The Telegraph
02.01.2019

Move to lift sugar export

OUR SPECIAL CORRESPONDENT

New Delhi: The government has cut the import duty on crude and refined palm oil from Indonesia and Malaysia and other Asean nations as it now expects the two countries to purchase surplus sugar from India

The import duty on crude palm oil from Malaysia, Indonesia and other members of the Association of South East Asian Nations (Asean) has been cut to 40 per cent from 44 per cent, the Central Board of Indirect Taxes and Customs (CBIC) said in a notification.

The duty on refined palm oil from Malaysia has been lowered to 45 per cent from 54 per cent and to 50 per cent, if imported from the other members of Asean, which includes Indonesia. The two countries Malaysia and Indonesia had earlier stated they could consider sugar import from India if duties on palm oil were cut.

India is the world's largest sugar producer with a huge quantity of exportable surplus, while Indonesia is a major producer of edible oils, particularly palm.

LEVY LOGIC

- Import duty lowered on crude and refined palm oil from Indonesia and Malaysia
- Move to prompt two countries to purchase surplus sugar from India
- India imports 14-15mt of vegetable oil

India has held talks with various countries including China, Malaysia and Indonesia to export surplus sugar and help mills clear cane arrears to farmers. It has reached an agreement with Beijing to export the sweetener.

Commerce ministry officials said the two countries would buy sugar from the country and the amount of exports from India is under consideration.

India imports 14-15 million tonne (mt) of vegetable oils (edible and non-edible) annually to meet is domestic demand. The country imports palm oil from Indonesia and Malaysia.