

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:876
ANSWERED ON:26.02.2009
IMPORT DUTY ON TMT
Vijay Krishna Shri

Will the Minister of STEEL be pleased to state:

- (a) whether the Government has withdrawn the exemption of import duty on Thermo Mechanically Treated (TMT) which provides relief to domestic manufacturers of the items used for the construction sector;
- (b) if so, the details and the reasons therefor; and
- (c) the measures taken by the Government to sustain the steel industry in the light of the Global slowdown?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF STEEL (SHRI JITIN PRASADA)

(a) Yes, Sir.

(b) The steel prices had seen a huge upswing last year. In order to contain the upswing in prices and ensure availability of steel in the domestic market the Government took various fiscal and other measures which inter-alia included abolition of duty on import of steel and abolition of CVED on import of TMT bars and rods, which is widely used in the construction sector. However in view of the slowdown in the steel sector due to the global economic crises, the market situation has undergone a change and in the face of declining steel demand and increasing volumes of imports the Government has reversed some of the measures taken earlier and re-imposed import duty on iron and non-alloy steel items at 5%, w.e.f.18.11.2008 and countervailing duty (CVD) on import of TMT bars and structurals w.e.f. 2.1.2009.

(c) The Government is closely monitoring the situation and is in continuous dialogue with the steel industry. The following measures have already been taken by the Government in view of the current downturn:

- (i) Export Duty on all steel items (except melting scrap) withdrawn w.e.f. 31.10.2008.
- (ii) DEPB on steel items restored w.e.f. 14.11.2008.
- (iii) Import Duty on iron and non-alloy steel items re-imposed at 5%, w.e.f. 18.11.2008.
- (iv) 'Hot Rolled Coil' brought into restricted category of import w.e.f. 21.11.08
- (v) CENVAT on steel items reduced from 14% to 10% w.e.f. 7.12.2008.
- (vi) Countervailing duty (CVD) on TMT bars and structurals reintroduced w.e.f., 2.1.2009.