



Foreign Agricultural Service

GAIN Report

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India

Oilseeds and Products

Oilseeds Report

2002

Approved by:

Chad Russell

U.S. Embassy

Prepared by:

V. Shunmugam

Report Highlights:

Government of India fixes reference price for crude soybean oil imports.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
New Delhi [IN1], IN

Government of India Fixes Tariff Value on Crude Soybean Oil.

Per customs notification No: 60/2002 the Government of India (GOI), fixed reference prices (the price to which the import duty is applied) for palm and palm products and crude soybean oil at the levels indicated in the table given below.

Table 1: Tariff Values on Edible Oils.

S. NO.	Chapter or heading or sub-heading	Description of Goods	Reference Price (US\$ per metric ton)
1.	15.11	Crude Palm Oil	392
2.	15.11	RBD Palm Oil	414
3.	15.11	RBD Palmolein	426
4.	15.11	Crude Palmolein	411
5.	15.07	Crude Soybean Oil	542

Following widespread complaints about under invoicing by importers of palm and palm products (constituting more than two thirds of total edible oil imports), the GOI had started to impose reference prices for palm and palm products in August, 2001. These reference prices have been amended thru subsequent notifications to reflect changes in the world market for palm products. With the recent allegations of under invoicing by soybean oil importers, the GOI had decided to impose a reference price of \$542 per ton for crude soybean oil imports. However, post is not sure as to how the GOI will manage the reference price regime, as on any given day and origin, the export price varies and with the applied tariff for crude soybean oil already at the WTO bound rate of 45 percent, there is every chance that the effective rate may exceed the bound rate as illustrated in the table below.

Table 2: Effective Tariff Rate on Crude Soybean Oil Per Sept 4, 2002 FOB Prices.

Country of Origin	Today's FOB Price - Crude Soybean Oil (\$/mt) 1/	Effective Tariff Rate (Percent)
Argentina	486	50.2
Brazil	486	50.2
US	510	47.8

1/ Based on quotes received by the Indian Trade.