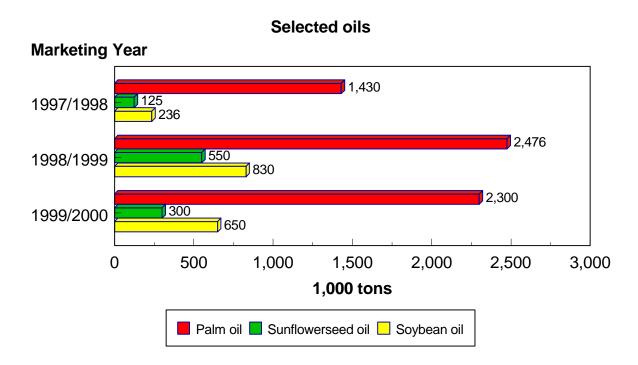


Foreign Agricultural Service

Circular Series FOP 11-99 November 1999

Oilseeds: World Markets and Trade

India: Imports of Edible Oils Expected to Slow After Reaching a New Record in 1998/99



According to preliminary data for the 1998/99 marketing year India has imported a record 4.14 million tons of edible oils, making the country the single largest edible oil importer in the world. This level of imports represents a more than 116 percent increase from 1997/98. The lion's share belongs to palm oil with 60 percent of total imports while soybean oil and sunflowerseed oil imports account for 20 and 13 percent, respectively. Imports of rapeseed oil also increased in 1998/99 reaching 241,000 tons or almost 6 percent of total imports. The record level of imports for 1998/99 can be attributed to strong domestic demand, recent national elections and lower prices for vegetable oils. India is expected to maintain its status as one of the largest importers of edible oils in the world not only because of its strong domestic demand but also because of the existing phytosanitary barriers to trade in soybeans. Due to these barriers crushing capacity is underutilized and imports represent more than 44 percent of total consumption. For the 1999/2000 marketing year imports of edible oils are expected to decline as part of the imports that occurred in the last two months (August and September) of the 1998/99 marketing year will be consumed in 1999/2000. Stronger prices are also expected to slow imports.