

Statement

A. Steps taken to address the price rise in the country:

1. Fiscal Measures

- Reduced import duties to zero - for sugar, rice, wheat, pulses, edible oils (crude) and maize;
- Reduced import duties on refined & hydrogenated oils & vegetable oils to 7.5%;
- Allowed import of raw sugar at zero duty under O.G.L upto 1.8.2009 by sugar mills (notified on 17.4.2009). This has since been extended up to 31.3.2010.
- Allowed import of raw sugar at zero duty under O.G.L. up to 01.08.2009 by sugar mills (notified on 17.04.2009). This has since been extended up to 31.3.2010 (notified on 17.4.2009). Furthermore, import of raw sugar has been opened to private trade up to 31.3.2010 for being processed by domestic factories on job basis (notified on 31.7.2009).
- Allowed import of white/refined sugar by STC/MMTC/PEC and NAFED up to 1 million tons by 01.08.2009 under O.G.L. at zero duty (notified on 17.04.2009). This has since been extended upto 30.11.2009. Furthermore, the duty free import of white/refined sugar under OGL has been opened to other Central/State Government agencies and to private trade in addition to existing designated agencies.
- Removed levy obligation in respect of imported raw sugar and white/refined sugar.

2. Administrative Measures

- Permitted the export of edible oils in branded consumer packs of up to 5 kgs, subject to a limit of 10,000 tonnes up to 30th September 2010.
- Permitted export of wheat and wheat products (atta, maida and suji) on private account after 15th May 2009, with a cap of 2 million tonnes in 2009-10.
- Banned export of non-basmati rice, edible oils and pulses (except kabuli chana).
- Effectuated no changes in Tariff Rate Values of edible oils;
- Imposed stock limit orders in the case of paddy, rice, pulses, sugar, edible oils and edible oilseeds upto 31.9.2010;
- Using Minimum Export Price (MEP) to regulate exports of onion (averaging at \$445 per tonne for October 2009) and basmati rice (\$900 PMT);
- Maintaining the Central Issue Price (CIP) for rice (at Rs 5.65 per kg for BPL and Rs 3 per kg for AAY) and wheat (at Rs 4.15 per kg for BPL and Rs 2 per kg for AAY) over the last five years;