
IEEMA urges finance minister to reduce ED on steel

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It is reported that Indian Electrical and Electronics Manufacturers Association has urged the Union Finance Minister to reduce excise duty on ferrous and non ferrous metals from 14% to 8%. This will substantially reduce input cost as well as reduce leakage of revenue.

Mr Vijay Karia cable division chairman of IEEMA said that “After the submitted the memorandum to the union government, the detail of solutions that the government would consider to reduce import duties on steel, copper and aluminum from 5% to nil and to increase import duties on cables to 10% from the current rate of 7.5%.”

He said that the government should encourage local established industries to grow through proper framing of tender guidelines and discouraging usage of recycle metals and polymers through stringent quality checks.

Mr Karia said that “IEEMA is implementing a quality rating program through CRISIL LLOYDs. Overall electric equipment growth rate has maintained 15% in the last few years. However, power cable growth rate is highest 21% in all other sector like transformer, switch gear and others. Electric industry is facing acute shortage of people with engineering expertise and Managerial skills. There would be huge manpower required by utilities, equipment vendors and service providers in the sector. If there is a limiting factors here, it is skilled manpower. There would be target engineering institutions for upgrading syllabus.”

Mr M Gandhi senior member of IEEMA said that “There is lack of implementation of quality standards leads to usage of recycled or commercial grades of copper, aluminum and PVC, thereby leading to higher electrical losses and higher failures. India is faces some of highest electrical losses in the world. This can be substantially reduced by usage of proper quality of cables and conductors. He added that Indian cable industry is till facing the most unfavorable terms of payment from the local users and electricity boards. Foreign suppliers are favored with letters of credit.”

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