



## *Pesticides Manufacturers & Formulators Association of India*

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***Committed to Better Safer & Eco friendly Agrochemicals***

December 5, 2019

To:

Dr. Anup Wadhawan  
Commerce Secretary  
Government of India  
Ministry of Commerce & Industry  
Udyog Bhavan  
New Delhi 110001

सचिव वाणिज्य मंत्रालय  
Secretary Ministry of Commerce  
डायरी सं०/Dy. No.....  
दिनांक/Date.....

**Sub: Appeal to increase Customs Duty on imports of "Finished Pesticide Formulations" to control excessive imports which put growth of indigenous manufacturing sector in great danger**

Dear Sir,

As you are aware, excessive imports in chemicals sector has been great cause of concern to the country and its economic growth where huge amounts are lost in foreign exchange.

Kindly note that uncontrolled imports of "Finished Pesticide Formulations" to the country has also been great threat to the growth of indigenous agrochemical manufacturing sector, particularly MSMEs who are mainly Formulators of various pesticides.

The existing Customs Duty structures on imports of Finished Pesticides Formulations at 10% in comparison with prevailing Customs Duty structures on imports of Raw-material/Intermediates (manufacturing use products) at 7.5% does not leave much of scope for the growth of indigenous agrochemical sector. The country has been witnessing large-scale imports Finished Pesticides Formulations and Chemicals, leading to huge trade deficit in the chemical sector. The present Customs Duty structures are as given below:

- Present Basic Customs Duty on Raw-materials/Intermediates (which goes in manufacturing) under Chapter 29 is 7.5% ;
- Present Basic Customs Duty on imports of Technical Grade material used for manufacturing, falling under Chapter 38 is 10%; and
- Present Basic Customs duty on imports of **Readymade Pesticide Formulations (Finished product)** under Chapter 38 is also 10%.

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The difference of just 2.5% Customs Duty between Raw-material/Intermediates and Finished Pesticides Formulations are not enough to attract investments and encourage manufacturing in India. Unless and until Customs Duty structures are revised and harmonized, it will be extremely difficult for indigenous manufacturers continue local production of pesticides formulations and all efforts of Government to attract new investments in manufacturing sector and creating job opportunities for Indian citizen likely to go waste.

Above Customs Duty structures are quite discouraging to attract investments in indigenous manufacturing of Pesticides Formulations as Customs Duty on Raw-material/Intermediates which goes in manufacturing is 7.5% ; and imports of Finished products of readymade Pesticides Formulations under Chapter 38 attracts only 10% Customs Duty.

**We appeal that Finished Pesticide Formulations falling under Chapter 38 must be put under minimum Customs Duty of 25%, while maintaining existing customs duties on Raw-material/Intermediates of 7.5% & Technical Grade Products at 10%.**

There must be reasonable variation in applying Customs Duty on inputs which are required for manufacturing in India versus Finished products which are imported. Otherwise pesticide manufacturing sector in India will be at big disadvantage, particularly MSMEs who are key drivers of country's economy and main employment providers for Indian citizen.

Above will not only will encourage manufacturing in India thereby supporting concept of "MAKE IN INDIA" but also will help reducing imports of finished pesticide formulations, which will ultimately save country from spending of huge amounts in foreign exchange for imports.

We request your kind consideration of our above proposal and appropriate recommendation. We also request your appointment for a meeting to brief the matter in person at an early date and time convenient to you.

Thanking you,

Yours faithfully,

For Pesticides Manufacturers & Formulators Association of India

  
Pradip Dave  
President

*J S (J M)*  
*Refer to Rev. for n.a.*  
*in consultation with Dept.*  
*concerned.*  
*19/12*

## Pesticides Manufacturers & Formulators Association of India (PMFAI)

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