

No export duty on finished steel and its raw materials w.e.f. 19 November 2022**Background**

In May 2022, the Government of India (GOI) had increased export duties on iron ore lumps, iron ore pellets and other items and simultaneously granted import duty exemptions to certain coal and semi coke items. This was done in the wake of a sharp and steady rise in prices of steel primarily due to the Ukraine war and with the objective of augmenting the domestic availability both, of finished steel as well as raw materials/intermediates required for steel manufacture.

Revised duty structure w.e.f. 19 November 2022

GOI has now restored the status quo as was prevailing prior to 22 May 2022 by withdrawing/reducing the export duty and increasing the import duty on the above-mentioned items. The table below shows the earlier and current tariff rates.

Particulars	Tariff Rate	
	W.e.f. 19 November 2022 (Same as that prevailing upto 22 May 2022)	For the intermediate period (22 May – 18 November 2022)
Exports of iron ore lumps and fines < 58% Fe	NIL	50%
Exports of iron ore lumps and fines > 58% Fe	30%	50%
Exports of iron ore pellets	NIL	45%
Exports of pig iron and steel products classified under HS 7201, 7208, 7209, 7210, 7213, 7214, 7219, 7222 & 7227	NIL	15%
Import duty on Anthracite/PCI & coking coal and ferronickel	2.5%	NIL
Import duty on Coke and Semi coke	5%	NIL

Weblink

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2022/cs-tarr2022/cst-58-2022.pdf>

Therefore

Players in the steel manufacturing industry had represented to GOI that the export duty reduced the competitiveness of their steel exports in the international market, and resulted in low capacity utilisation, (as exports were curtailed) though it led to a cooling of steel prices in the domestic market. This led to lower input costs for industries consuming steel and iron products as key inputs. The current measures are likely to provide an impetus to the domestic steel manufacturing industry and boost their exports. However, it may again lead to a rise in domestic steel prices (as some steel supply will be diverted to overseas markets) leading to an increase in input costs of the industries consuming steel as a raw material.