

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

LOK SABHA
UNSTARRED QUESTION NO. 728
ANSWERED ON 07/02/2024

ILLEGAL IMPORT OF ARECANUT

728. SHRI NALIN KUMAR KATEEL:
SHRI RAJMOHAN UNNITHAN:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the Government is aware that Arecanut is illicitly transported into India through airports, utilizing domestic supply routes;
- (b) if so, the details thereof;
- (c) whether the Government is taking any appropriate measures to check the illegal transport of Arecanut through airports;
- (d) if so, the measures that are being taken/to be taken by the Government to protect the interest of the arecanut growers of India especially from Kerala; and
- (e) the current status of Arecanut import/export in India?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्रीमती अनुप्रिया पटेल)

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

(a) & (b) The Customs Field Formations and Directorate of Revenue Intelligence (DRI) under Central Board of Indirect Taxes (CBIC) as well as State Commercial Tax Departments keep constant vigil for illicit transportation of arecanut into India through air/sea & land ports and take appropriate actions as per the provisions of law to prevent imports through adoption of various deceptive methods.

The details of seizure of arecanut attempted to be illegally imported or being smuggled effected through airports and air cargo made by Customs Field Formations during the last two financial years are as follows:

Financial Year	No. of Cases	Quantity seized (in Kg)	Value (in Rs. Crore)
2021-22	4	15,296	0.52
2022-23	12	14,188	0.56

(c) & (d) The CBIC, through its Field Formations and DRI, keeps a strict vigil at the possible areas prone to illegal transportation of arecanut and take appropriate action in accordance with the provisions of the Customs Act, 1962.

In addition, the Government of India have also taken the following measures to restrict the illegal import of arecanut into the country and to protect the interest of the arecanut growers of the country (including Kerala):-

(i) Stringent adherence of quality standards by field offices of Food Safety and Standards Authority of India (FSSAI) before clearing the import consignments.

(ii) Strict examination of the ‘Rule of Origin (RoO)’ of arecanut by Customs Field Formations to ensure that arecanut grown in countries other than SAARC is not imported through our neighbouring countries taking advantage of import duty exemption under trade agreements.

(iii) Import of Arecanut into the country is restricted through an Import Duty of 100% which is the Bound Rate of Duty.

(iv) The Government have also revised Minimum Import Price (MIP) to curb the unabated import of arecanut into the country and thus to prevent entry of inferior quality arecanut into Indian markets and destabilizing the domestic prices. Accordingly, import of arecanuts (under ITC HS Code: 080280) and ‘betelnut products known as Supari’ (under ITC HS Code: 2106 9030) are “free” if CIF (Cost, Insurance & Freight) value is equal or above the revised MIP value of Rs. 351/- per Kg. and the import of such products have been “prohibited” if CIF value is less than Rs. 351/- per Kg. The MIP conditions shall not be applicable for imports by 100% Export Oriented Units (EOUs) and units in the Special Economic Zones (SEZs) subject to the condition that no Domestic Tariff Area sale is allowed.

(v) CBIC periodically revises the Tariff Value for import of arecanut. The Tariff Value is presently at USD 8140 per MT [vide CBIC Notification No. 09/2024-Cus.(NT) dated 31.01.2024] and the Basic Customs Duty is 100% ad-valorem.

(e) The details of import and export of arecanuts (ITC HS Code: 080280) into India during the last three years and current year are given as under:-

(Quantity in MT & Value in USD Million)

Financial Year	Import		Export	
	Quantity	Value	Quantity	Value
2020-21	23,988	68.41	854.69	4.65
2021-22	25,979	90.18	6,663	21.21
2022-23	73,983	258.19	13,765	60.00
2023-24* (April - Nov.)	30,271	118.45	8,208	36.14

Source: DGCI&S (* provisional data)

In addition, the Government, vide Notification No. 36/2015-2020 dated 28th September, 2022 read with Notification No. 17/2023 dated 3rd July, 2023, has allowed import of 17,000 MT of fresh (green) arecanut from Bhutan every year without MIP condition and such imports are allowed only through LCS Jaigaon (INJIGB) and LCS Chamurchi (INCHMB) and such imports are subject to a valid port-specific Registration Certificate issued by the Directorate General of Foreign Trade (DGFT).
