GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

RAJYA SABHA
UNSTARRED QUESTION NO. 2292
TO BE ANSWERED ON 5TH AUGUST, 2022

ILLEGAL IMPORT OF ARECANUT

2292. SHRI ANEEL PRASAD HEGDE:

Will the Minister of **COMMERCE & INDUSTRY** be pleased to state:

(a) whether there has been a drastic fall in arecanut prices in local market due to illegal import of arecanut/betelnut from Indonesia and Myanmar by resorting to misclassification of HSN code;
(b) if so, the remedies contemplated thereof;
(c) whether Government is aware that the country is self dependent on arecanut crop which is cultivated by lakhs of farmers in the country's North East and Southern India and its import/illegal import hurts the farmers while depriving the country of crores of rupees due to tax evasion; and
(d) if so, the remedies contemplated thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SMT. ANUPRIYA PATEL)

(a): No Sir. As per the available data, there has been substantial increase in the domestic prices of arecanut from Sep 2019 (Rs. 25,000/-) to Sep 2021 (Rs. 47,125/-) i.e. 88 % increase in Kasaragod and (Rs. 21,600/- to Rs. 39,000/-) 80% increase in Kozhikode. There is no misclassification with reference to HSN Code of arecanut which are imported with the ITC (HS) Codes such as 0802 8010 (Whole arecanut), 0802 8020 (Split arecanut), 0802 8030 (Ground arecanut), 0802 8090 (Other arecanut) & 2106 9030 (Betel nut product known as "supari").

(b): Does not arise.

(c) & (d): The domestic production of arecanut during 2021-22 is around 13.99 lakh Tonnes from an area of 7.77 lakh hectare. 25,979 Tonnes of arecanut was imported during 2021-22, which is less than 2% of the domestic production of arecanut. This insignificant import of arecanut does not have any impact on domestic price. However, Government of India have taken the following measures to discourage the import of arecanut into the country: -

(i) The arecanut import in the country is restricted by imposing an import duty of 100%. (However, as per the Notification No. 99/2011-Customs dated 09-11-2011, the least developed SAARC countries like Bangladesh, Bhutan, Maldives, Nepal and Afghanistan have been exempted from paying the whole of this import duty).

(ii) Minimum Import Price (MIP) on arecanut has been imposed at a CIF (Cost, Insurance and Freight) value of Rs 251/kg to restrict the unabated import and thus to prevent entry of inferior quality arecanut into Indian market and destabilizing the domestic prices. MIP below Rs. 251/kg has been prohibited since July 2018.

(iii) The Food Safety and Standards Authority of India (FSSAI) has advised its field offices to stringently adhere to the quality standards of arecanut before clearing the import consignments.

(iv) Customs authorities have been advised to check the Rules of Origin with utmost care so as to ensure that arecanut grown in countries other than SAARC is not imported through our neighbouring countries taking advantage of import duty exemption under SAFTA.

(v) All the field formations and Directorate of Revenue Intelligence (DRI) under CBIC keep strict vigil on economic frontiers to prohibit illegal import of arecanuts.

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