

India's rice bran oil imports from Bangladesh are set to double in 2020-21

India's rice bran oil imports from Bangladesh are set to double in 2020-21, leaving the local industry located in the eastern parts of the country with only diplomatic options to try and cap these zero-duty shipments.

Imports of rice bran oil from Bangladesh have already hit 60,000 tonnes during the April-October period compared with 75,000 tonnes during 2019-20.

With the peak season of rice bran processing starting post-Diwali – as it is the harvest season for paddy – expect total imports of rice bran oil during 2020-21 fiscal would stand at 1.5 lakh tonnes.

Unlike palm oil, which was earlier being re-routed into India via Bangladesh to avail of a duty advantage, rice bran oil originates in Bangladesh and is protected under the South Asian Free Trade Agreement.

Rice bran oil is one of the fastest-growing categories among edible oils and their imports have been increasing over the past four years. Bangladesh has even imposed duty on export of rice bran to India.

Indian rice bran processors in the eastern parts of the country cannot compete as the rice bran oil imports are coming from Bangladesh at zero import duty.

Earlier, the SEA's complaints against cheaper palm oil entering the country via Bangladesh led to a halt of those imports with stricter enforcement of the laws.

Source: The Economic Times