

Anti-dumping duty on 47 steel products

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In February 2017, India had a strong case for imposing long-term anti-dumping duties on up to 124 steel products in the next two months before the temporary anti-dumping duties expire. Following this, the country imposed anti-dumping duties on 47 steel products for a period of five years that is applicable from 8th August 2016.

Anti-dumping duty on 47 steel products

In a recent notification, the central government imposed anti-dumping duty on hot-rolled flat products of alloy or non-alloy steel.

This includes 47 steel products that originates or are exported from China, Japan, Korea, Russia, Brazil and Indonesia. This duty is being imposed on foreign companies including Hyundai, POSCO, Nippon Steel, Sumitomo, JFE Steel Corporation. The duty stands effective from 8th August 2016 for a period of five years. The amount for import duty spans between \$478 per tonne to \$561 per tonne.

The imposition of duty comes on the back of recommendation from the Directorate General of Anti-Dumping and Allied Duties (DGAD) to protect the steel industry from dumping of steel products.

The DGAD concluded that the subject goods have been imported below its normal value and this in turn has resulted in dumping of steel products which has caused material injury to the domestic industry.

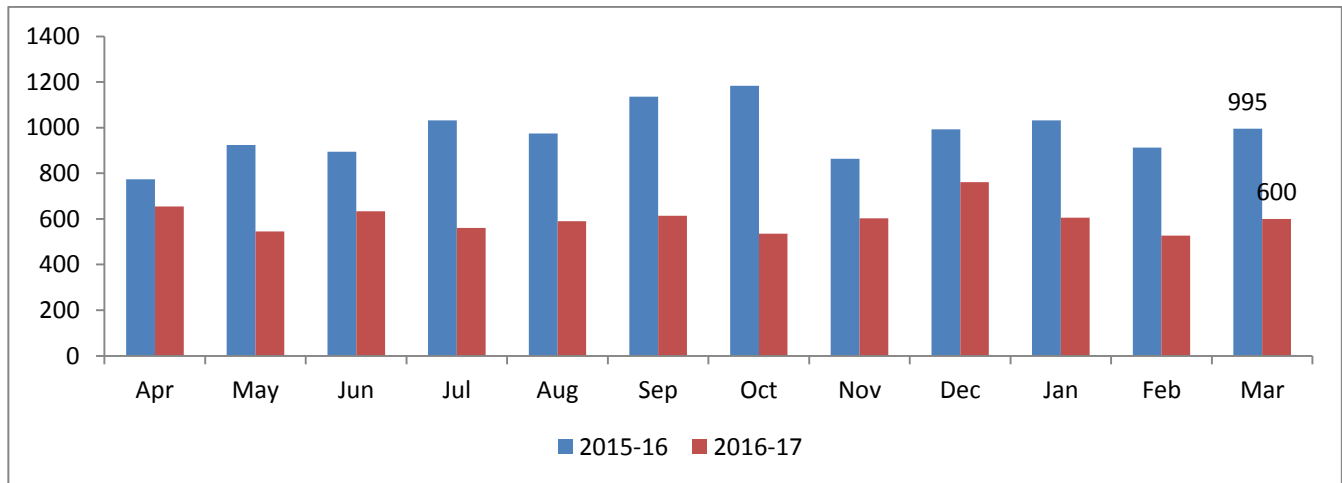
Measures taken by the government earlier

The imposition of anti-dumping duty on 47 steel products is the latest move by the government to protect the domestic steel industry. Prior to this, the government had imposed Minimum Import Price (MIP) on 173 steel products ranging from \$341 to \$752 per tonne. This was valid for six months or until further orders, whichever was earlier.

After completion of these six months, the MIP was extended back to back till 4th February 2017. However, the extension was not for all the products. But in February 2017, the government withdrew MIP and said that there would be no extension of MIP on 19 colour-coated steel products. Nevertheless, the government extended by two months the anti-dumping duties on hot-rolled and cold-rolled flat products of alloy or non-alloy from specified countries including China and South Korea.

Steel imports in 2016-17

Chart 1: Steel imports in India ('000 tonnes)



Source: CMIE

The protective measures mentioned above were taken by the government to reduce dumping of steel products in India. This, in turn, resulted in fall in imports in all the months of the financial year 2016-17 on a y-o-y basis. On an annual basis, steel imports declined by a sharp 38.3% to 7.2 million tonnes in 2016-17 compared to that in 2015-16.

Concluding remark

We believe the imposition of anti-dumping duty will continue to protect the domestic steel industry from dumping of steel products. This step came in line as India have a strong case for imposing long-term anti-dumping duties on up to 124 steel products on a case-by-case basis before the temporary anti-dumping duties expire.

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