

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3205
ANSWERED ON:19.08.2011
IMPORT DUTY ON MACHINE TOOLS
Singh Shri Dhananjay

Will the Minister of FINANCE be pleased to state:

- (a) the item-wise rates of duty levied on import of machine tools;
- (b) whether the present import duty on machine tools is lower than the prescribe World Trade Organisation (WTO) limit;
- (c) if so, the reasons therefor; and
- (d) the total loss incurred made by the Government due to low import duty?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM)

- (a) The import of machine tools attracts Basic Customs Duty @ 7.5%, Additional Duty of Customs @ 10% and Special Additional Duty @ 4%. In addition, Education Cess and Secondary & Higher Education Cess of 2% & 1% respectively on the duties collected are also applicable. However, Basic Customs Duty is nil for specified machine tools owing to WTO bindings or for certain end uses such as petroleum operations.
- (b) Yes, Sir. The WTO-bound rates are higher in many cases.
- (c) As part of economic reforms, the Government has consistently reduced customs duty rates on imports to improve the competitiveness of domestic manufacturing and to enable industry to procure raw materials, intermediates & capital goods at a reasonable cost.
- (d) Does not arise in view of (c) above.