

Steel firms want zero duty on pet coke, coking coal

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In the run-up to the Budget for FY21, steel producers have pitched for slashing import duties on critical ingredients, such as pet coke, coking coal, anthracite coal, and metallurgical coke. The country's steel-makers have substantive dependence on imports of these raw materials.

According to the existing

duty structure, both coking coal and anthracite coal attract 2.5 import duty. The Indian government levies 10 per cent duty on pet coke imports, whereas anthracite coal imports are taxed at 2.5 per cent.

"Anthracite coal, coking coal, coke, and pet coke are vital ingredients in steel making. Slashing import duties on these imported raw materials will help the steel industry achieve and sustain cost competitive-

ness. Non-availability of these inputs both in quantity and quality is impeding growth of the domestic steel industry," said an official with a leading steel producer.

As much as 50 per cent to 80 per cent of all low-ash metallurgical coal is imported into India.

In its pre-Budget submission, Federation of Indian Mineral Industries (Fimi) has suggested that the import duty

on low ash metallurgical coal mentioned above should be brought down to 2.5 per cent, from the existing 10 per cent to provide incentive to the domestic industry especially when its import does not hurt the domestic producers of such minerals.

Among key inputs, pet coke is gaining currency as one of the important carbon-bearing inerts used by the steel industry. It has partially replaced costlier

and scarce coking coal, adding value to the end product (metallurgical coke) by increasing the carbon content and yield of coke, leading to less dependence on imports. "Pet coke (2 per cent sulphur grade) is a cheaper substitute of met coke and should, therefore, be encouraged in the domestic industry to help save foreign reserves and make domestic steel mills more competitive by lowering their cost of production," Fimi noted.