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VN Dalmia
President

PRESS RELEASE

New Delhi, February 1. The Indian Olive Association strongly criticizes the increase today in import duty rates on olive oil. Duty rates have been increased on crude (extra virgin) olive oil from 12.5% to 30% and on refined (olive oil and olive pomace oil) from 20% to 35%. The rate increases are exorbitant and extraordinary. These rates are made even more unreasonable due to the following reasons:

1. Olive Oil is not a crop grown in India:

There is no domestic production of olive oil in India; hence there are no domestic farmers who are affected by olive oil imports or who need protection.

2. Olive oil prices at origin increasing:

Prices of other edible oils may have declined but olive oil prices have not experienced any such trend. In fact, landed prices in India have risen in the past few months. Due to successive droughts in the producer countries, mainly Spain and Italy, landed prices have almost doubled in the last 2 years and this is expected to continue in the months to come. Prices of seed oils may have declined but olive oil prices have shown a vastly increasing trend.

3. Euro appreciation:

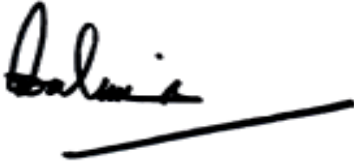
The conversion rate of Euros to Rupees has appreciated steeply thus causing its own impact on the landed price of olive oil in India. In the last quarter alone, the rate of the Euro has increased from Rs.76 to Rs.80 (rounded).

4. Health issues in India and Olive Oil benefits:

India holds the No.1 rank in the world for cardiac disease and diabetes. Olive oil comprises about 75% mono-unsaturated fatty acids which help in:

- Lowering bad cholesterol and hence, cardiac risk
- Reducing risk of Type 2 Diabetes
- Minimizing cancer risk as olive oil is rich in antioxidants among a host of other benefits.

Increasing prices at origin due to drought, appreciating Euro and duty increases constitute a *triple whammy* that will out-price olive oil for the Indian consumer. The government's effort should be to make the product increasingly accessible to the Indian consumer given its overarching and universally accepted health benefits. Instead, it's misconceived and misguided actions are resulting in exactly the opposite.

A handwritten signature in black ink, appearing to read 'Dalmia', with a long horizontal line underneath it.

VN Dalmia
President

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