
CORSMA calls for custom duty cut on zinc import

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Livemint reported that Cold Rolled Steel Manufacturers Association has urged union finance minister to reduce customs duty on zinc, since this is a basic input for production of galvanized sheets and is utilized extensively for the production of pipes for irrigation and water supply schemes, roofing for weaker sections of society, battery cells, handicrafts and toys and utensils by small scale industries.

Hindustan Zinc Limited, the sole producer of zinc in India, is unable to meet demand and around 40% of the industry's requirement is imported.

The current ex work price of HZL is higher by over INR 16,500 per tonne. Actual difference between HZL and global prices amounts to about INR 18,000 per tonne. High price of zinc has eroded economic viability and global competitiveness of a wide range of industries including, pipe and tube producers, battery cell manufacturers, handicrafts, toy and utensils industry in the small scale sector.

It has also led to extensive utilization of cheaper asbestos cement sheets which constitute a serious health hazard during the handling of imported asbestos metal, transportation, production and consumers. Production of asbestos products for domestic usage has been banned in developed countries.

In view of the above facts, CORSMA proposes the basic customs duty on the imports of zinc be reduced from 7.5% to 2% in the Union Budget for 2008-09. This will safeguard global competitiveness of a wide range of industries in the low duty regime and will provide relief to the weaker sections of society while simultaneously creating an environment that protects consumers from health hazards.

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