

Indian Government reduces Import Duty on HRC from Korea to 1.25%

Something not good for Indian Steel Industry especially Flat manufacturers, as Indian government has further reduced customs duty on some category of HOT Rolled products from Korea under FTA.

According to notification released by Ministry of Finance dated 29 Dec'14, "In exercise of the power conferred by sub-section (1) of section 25 of the Customs Act, 1962(52 of 1962), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Indian Government in the Ministry of Finance (Department of Revenue), No. 152/2009-Customs, dated the 31st December, 2009, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 943(E), dated 31 Dec, 2009."

India had implemented comprehensive FTAs with Korea in 2010 with Japan in 2011. Under FTA, duties on most of the products, traded between the countries, are in the process of either elimination or reduction. Duties in the related cases come to zero levels in phases.

Among the Asian countries, Japan and Korea have stated to reap benefits of free trade agreements, while imports to India have been rising sharply and exports have been falling. Indian steel industry has been lobbying hard to keep Steel out of FTA agreements with Japan & Korea.

The Recent Modifications w.e.f 1 Jan'15

Flat Steel Import Duty & Import Quantity				
	2013		2014	
HS Code	Import Duty (Rate%)	Import Qty	Import Duty (Rate%)	Import Qty*
720810	1.88	132	1.25	2,361
720825	5.00	14,352	5.00	5,688
720826	0.00	20,440	0.00	9,550
720827	1.88	60,637	1.25	42,384
720836	0.00	62,754	0.00	28,514
720837-51	1.88	944,994	1.25	663,448

Quantity in MT

*between Apr'14-Sep'14

Source : Dept of Commerce