

## India raises vegetable oil import taxes to protect farmers

Mayank Bhardwaj | First Published: Sat, Aug 12 2017.

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New Delhi: India, the world's biggest buyer of vegetable oils, has raised import taxes on crude and refined edible oils to protect local oilseed farmers from cheaper imports from top suppliers Malaysia and Indonesia.

The increases were shown in an order uploaded on a government website late on Friday.

New Delhi doubled the import tax on crude palm oils to 15% and raised the import tax on refined palm oils to 25%, increasing the differential in duty by 10 percentage points to encourage local processing.



*The government also raised the import tax on crude soyoil to 17.5% from 12.5% previously. Photo: Bloomberg*

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“The decision will help both farmers and the local crushing industry which had to bear the brunt of higher oilseed stocks, lower domestic prices and surging supplies from major producers,” said Sandeep Bajoria, chief executive of the Sunvin group, a leading vegetable oil importer. “We welcome the move.”

Reuters reported on Tuesday that the government was considering raising import taxes on vegetable oils, the country's third biggest imported commodity after crude and gold.

New Delhi spends about \$10 billion a year to import palm oil from Malaysia and Indonesia and relatively smaller quantities of soyoil from Brazil and Argentina.

Large inventories and lower prices have fomented a wave of protests by farmers in the big agrarian states of Maharashtra and Madhya Pradesh, ruled by Prime Minister Narendra Modi's Bharatiya Janata Party.

Nearly two-thirds of India's 1.3 billion people depend on agriculture to scrape a living.  
Reuters

Source: <http://www.livemint.com/Politics/4Kvv561OPoEZ3NfYTjxb4L/India-raises-vegetable-oil-import-taxes-to-protect-farmers.html>