

# Govt raises import duty on jet fuel, A/Cs, 17 other items

**NEW DELHI:** The government Wednesday raised import duties on 19 items, including jet fuel and air conditioners, as it looks to check the widening current account deficit resulting from high crude oil prices and the rupee dipping to a historic low.

The enhanced duty rates, which will make these imported goods expensive, will come into effect from midnight of September 26-27, said a government statement.

"The total value of imports of these items in the year 2017-18 was about Rs 86,000 crore," the statement said.

"The central government has taken tariff measures, by way of increase in the basic customs duty, to curb import of certain imported items. These changes aim at narrowing the current account deficit (CAD). In all the customs duty has been increased on 19 items," it said.

The import duty on air conditioners, household refrigerators and washing machines (less than 10 kg) doubled to 20 per cent. The basic customs duty on compressors, speakers and footwear raised to 10 per cent, 15 per cent and 25 per cent respectively.

The duty on radial car tyres raised from 10 per cent to 15 per



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Import duty on aviation turbine fuel has been raised to 5%**

cent while for cut and polished diamonds, semi-processed diamonds, lab grown diamonds, coloured gem stones the import hiked from 5 per cent to 7.5 per cent.

The articles of jewellery, goldsmith and silver wares will now attract a duty of 20 per cent, up from 15 per cent earlier.

Import of bath wares, pack-

ing material, tableware, kitchenware and office stationary items, decorative sheets, beads and bangles, trunk, suitcases, and travel bags will now attract basic customs duty of 15 per cent as against 10 per cent earlier.

Besides, the government has also announced an import duty of 5 per cent on aviation turbine fuel (ATF). It was nil earlier.

The announcement follows

a decision taken by the government on September 14 that the centre would impose curbs on import of non-essential items to contain the widening CAD and check the rupee fall. The CAD widened to 2.4 per cent of the GDP in the first quarter of 2018-19.

Niti Aayog Vice chairman Rajiv Kumar, "Some actions had to be taken. In 2013 if you

remember, same sort of thing had been done. These are steps to assure industrialists and others that the government is ready to take steps to get the external account into balance and control the CAD. But the key is to increase the exports."

"To address the issue of expanding CAD, the government will take necessary steps to cut down non-essential imports and increase exports. The commodities of which imports will be cut down will be decided after consultations with concerned ministries and will be WTO-compliant," Finance Minister Arun Jaitley had said after a meeting chaired by Prime Minister Narendra Modi to review the economic situation.

Large trade deficit and rupee decline against the US dollar are putting pressure on the CAD, and these steps are likely to have a positive impact on the external sector.

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

The domestic currency has declined by around 6 per cent since August. Petrol and diesel prices have also touched record highs recently.