

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:1892
ANSWERED ON:05.08.2010
IMPORT DUTY ON POWER GENERATION EQUIPMENTS
Aaron Rashid Shri J.M.

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether Planning Commission has recommended a fourteen per cent import duty on power generation equipment;
- (b) if so, the reasons for imposing such a import duty;
- (c) whether Government is aware that manufacturers like Bharat Heavy Electricals Limited will be impacted with this duty which will limit their competition from overseas market particularly Chinese market; and
- (d) if so, the steps being taken to withdraw the duty forthwith?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI ARUN YADAV)

- (a) & (b) : A Committee under the Chairmanship of Member (Industry), Planning Commission was constituted to suggest options and modalities to take care of the disadvantages suffered by the domestic industry related to mega power projects in the power sector. The committee has inter-alia recommended that to bridge the disadvantage of about 14% suffered by the domestic industry related to mega power projects, the import duties may be brought at par with the non-mega power projects by way of levy of Custom duty @ 10%, additional custom duty - 'Nil' and SAD (special additional duty) @ 4%.
- (c) : The imposition of above mentioned duty will help the domestic industry in both the private and public sector, including Bharat Heavy Electricals Limited (BHEL), in getting a level playing field to compete on an equal footing vis-À-vis foreign suppliers/manufacturers, particularly from China.
- (d): Does not arise at this stage.