



SEA opposes cut in import of duty on palm oil

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The association has also opposed the increase in trading hours for commodities markets as recommended by Sebi.

The Solvent Extractors Association of India (SEA) has opposed any reduction in the duty on import of palm oil since it could be detrimental to the interests of farmers.

Addressing its members, SEA president Atul Chaturvedi, said a piquant situation had happened due to the different rates being agreed by the country's policymakers for palm oil import duties to be levied.



“In case of the bilateral treaty with Malaysia, the import duties on crude palm oil (CPO) and Palm olein (Olein) are supposed to be brought down to 40 and 45%, respectively. However, in the case of ASEAN agreement, the same is 40 and 50%. This anomalous situation has the potential of having two different duty structures for palm oil coming into the country effective January 1, 2019,” he said.

He said the association had vehemently opposed any reduction in duty as it could harm the interest of our oilseed farmers and could be detrimental in the long run.

However, if driven to the wall in terms of duty reduction, the duty differential of 10% minimum between CPO and Olein should be maintained as currently, although the palm refining industry requires minimum 15% differential, he said.

“We have met senior government functionaries in this connection and impressed upon them of our concerns,” he added.

According to the association, castor seed future markets has seen high volatility in the past two months and sharp rise in prices which would seriously hurt the domestic industry as well as prompt the foreign buyers to explore alternate feedstocks in their industrial processes.

“We have urged Sebi (Securities and Exchange Board of India) to take suitable steps to check excessive volatility and ensure smooth operation of the castor contract,” he said.

The association has also opposed the increase in trading hours for commodities markets as recommended by Sebi. “We feel the increase in the timing of the exchanges is not in the interest of stakeholders. Moreover, the objective of the exchanges of increasing volumes may also not be met,” he said.

Chaturvedi pointed out the concerned ministries in India and China are working to remove the logjam on exports of oilmeals to China.

“However, the recent thawing of trade relations between China and USA may queer the pitch and delay decision-making from the Chinese side. Our government would be well advised to keep up the pressure as Chinese market is very valuable for our soya and rape meal exports,” he said.

The Food Safety and Standards Authority of India (FSSAI), in an order, said manufacturing and expiry dates are required with regards to crude oil (edible grade).

The association has sent a representation that for primary foods like edible oil in bulk or loose form, only the name of food and address of the importer are required whereas for crude oil of edible grade, it is not applicable. The association has sought a reply from the FSSAI.

Recently, the FSSAI has also issued notification to regulate the advertising and claims on food products and issued another on amendments on Food Safety and Standards Regulations under which parameters for new oils, such as avocado oils, palm stearin, palm kernel sterin, palm kernel olein and palm super olein, have been defined. Further, the parameters for rapeseed (toria oil), mustard oil have been modified, he informed the association members.

Source: <https://www.financialexpress.com/market/sea-opposes-cut-in-import-of-duty-on-palm-oil/1420504/>