



Voluntary Report - public distribution

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GAIN Report #IN1072

## India

### Oilseeds and Products

### TRQs Notified For Rape/Sun/Safflower Oils

### 2001

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#### Report Highlights:

**Refined rapeseed oil and crude sunflower/safflower oils can now be imported into India at tariffs of 45 percent and 50 percent, respectively, in quantities not exceeding 150,000 tons each. Imports exceeding the newly-established TRQs will attract the existing tariffs of 75 and 85 percent.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
New Delhi [IN1], IN

In an apparent move to address the trade's demand for lower rapeseed and sun oil tariffs, and to fulfill an unimplemented WTO commitment for 150,000 ton TRQs on both oils, the Indian government recently notified TRQs on these oils, to be administered by the EXIM Facilitation Committee, Directorate General of Foreign Trade. The measure took effect November 16. Trade sources say that at current world sun oil prices, a tariff of 50 percent will still not allow imports to compete with domestic sun oil supplies. Any interest in imported rapeseed oil is also unlikely.

With this year's reduced supplies and higher prices, India's sun oil imports declined 22 percent to 444,000 tons despite a substantial overall increase in edible oil imports. The tightening supplies and increasing prices of sun oil in domestic markets have caused packers to push more strongly for a reduction in the import duty.

### TRQ Unlikely to Spur Sun Oil Imports.....

Soaring world prices, along with last April's hike in the tariff, permitted domestic sunflower oil prices to climb from \$473/ton (October, 2000) to the current level of \$830/ton, squeezing margins in a market where prices are dictated largely by consumer preferences. The impact of the TRQ will be felt only as world sun oil prices moderate or as local prices edge still higher. Rapeseed oil also appears to be an unattractive import if the C&F and domestic prices remain near the current levels of \$490/ton and \$660/ton, respectively.

