

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:165
ANSWERED ON:25.07.2006
IMPORT OF VANASPATI THROUGH NAFED .
Singh Shri Kirti Vardhan

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) The quantity of Vanaspati imported from Srilanka under Free Trade Agreement during 2005-06 and the current year;
- (b) Whether the Government has decided to canalise import of Vanaspati from Srilanka through NAFED as reported in the "Economic Times" dated June 6, 2006;
- (c) If so, the details and reasons therefor; and
- (d) The benefits likely to be accrued by the Indian Vanaspati industry as a result thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JAIRAM RAMESH)

(a) The quantity of Vanaspati imported from Sri Lanka under India-Sri Lanka Free Trade Agreement (FTA) during 2005-06 and the current year is as follows:

	Quantity 2005	Quantity(In MTs) 2006
January	04574.94	12427.80
February	06106.86	20697.89
March	06383.09	19010.11
April	07459.66	14096.77
May	06749.68	21414.64
June	14333.03	
July	18992.07	
August	13958.20	
September		21891.80
October	19188.57	
November	27085.75	
December	23849.46	
Total	170573.11	87647.21

Source: High Commission of India, Colombo, Sri Lanka

(b) & (c): Yes. Government of India vide Notification No. 17(RE-2006) /2004-09 dated 2nd June, 2006, has decided that all import of Vanaspati including Bakery Shortening and Margarine under the India-Sri Lanka FTA shall be made available by National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED). The reason for canalisation was to ensure better geographical spread of Vanaspati imports from Sri Lanka which would minimise injury to Vanaspati industry in a localised area. This would result in the equitable distribution of Vanaspati throughout the country uniformly round the year and at a pre determined prices on a monthly basis.

(d): The likely benefits which could accrue to our domestic Vanaspati industry as a result of canalisation would be

- (i) increased capacity utilisation of domestic Vanaspati manufacturing units,
- (ii) stability of prices,
- (iii) better geographical spread of Vanaspati imported from Sri Lanka and
- (iv) overall arrest the adverse impact on the other sectors of industry including oil seed growers.