

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## India

**Post:** New Delhi

### India Abolishes Import Duty on Crude Soybean Oil

**Report Categories:**

Trade Policy Monitoring

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**Report Highlights:**

Through an official notification issued on March 24, 2009, the GOI abolished the 20 percent import duty levied on crude, degummed soybean oil, bringing it even with other crude vegetable oils thus providing a level playing field for soybean oil in the Indian market.

**General Information:**

Through an official notification issued on March 24, 2009, ([www.cbec.gov.in/customs/cs-act/notifications/notfns-2k9/cs27-2k9.htm](http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2k9/cs27-2k9.htm)) the GOI abolished the 20 percent import duty levied on crude, degummed, soybean oil imposed on November 18, 2008, ([www.cbec.gov.in/customs/cs-act/notifications/notfns-2k8/cs122-2k8.htm](http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2k8/cs122-2k8.htm)) bringing it at par with other crude vegetable oils such as palm, sunflower, and rapeseed, thus ending the discriminatory treatment towards soybean oil.

Concerned about domestic food inflation, on April 1, 2008, the GOI abolished the import duty on crude palm, soybean, and sunflower seed oil, and also lowered the import duty on refined vegetable oils to 7.5 percent ([www.cbec.gov.in/customs/cs-act/notifications/notfns-2k8/cs42-2k8.htm](http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2k8/cs42-2k8.htm)). However, on November 28, 2008, the GOI imposed a 20 percent import duty on crude soybean oil, while keeping the import duty on other crude vegetable oils at zero. The recent removal of the import duty on crude soybean oil provides a level playing field for soybean oil in general and for U.S. soybean oil in the Indian market. Following the duty removal, India has already bought 35,000 tons of U.S. soybean oil during the week of March 20 to 26. This is the first commercial sale of U.S. soybean oil to India since 2002. According to trade sources, additional U.S. sales are in the pipeline.