

Govt may fine tune customs duties on host of goods in Budget 2021

The government may tweak customs duties in the Budget next week on several goods, including furniture raw materials, copper scrap, certain chemicals, telecom equipment and rubber products, to promote domestic manufacturing and exports.

Import duties could be tweaked on over 20 products such as cut and polished diamonds, rubber goods, leather garments, telecom equipment and carpet, the customs duties could be removed on select raw materials (like wood in rough, swan wood and hard board) used for furniture manufacturing and copper concentrate. Expensive raw materials impact India's price competitiveness in the international market. The country's exports of furniture is very low (about one per cent), while countries like China and Vietnam are major players in the sector.

The government may also consider reducing customs duties on coal tar pitch, and copper scrap, while raising the levies on certain finished goods like refrigerator, washing machine and clothes dryer. The government may also consider reducing customs duties on coal tar pitch, and copper scrap, while raising the levies on certain finished goods like refrigerator, washing machine and clothes dryer.

The government is already taking steps to boost domestic manufacturing such as introduction of production-linked incentives scheme (PLI) for several sectors including air conditioners and LED lights. Tweaking of duties on these goods would help promote self-reliant India campaign and boost domestic manufacturing.

Source: The Economic Times