

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2951
ANSWERED ON:17.12.2004
IMPORT DUTY ON SEAMLESS STEEL PIPES
Singh Shri Ganesh Prasad

Will the Minister of FINANCE be pleased to state:

- (a) whether import duty on seamless steel pipes is on higher side to extend extra benefits to domestic producers;
- (b) whether the Government is aware that only two domestic producers of seamless steel pipes are keeping monopolies and quote very high rates to PSUs, who are main consumers of this pipe;
- (c) whether the Government is aware that seamless steel pipes are very cheap in international market, but PSUs here are purchasing on high price from domestic producers even on their international tender as import duty is on higher side; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

- (a) No, Sir. Seamless steel pipes in general attract an effective rate of customs duty of 20%, which is also the general peak rate of customs duty on non-agricultural goods.
- (b) No representation has been received by the Ministry of Finance, from any PSU, regarding high prices adopted by domestic seamless steel pipe producers vis-à-vis the international prices of seamless steel pipes on account of import duty being on the higher side.(c): In a competitive market, PSUs can purchase their raw materials from any source And Government cannot comment on their purchase preferences.
- (d) Does not arise in view of (b) and (c) above.