

INDIA LIKELY TO RAISE IMPORT DUTIES ON MORE THAN 50 ITEMS IN BUDGET

India plans to increase import duties on more than 50 items including electronics, electrical goods, chemicals and handicrafts, targeting about \$56 billion worth of imports from China and elsewhere, officials and industry sources said. Finance Minister Nirmala Sitharaman could make the announcement when she presents her annual budget for 2020/21 on Feb. 1, along with other stimulus measures to revive sagging economic growth.

Higher customs duties are likely to hit goods such as mobile phone chargers, industrial chemicals, lamps, wooden furniture, candles, jewellery and handicraft items, two government sources with direct knowledge of the matter said. The move could hit smartphone manufacturers that still import chargers or other components such as vibrator motors and ringers, along with retailers such as giant IKEA that is in the process of expanding its footprint in India. IKEA had previously flagged higher Indian customs duties as a challenge.

The government had identified items and decided to increase import tariffs by 5%-10% as recommended by a panel of trade and finance ministry officials, among others.

The government is separately considering imposing "quality standards" on imports as less than 10% of India's tariff lines are regulated for safety, health and environmental standards, an industry official, who is participating in the pre-budget consultations, said.

Source: The Economic Times