

# India interrupt import of palm oils from Nepal

Recently India's ministry of commerce and industry has been suspended due to imported license for refined palm oil on the intuition that these export shipments from Nepal, Bangladesh, and Indonesia are taking place without strict adherence of 'Rules of origin'. India has suspended 39 licenses to import refined palm oil illegally from neighboring countries i.e. Nepal, Bangladesh. All 39 licenses were issued to different firms.

The suspension of license is not a surprise for many market contributors. Nepal and Bangladesh were exporting these refined palm oil with 0 rate custom duty to India under the South Asia Free Trade Agreement, which was conditional to 'Rule of origin' criteria. Under the new rules, firms are required to obtain an import license from the directorate.

The import of refined palm oil has been rising for the last few months and they were affecting the domestic refiners and local jobs stated as per the report. The motive behind the movement of the imports of refined palm oil to the restricted list was to protect the local refining industry. The Indian refineries were opposing these refined palm oil from a very long period as they were hurting the domestic refiners and oilseed growers.

The firm was holding the license engaged to import 454,301 tonnes of refined palm oils including 293,000 tonnes from Nepal only.

By stopping the imports of cheap oil is undoubtedly beneficial for India's domestic refineries. Both refined and crude edible oils were under the free category of foreign trade, as a result, they were unrestricted inflow into the country.

But by putting these edible oils in the restricted category, it will be a profit for India as it will increase the import of crude oil and domestic refiners will get business and in return, it will create employment for a lot of people. This will also help India to encourage the import of more crude oils which will be facilitating better utilization of the refining capacity of the domestic industry.