

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

LOK SABHA

UNSTARRED QUESTION NO.2509

TO BE ANSWERED ON FRIDAY THE 9TH MARCH, 2018
PHALGUNA 18, 1939 (SAKA)

HIGH TAX ON IMPORTED BIKES

2509. SHRI DHANANJAY MAHADIK:

SHRI SATAV RAJEEV:

SHRI P.R. SUNDARAM:

DR. J. JAYAVARDHAN:

SHRIMATI SUPRIYA SULE:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government of United States (US) has criticized India for imposing high tax on Harley Davidson motorcycles though United States charges no tax on import of Indian bikes, if so, the details thereof;
- (b) whether the Central Board of Excise and Customs (CBECs) has slashed custom duty to 50 percent on imported motorcycles from high end brands including Harley Davidson and Triumph recently;
- (c) if so, the details thereof and reasons for slashing custom duty on luxurious bikes;
- (d) whether the reduction in custom duty is due to pressure from US Government;
- (e) if so, the details thereof and the response of the Government thereto; and
- (f) the steps taken by the Government to protect the Indian bike manufacturers from foreign competitors and also help the Indian bike manufacturers to raise the production so that Indian bike industry could thrive?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SHIV PRATAP SHUKLA)

(a): Government of United States (US) has raised the issue of high tariff on imported Motor Cycles from US to India, while pointing out that the US has zero tariff on motorbikes exported by India to the US.

(b), (c), (d), (e) and (f): With effect from 12.02.2018, the basic custom duty [BCD] on motorcycles has been reduced to 50%. The applicable BCD on parts of motor cycles including completely knocked down (CKD) condition is 15%. This provides a duty differential of more than 30% providing an incentive for domestic value addition. Hence there is an adequate protection to the domestic manufacturers of motorcycles.
