

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

LOK SABHA

UNSTARRED QUESTION NO.212

TO BE ANSWERED ON FRIDAY THE 15TH DECEMBER, 2017
AGRAHAYANA 24, 1939 (SAKA)

UNIFIED CUSTOM DUTY RATE

212. SHRI MAHEISH GIRRI:

Will the Minister of FINANCE be pleased to state:

- (a) whether NITI Aayog has suggested for unified custom duty rate in its three year action agenda;
- (b) if so, the details thereof;
- (c) whether the Government proposes to implement the suggestion for a single custom duty rate for all categories ; and
- (d) if so, the timeline set for its implementation?

ANSWER

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

(a) and (b): NITI Aayog's Three Year Action Agenda [2017-18 to 2019-20] published on 01.08.2017 contains the following suggestion regarding Custom duty rates:

“To the extent feasible without violating our WTO obligations, we should unify all custom duties at 7%. Entrepreneurs perpetually complain about inverted duty structure. Once duties are unified at a single rate, no basis for such complaints will be left. The 7% rate will also lead to a substantial rise in custom revenue.”

(c) and (d): The tariff rate of basic customs duty (BCD) ranges from Nil to 150% across various goods classifiable under 98 different chapters of the first schedule to the Customs Tariff Act, 1975. With a view to incentivize domestic value addition, present duty structure provides for a graded rate structure starting from Nil / 2% / 2.5% on basic raw materials and generally higher rates for various goods. While calibrating changes in the duty structure, inputs from various stake holders and from various Government Departments and Ministries as well as NITI Aayog are taken into consideration. Changes are also made in the duty structure to address inversion in duty structure, wherever possible.
