

Govt raises import duty; ACs, flying to get costlier

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The government on Wednesday hiked custom duty on 19 products, including refrigerators, washing machine (less than 10 kg), air conditioners and jet fuel as part of its effort to curb import of non-essential items to bring down current account deficit (CAD).

The move will make flying costlier in the country as airlines will pass off increase in fuel cost to customers. It will also increase the price of

► Hike in custom duty on 19 'non-essential' products, including refrigerators, washing machines, air conditioners and jet fuel is part of the government's effort to curb import of non-essential items to bring down current account deficit

imported as well as domestic ACs and refrigerators as customs duty on compressors has also been hiked. These duty hikes come into effect immediately, from Wednesday midnight.

India had imported ₹86,000 crore worth of

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these 19 products in 2017-18. Earlier this month, during a meeting chaired by Prime Minister Narendra Modi with finance ministry and RBI officials, it was decided that non-essential import should be curbed to support

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the rupee which had fallen to a new low. As per the decision, custom duty on air conditioners, household refrigerators, washing machines (less than 10 kg) has been hiked to 20 per cent from 10 per cent.

The duty on compressors for ACs and refrigerators has been hiked to 10 per cent from 7.5 per cent. As far as aviation turbine fuel is concerned, custom duty of 5 per cent has been imposed on it from zero right now.

Custom duty has been hiked on speakers (15 per cent from 10 per cent), on footwear (from 20 per cent to 25 per cent) and radial car tyres from 10 per cent to 15 per cent. On cut and polished coloured gemstone, lab grown diamonds, diamonds-semi processed, half-cut or broken, customs duty has been hiked to 7.5 per cent

from 5 per cent. On articles of goldsmith or silversmith wares, custom duty has been hiked to 20 per cent from 15 per cent. For trunks, suitcase, executive cases, brief cases, travel and other bags, custom duty of 15 per cent will be imposed, up from 10 per cent.

Miscellaneous plastic items, such as office stationery, fitting for furniture's, decorative sheets, statuettes, beads and bangles among others will see a custom duty of 15 per cent against 10 per cent earlier.

The rupee touched an all-time closing low of 72.91 against the dollar on September 12. It closed at 72.6 against the US dollar on Wednesday.

The domestic currency has declined by around 6 per cent since August. Crude oil is also hovering at 4 years high pushing pressure on current account deficit.