

Importers may find FSSAI's proposed regulatory amendments 'unpalatable'

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The latest proposal of the Food Safety and Standards Authority of India (FSSAI) to make registration, inspection and audit mandatory for foreign food manufacturing facilities that export food products to India in certain categories, could be seen as a "non-tariff" trade barrier and will increase the compliance burden for food importers.

In a move that has caught food importers by surprise, the FSSAI is mulling amendments in import regulations, and in certain categories has proposed – based on food safety risk analysis – making registration, inspection and audit mandatory for foreign food manufacturing facilities that export to India.

The FSSAI has not outlined the food categories in its draft regulation. But industry players said categories such as meat, dairy, water, infant food or products for special dietary purposes are considered to be high-risk food product categories. The regulator has now sought views from stakeholders on the proposed Food Safety and Standards (Import) Amendment Regulations, 2020.

More clarity sought

Meanwhile, industry associations have sought more clarity on the food categories that will come under the ambit of the proposed regulations.

"The Food Authority may, from time to time, based on the risk, specify the categories of food products to be exported to India, for which inspection or audit of Foreign Food manufacturing facilities producing such categories of foods shall be mandatory," the draft regulation stated. The draft regulations added that such foreign manufacturing facilities will need to register with the food authority "before exporting to India". Such facilities will be allowed to register with the FSSAI, either directly or through food importers.

According to the draft regulations, the food safety authority will nominate officials from the FSSAI and relevant Ministry, organisation or departments for inspection of these international food manufacturing facilities.

"Foreign food manufacturing facility found to be in compliance of FSS Act rules and regulation made there-under shall be registered as Foreign Food manufacturing facilities for a period of five years," the draft regulations added. It added that the international manufacturing facilities that are not in compliance with the rules and regulations of the FSS Act will be rejected, and may be allowed to apply for registration again after taking remedial actions following the requisite procedures.

Such international food manufacturing facilities that export to India (based on the categories identified by the regulator that require mandatory audit) will also be required to get their facilities audited by an audit agency recognised by the FSSAI. "Frequency of audit shall be specified by the Food Authority from time to time," the draft regulations stated.

"If foreign food manufacturing facility or their food products are found not to be in compliance of the FSS Act rules and regulation made there-under, their registration as foreign food manufacturing

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facilities shall be suspended or cancelled. However, the Food Authority may review the same after giving opportunity for hearing or clarification as deemed fit," the draft regulations stated.

Ease of doing business

Food importers have raised concerns about potential delays and hindrances in the ease of doing business. Amit Lohani, Founder- Director, Forum of India Importers (FIFI), said: "Prima facie this appears to be trade restrictive and the FIFI is seeking more details from the FSSAI in terms of product categories included, inspection criteria, and other information. In the current era of globalisation, India cannot be seen as a country which on one hand is inviting investors and on other hand taking such restrictive measures."

Lohani said that this may be viewed as a "non-tariff barrier to trade", and there are fears "similar kind of translation coming to goods exported from India to the world". He added that government bodies should consider the Atmanirbhar campaign as more holistic and inclusive.

Subodh Jindal, President, All India Food Processors' Association, said: "The compliance burden on importers, importer entities and government authorities will increase considerably if the proposed regulations are implemented. It is observed that there is a lot of pendency faced by importers at the ports. The authorities should first focus on making the entire process of imports and testing of products more seamless and quick so that importers do not suffer delays."