

## Impact of removal of QRs on imports

6.23 Actual import of 300 sensitive items, monitored by an Inter- Ministerial Group set up in the wake of removal of QRs on balance of payments basis, revealed a growth (in dollar value) of only 2.9 percent in 2001-02, the growth being almost entirely accounted for by higher import of cotton. While import of edible oils increased marginally, those of fruits & vegetables, food grains and milk & milk products showed a sharp decline at broad group level in 2001-02. Similarly, import of these items in the current year also do not indicate any unusual surge with imports rising by 9.2 percent in April-November, 2002, due mainly to higher imports of edible oils, fruits and vegetables, automobiles and milk products (Table 6.6).

6.24 A significant feature of the edible oil import is that while imports of crude palm oil have gone up, that of refined palm oil have gone down, leading to a better utilization of the domestic processing capacity. To regulate

the import of palm oil, the Government has already fixed tariff value for assessment of customs duty which is being revised from time to time. Other corrective measures taken by the Government so far, on the recommendations of the monitoring group include stipulation of conditions for import of cars, including second hand cars and other vehicles, conditions for import of tea waste, imposition of mandatory Agmark quality standards on import of blended edible oil and fats, imposition of conditions as per meat, food and products order on import of meat and poultry products, imposition of conditions as per Fruits Products Order (1955) on import of fruit products, import of all food products subject to conditions of the Prevention of Food Adulteration (PFA) Act, imposition of Bureau of Indian Standards (BIS) mandatory norms for import of 135 specified items, import of primary agricultural products subject to bio-security and sanitary, phyto-sanitary import permits and import of alcoholic beverages made subject to domestic regulations.

**Table 6.6 : Import of 'sensitive' items, April-November 2002 – Provisional estimates**

Items	No. of items	Value in US \$ million	
		April-November, 2001	April-November, 2002
1. Milk & milk products	22	2.1	6.4
2. Fruits & vegetables	48	123.0	228.1
3. Poultry	13	0.05	0.01
4. Food grains	12	0.6	0.3
5. Edible oils	27	984.0	1085.1
6. Alcoholic beverages	8	4.3	3.4
7. Cotton & silk	6	411.5	291.3
8. Automobiles	32	9.3	48.2
9. Products of concern to SSI*	20	15.2	18.5
10. Others**	112	69.1	86.9
Total	300	1619.1	1768.2
* Umbrella, locks, toys, writing instruments, tiles, glassware etc.			
** Wheat floor, sugar, cigarette & salt, tea & coffee, spices, rubber, marble & granite.			