

India hits back at America over raised tariffs, hikes import duty on 29 products

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India has increased customs duty on 29 products, including pulses and iron and steel products, imported from the US as a retaliatory action against the tariff hike by Washington.

The duty hike would come into effect from August 4, the finance ministry said in a notification.

With the United States adopting protectionist policies and hiking import duties, a trade war like situation has emerged. The European Union has decided to levy higher import duties on a variety of US products and a similar action is being contemplated by China.

As per the finance ministry notification, the import duty on chickpeas, Bengal gram (chana) and masur dal has been increased to 70 per cent from 30 per cent earlier, while that on lentils has been hiked to 40 per cent from 30 per cent. Shelled almonds imported from the US will now attract import duty at Rs 120/kg as against Rs 100/kg earlier. Almonds in shell will attract import duty at the

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rate of Rs 42/kg as against Rs 35/kg. Import duty on walnut in shell will attract customs duty at the rate of 120 per cent as against 30 per cent earlier. While apples will attract import duty of 75 per cent as against 50 per cent earlier. The duty on boric acid has been hiked to 17.50 per cent, while the same on phosphoric acid has been raised to 20 per cent from 10 per cent each earlier.

Import duty on diagnostic reagents has been doubled to 20 per cent, while binders for foundry moulds has been hiked to 17.5 per cent. Flat rolled products on iron has been raised to 27.50 per cent from

15 per cent earlier, while certain flat rolled products on stainless steel would now attract 22.50 per cent duty as against 15 per cent earlier. Duty on artemia, a kind of shrimp, has been raised to 30 per cent. Last week, India had submitted to the WTO a list of 30 items on which it proposed to raise customs duty by up to 50 per cent.

In the notification, there is no mention of duty hike on motor cycle with engine capacity of over 800cc.

As per the list India submitted to the WTO, it had proposed to hike customs duty on specified motorcycles, which primarily include Harley Davidson and Triumph, to 50 per cent. For automobiles and earth moving equipment, SIM socket/other mechanical items (metal) for use in manufacture of cellular mobile phones, the duty has been hiked to 25 per cent from 15 per cent earlier.

Deloitte India Partner M S Mani said that on pulses the increase is very steep (30 per cent to 70 per cent), while for iron and steel products, the increase is at least 50 per cent of the existing rate.