

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1693
ANSWERED ON:22.08.2012
RELAXATION OF IMPORT DUTY
Singh Shri Ganesh

Will the Minister of FINANCE be pleased to state:

- (a) whether import duty relaxation has been granted on any item in the wake of rising inflation; and
- (b) if so, the details thereof and its positive effects on prices, item-wise?

Answer

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

(a): Concessional rates of import duty, including full exemption in certain cases, have been granted from time to time to several items to moderate inflation and augment their availability in the domestic market.

(b): The items to which concessions have been granted include milk powder, sugar, pulses, edible oil, wheat, maize etc. Since prices in the domestic market depend upon several factors like global commodity prices, exchange rate of the rupee, domestic production & demand, share of imports, rate of state taxes etc. direct correlation can not be established between custom duty rates and prices prevailing in the domestic market. However, prices of these items may have been higher if these concessions were not given.