



KAMARAJ IAS ACADEMY
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Minimum Export Price

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Why is in news? Government notifies Minimum Export Price (MEP) of USD 800 per Metric Ton on onion export to maintain domestic availability

The Government notified Minimum Export Price (MEP) of USD 800 per Metric Ton, FOB basis, on onion export with effect from 29th October, 2023, till 31st December, 2023.

The measure has been taken to maintain sufficient availability of onion to domestic consumers at affordable prices as the quantity of stored rabi 2023 onion is declining by curbing the quantity of onion exports.

The decision to impose the MEP of USD 800 per MT shows the determination of the Government to keep onion affordable to the domestic consumers.

About:

It is the **price below which an exporter is not allowed to export** the commodity from India.

It is imposed in view of the **rising domestic retail / wholesale price or production disruptions** in the country.

It is a **kind of quantitative restriction** to trade.

Government **fixes MEP for the selected commodities** with a **view to arrest domestic price rise** and augment domestic supply.

This is intended to be **imposed for short durations** and is removed when situations change.

The removal of MEP helps farmers / exporters in realising better and remunerative prices.

MEP was first implemented on basmati rice in FY11 to deter exports, and is typically implemented to contain surging domestic prices because of production disruptions.

As per **section 5 of the The Foreign Trade (Development and Regulation) Act, 1992**, the Central Government may, from time to time, formulate and announce by notification in the Official Gazette, the export and import policy and may also, in the like manner, amend that policy.

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