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● IMPORT DUTY CUT

Pass on edible oil price benefit to consumers: Centre to states

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RETAIL EDIBLE OIL prices are expected to decline by approximately ₹15-20 per kg post import duty cut, the Centre said on Thursday and directed eight major producing states to ensure this benefit is passed on to consumers, providing relief during the festival season.

On Wednesday, the government scrapped basic customs duty on crude varieties of palm, sunflower and soyabean oils as well as cut duties on refined edible oils to ease retail prices of cooking oils, it said.

"This step (import duty cut on edible oils) of the Government of India may cool down the domestic prices of edible oils in India. This will benefit the consumers by ₹15 to 20 per kg of edible oils," the food minister said in a statement.

The directive has been issued to Rajasthan, Madhya Pradesh, Maharashtra, Gujarat, Uttar Pradesh, West Bengal, Tamil Nadu and Andhra Pradesh

To ensure this benefit is passed on to consumers, the ministry has written to all major edible oil producing states to take "appropriate and immediate action" to ensure prices of edible oils are brought down to commensurate levels in line with the import duty reductions.

The directive has been issued to Rajasthan, Madhya Pradesh, Maharashtra, Gujarat, Uttar Pradesh, West Bengal, Tamil Nadu and Andhra Pradesh.

"...the state government has

to now ensure that full benefit of duty reduction made by the Centre is passed on to the consumers in order to provide immediate relief from the prevailing high prices of edible oils, especially during the ensuing festival season," it added.

According to the ministry, this would also help bring down food inflation.

Post reduction, the effective customs duty on crude palm oil stands at 8.25%, while on crude soyabean oil and crude sunflower oil is 5.5%. Earlier, the effective duty on these three crude items was 24.75% each.

The cut in import duty and cess, effective from October 14, will remain in force till March 31, 2022. Agri infrastructure development cess has also been reduced on crude palm oil, crude soyabean oil and crude sunflower oil.