

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:2830
ANSWERED ON:13.03.2015
. IMPORT DUTY ON FINISHED PRODUCTS
Meghwal Shri Arjun Ram

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government has taken note of high import duty on finished products in the country;
- (b) if so, the details thereof along with its impact on domestic industries; and
- (c) the reaction of the Government to reduce the import duty along with its likely benefits to domestic industries?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN)

(a) to (c): The Government of India has adopted the policy of stability in the peak rates of Customs duty, so that increased trade is facilitated. The general rate of Basic Customs duty for non-agricultural products is 10 per cent. Moreover, Ministry of Finance has informed that the collection rate of customs duty, defined as the ratio of customs revenue collection to the total value of imports in a fiscal year is about 6.1% for all commodities, i.e. much lower than the peak rate. The Government, through the Annual Budget exercises, continuously addresses instances of inverted duty structure in various industries in such cases where the import duty on finished products are lower than that of the inputs for the finished products, resulting in negative effective rate of protection for the domestic industries of such finished products. Such measures provide level playing field to the domestic industries.