

07/05/2001

Malaysia to urge India to cut tariff

MALAYSIA will urge India to cut its high tariffs on imported palm oil when Prime Minister Atal Behari Vajpayee visits the country next week, Primary Industries Minister Datuk Seri Dr Lim Keng Yaik said.

Prime Minister Datuk Seri Dr Mahathir Mohamad has agreed to raise the matter with Vajpayee, Lim said on Saturday.

In February, India imposed its heaviest-ever import duty of 75 per cent on crude palm oil and 85 per cent on refined palm oil to stem imports and protect the local industry.

Malaysia and Indonesia, the world's largest palm oil producers, have urged India to cut palm oil import duties to 45 per cent to make it at par with soybean oil.

Lim, according to Bernama, said this disparity has caused a discount for soybean oil to the tune of US\$80 (RM308) a tonne. "At the present palm oil price of US\$220 per tonne, such a discount is a lot of money," he said.

Lim said he is confident the Indian Prime Minister will be sympathetic to Malaysia's case.

He said Malaysia exported about 2.4 million tonnes of palm oil to India last year.

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