

Indian Export Tax on Steel becomes Official

- Steelworld Correspondent

Indian government's finance ministry's revenue department vide notification No 66/2008-CUSTOMS dated May 10th 2008 under sub section (1) of section 25 of the Customs Act of 1962 (52 of 1962), said that the central government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the goods specified in column 3 of the table and falling under Heading No of the Second Schedule to the Customs Tariff Act of 1975 (51 of 1975), specified in the corresponding entry in column 2 of the table, when exported out of India, from so much of the duty of customs livable thereon under the said Second Schedule as is in excess of the amount calculated at the rate specified in the corresponding entry in column 4 of the table

Sl	Heading	Description of Goods	Duty
"1"	"2"	"3"	"4"
1	27	Pig iron and spiegeleisen in pigs, blocks or other primary forms	15%
2	28	Ferrous products obtained by direct reduction of iron ore and other spongy ferrous products, in lumps, pellets or similar forms; iron having minimum purity by weight of 99.94%, in lumps, pellets or similar forms	15%
3	29	Ferrous waste and scrap, remelting scrap ingots of iron or steel	15%
4	30	Granules and powders, of pig iron, spiegeleisen, iron or steel	15%
5	31	Iron and non alloy steel in ingots or other primary forms	15%
6	32	Semi finished products of iron or non alloy steel	15%
7	33	Flat rolled products of iron or non alloy steel, hot rolled, not clad, plated or coated	15%
8	34	Flat rolled products of iron or non alloy steel, cold rolled (cold reduced), not clad, plated or coated	10%
9	35	Flat rolled products of iron or non alloy steel, plated or coated with zinc	5%
10	36	Bars and rods, hot-rolled, in irregularly wound coils, of iron or non alloy steel	10%
11	37	Other bars and rods of iron or non alloy steel, not further worked than forged, hot rolled, hot drawn or hot extruded, but including those twisted after rolling	10%
12	38	Other bars and rods of iron or non alloy steel	10%
13	39	Angles, shapes and sections of iron or non-alloy steel	10%
14	40	Wire of iron or non alloy steel	10%
15	41	Tubes and pipes, of iron or steel	10%

Indian Steel Sector Announces 31 Million Tonne CAPEX in Q4 of 2007-08

ASSOCHAM Investment Meter report said Indian steel majors have lined up investments of as much as INR 892.4 billion during January to march 2008 to fund their capacity expansion plans totaling 31 million tonnes of steel projects. The study found that Orissa attracted almost half of the total CAPEX announcements made in the steel sector with planned investments of about INR (CAPEX in INR billion, Capacity in Million Tonnes)

State	CAPEX	Capacity
Orissa	450	18.5
Chhattisgarh	160	5.0
West Bengal	119	3.7
Jharkhand	70	3.0

450 billion.

The study further found that almost 90% of the total investments planned by the steel majors would be made in building up of new steel plants and the remaining 10% would be utilized in expansion of existing plant capacity and building up of steel processing units among other activities. Mr VN Dhoot president of ASSOCHAM said that "Even if two third of the investment announcements materialize, the resultant capacity expansion would be instrumental in easing the pressure on prices in long run." Mr Dhoot added that "It is imperative to maintain investment friendly environment in order to ensure that planned investments are actually made and capacity gets enhanced as quickly as it is possible."