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Tariffs on Desi Chickpeas Raised

Report Categories:

Agriculture in the Economy Grain and Feed Policy and Program Announcements

Approved By:

Mark Wallace

Prepared By:

Dr. Santosh K. Singh

Report Highlights:

On March 1, 2018, the Ministry of Finance notified raising the basic import duty on chick peas (0713 20 00) of *Desi* variety (small and dark chickpeas or Black gram) from 40 percent to 60 percent, but excluded *Kabuli chana* (large chickpeas) wherein the import duty remains unchanged at 40 percent.

General Information:

On March 1, 2018, the Ministry of Finance issued a <u>notification</u> raising the basic import duty on chickpeas (HS 0713 20 00) to 60 percent. In a <u>separate notification</u> issued on the same day, government has specified the category *Kabuli Chana* (large chickpea) under the HS 0713 20 00 where the basic custom duty remains unchanged at 40 percent. Earlier, on February 6th, the Ministry of Finance had <u>notified</u> increasing the import duty on chickpeas (HS 0712 20 00) from 30 percent to 40 percent (see GAIN report <u>IN8012</u>).

Thus, the Government of India has effectively raised the import duty on *Desi chana* (small and dark chickpeas or Black gram) from 40 percent to 60 percent. The duty change is scheduled to enter into force with immediate effect from midnight of March 1, 2018, Indian Standard time.

Table 1: Effective Import Tariffs on Chickpeas

HS Code	Description	Basic Duty (BD) on Assessable value	Social Welfare Surcharge (SWS) on AV+BD	Integrated GST (IGST) on AV+BD+IGST	Total Effective Duty (BD+ SWS+IGST)
07132000	Kabuli Chana	40 percent	10 Percent	Nil	44 percent
07132000	Others (Desi Chana)	60 percent	10 percent	Nil	66 percent

Exchange rate on Mar 5, 2018 1US\$= INR 64.70

Market sources report that the Government's earlier decision of raising the import duty to 40 percent had already stopped imports of chickpeas. The recent decision to raise the import duty on small dark chickpeas further to 60 percent is intended to send market signals to the local trade as farmers harvest the current chickpea crop.

Date of Announcement: March 1, 2018 **Date of Enforcement**: March 1, 2018

Products effected: Desi (small dark) chickpeas

Agency in Charge: Government of India's Ministry of Finance