

## **Government may restrict import of all types of refined edible oils**

The government is considering putting restrictions on the import of all kinds of refined edible oils while continuing to keep crude oils under the free category.

This will help India encourage import of more crude oils, facilitating better utilisation of the refining capacity of the domestic industry. Currently, both refined and crude edible oils are under the free category of foreign trade, resulting in an unrestricted inflow into the country. If the proposal gets through, refined oils can be imported only after obtaining an import licence while crude oils can continue to be shipped in on the basis of the import export code, without the requirement of any kind of licences.

“If refined edible oils are put in the restricted category, the import of crude oil will increase and domestic refiners will get business and in turn jobs will also be created. Currently, due to lower tariffs, refined oils are directly imported and packaged for selling in market,” SEA executive director BV Mehta said.

Apart from that, the government is also weighing the food ministry’s proposal of imposing either a 10% cess or 12% integrated GST (IGST) on refined palm oil.

“We have sent a proposal to the revenue department for increasing the IGST on imported crude to 12% to widen the tax gap between imported crude and refined oil. If we keep IGST on crude at the existing 5%, the gap will increase to 10%, bringing some relief for Indian refiners,” said a food ministry official.

**Source: The Economic Times**