

Case for inverted duty structure in steel sector: NITI Aayog member

Our Bureau



New Delhi, Oct 6:

A case of inverted duty structure can be argued for the steel sector, said V K Saraswat, Member, NITI Aayog, on Tuesday.

Saraswat was releasing a report of the National Council of Applied Economic Research (NCAER) on the reforms required for the domestic steel industry. He said customs duties levied on key raw materials such as coking coal, iron ore, and metal scrap is higher than the import duties on the end-product.

"Most steel exporting countries don't impose import duties on raw materials," Saraswat added.

He said NITI Aayog has made some suggestions on the duty structure to the Finance Ministry. However, he did not elaborate further.

On the free trade agreements and the ongoing negotiations for the Regional Comprehensive Economic Partnership, Saraswat said both NITI Aayog and the Ministry of Steel have asked the Ministry of Commerce to keep steel products in the negative list.

"Major strategic planning is needed for the steel sector. We have to tune our policies to make sure our domestic industry is not affected. While 300-million tonne production target is a good number, it is just a number. We must look after the competitiveness of the domestic industry," he added.

Asked whether the interests of the users of steel should be overlooked, Saraswat said, for manufacturing to be a success, market forces cannot decide whether or not India produces steel.

"If it is up to market forces, then manufacturing will move to China. Steel industry is a major pillar of the Indian economy," he said.

(This article was published on October 6, 2015)