

INDIA PLANS EXTRA TAX ON VEGETABLE OIL IMPORTS TO BOOST DOMESTIC OUTPUT: SOURCES

India plans to impose an extra 5% tax on vegetable oil imports within weeks and use the revenue to help boost the country's stagnating oilseed production, two government sources said.

Now, the government plans to create an oilseed fund by imposing the 5% surcharge, or cess, that will be used to help Indian farmers step up oilseed production, said the sources, who did not wish to be identified in line with government policy. Palm oil accounts for two-thirds of India's vegetable oil imports.

India currently imposes a 40% import tax on crude palm oil and 50% on refined palm oils. But shipments of refined palm oils from Malaysia have since January been taxed only at 45%, under an agreement with Malaysia. That led to a surge in refined palm imports in the first seven months of 2019.

Those tax rates will officially remain the same, but all products will be subject to the planned 5% surcharge in addition. India buys palm oils from Indonesia and Malaysia, soyoil from Latin America and sunflower oil from Black Sea nations.

Source: The Economic Times