

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3381  
ANSWERED ON:12.05.2006  
CUSTOMS DUTY ON EDIBLE OILS  
Murmu Shri Hemlal;Shakya Shri Raghuraj Singh

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Vanaspati Industries have to pay the customs duty upto 89% on raw material (Crude Palm Oil) in the country when the Vanaspati itself is allowed to be imported duty free from Sri Lanka and neighbouring countries;
- (b) if so, the reasons thereof;
- (c) the quantum of Vananspati and oil items have been imported in the Country during the last three years and thereafter;
- (d) the customs duties imposed by the Government for import of these items, and
- (e) the steps taken by Government for provisioning of import duty on import of Vanaspati and various edible oils?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a)&(b) Main raw material for manufacture of vanaspati is Crude Palm Oil, which attracts basic customs duty of 80%, education cess @ 2% of the aggregate of customs duty and 4% additional duty of customs. As against this, vanaspati in general attracts 80% basic customs duty, 2% of the aggregate of customs duty as education cess and 4% additional duty of customs. However, vanaspati imported from Nepal (upto one lakh MT in a year) and Sri Lanka attracts nil customs duty and 4% additional duty of customs.

(c) Details as under Annexure `A`.

(d) Details as under Annexure `B`.

(e) In this year's budget, talking into account the problems of vanaspati industry, basic customs duty on vanaspati was raised from 30% to 80%.

**TOTAL IMPORT OF VANASPATI AND EDIBLE OIL DURING PAST THREE YEARS**

(i) Total import of vanaspati during past three years has been as under:

Year 2003-04 2004-05 2005-06 (Apr. to Sep.,05)

Quantity 55,537 62,926 1,27,322  
in MT

Source: DGCI&S

(ii) Import of edible vegetable oils during last three years is as under:

[In Lakh MT]

Oil Crude Crude Crude RBD Soya Sun Other Total  
Year Palm olein Palm Palmo bean Flower Oils  
(Nov- Oil Kernel lein oil` Oil  
Oct) Oil

2002-03 21.51 12.62 0.78 3.19 11.97 0.95 0.13 51.15

2003-04 20.60 4.92 0.64 7.97 9.06 0.76 0.02 43.97

2004-05 23.61 1.87 0.33 4.23 20.26 0.05 0.07 50.42

2005-06  
(Nov.  
toMar06) 7.29 0.20 0.11 0.67 5.41 0.75 0.03 14.47

Source: Solvent Extractors Association of India

Annexure `B`

CUSTOMS DUTY STRUCTURE OF MAJOR EDIBLE OILS IS AS UNDER:

Item ## Customs duty on ##Customs duty on  
Descrip Crude Edible Oils# Reined Edible Oils#  
tion

Soyabean Oil 45% 45%

Palmolein 80% 90%

Palm Oil 80% 90%

Groundnut Oil 85% 85%

Sunflower/Safflower Oil 75% 85%

Coconut Oil 85% 85%

Rapeseed/Mustard Oil 75% 75%

Other Oils 85% 85%

# In addition edible oils (except soya bean oil, rape seed oil and mustard oil) attract education cess 2% of the aggregate of customs duty.

## With effect from 1.3.2006, all these oils will also attract a special additional duty of customs @ 4%.