**Govt slashes tariff value for edible oil import, may lead to lower domestic prices**

The government has reduced the tariff value for the **import** of edible oil, including palm oil, by up to USD 112 per tonne, a move which **experts** said can lead to lower domestic prices. The **Central Board of Indirect Taxes** and **Customs** (**CBIC**), through a notification, has cut the tariff import value of crude palm oil by USD 86 per tonne, and of RBD and crude palmolein by USD 112 per tonne each. It also reduced the base import price of crude soyabean oil by USD 37 per tonne.

The changes in tariff value of edible oil are effective from Thursday (June 17). Tax experts said the reduction in tariff value could result in softening of edible oil prices in the domestic market as customs duty payable on the base import price would come down.

The ripple effect of this slashing of base import price could be seen in the retail prices, provided the entire supply chain, including the manufacturers, distributors, and retailers, are ready to pass on this benefit to the ultimate consumer. Domestic edible oil prices have more than doubled in the past year. India meets about two-thirds of its edible oil demand through imports.

Tariff value is a deemed value fixed by the government for the purposes of payment of customs duty. This is to say that irrespective of the transaction value, a customs duty will have to be paid on the tariff value so fixed. "This reduction in the tariff value of edible oils by the government will imply a lower Customs duty payment, thereby entailing a reduction in cost for the importers and end-users/ consumers.