Tonnes per annum duty free from Sri Lanka be fixed as recommended by Directorate of Vanaspati, Government of India.