

Government likely to raise wheat import duty to 40%

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The government is likely to raise the import duty on wheat from the current 30% to 40% to rule out any possibility of cheaper imports amid the harvesting of the new crop.

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The Election Commission (EC) is likely to clear the proposal soon to increase the import duty on wheat to 40% after the plan was approved by a panel of secretaries last week, sources said. The Centre is expecting to buy 38-40 million tonne of wheat this year, after which the stock with FCI may reach to about 58 million tonne by end of May.

India had imported 5.75 million tonne (mt) of wheat in FY2016-17, against 518,000 tonne in 2015-16. The wheat import was 1.2 mt during 2017-18, while the increase in duty last year helped the country to check any import in 2018-19, officials said. India's wheat production is estimated at record 99.12 mt in 2018-19 crop year (July-June).

“There is no import happening now and the situation is unlikely to change after the increase,” a flour miller from Karnataka said. Normally, millers from the southern states import a few thousand tonnes due to better quality mainly to meet the

requirement of some specific wheat-based products. “However, everything depends on price,” he said, adding that the international price was not that cheaper.

The EC is also likely to clear the plan that will allow to sell 10 mt of wheat and 2 mt of rice under the open market sale scheme (OMSS) starting from this month itself. The agency had sold 0.8 mt of rice out of 2 mt allowed and 7 mt out of 10 mt of wheat sanctioned under OMSS in 2018-19FY.

Source: <https://www.financialexpress.com/economy/government-likely-to-raise-wheat-import-duty-to-40/1557195/>