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Date: 5/7/2001

GAIN Report #IN1021

India

Trade Policy Monitoring

GOI Restricts Entry Points for Sensitive Imports

2001

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Report Highlights:

In an effort to curb the flow of edible oil and other sensitive products, the GOI has restricted their import to just 11 of India's 215 entry points.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
New Delhi [IN1], IN

Continuing its efforts to curb imports (mostly agricultural) following the April 1 removal of quantitative restrictions, the Director General of Foreign Trade (DGFT) has issued a notification restricting the import of 300 sensitive products through just 11 of India's 215 custom notified points (6 seaports, 4 airports and one inland container depot).

A major casualty of the new policy will be the import of vegetable oils, which the GOI has been trying to limit for the past two years. At least one-third of India's 4.5 million tons of oil imports has been entering through Kandla and other Gujarat ports. According to trade sources, the exclusion of Gujarat, and several South Indian ports, will cause serious logistical problems and higher freight costs. Moreover, importers who have built storage near the excluded ports will now incur losses.

The 11 entry points are Mumbai, Jawhal Nehru, (Nhava Sheva port near Mumbai), Kolkata, Chennai, Vizagh and Cochin (seaports); Delhi, Mumbai, Chennai and Calcutta (airports); and Tughlakabad in New Delhi (inland container depot. Major ports such as Kandla, Kakinada, Tuticorin, Mangalore, Mundra, Jamnagar, Bedi are excluded.

The 300 sensitive items to be funneled through the 11 designated entry points are poultry meat, milk powder and products, coconuts, almonds, pistachios, raisins, most fruits (oranges, apples, strawberries, lemons, kiwi fruit, pomegranates, etc.), coffee, tea, spices, wheat, corn, rice, most vegetable oils, sugar, wine, other alcoholics beverages, cotton, etc. (A complete list of the 300 sensitive products and the ports through which they can enter is available at the DGFT website:

<http://dgft.delhi.nic.in/exim/2000/not/not01/not1100.htm>.)