

Steel Industry: Anti-Dumping duties now?

After the withdrawal of MIP on 19 colour-coated steel products, 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. The safeguard measure has been continued to protect India from cheap imports.

Government continues with safeguard measures

The government recently discontinued with the extension of Minimum Import Price (MIP) on 19 colour-coated steel products. The Steel Minister said that the protectionist measures like MIP and anti-dumping duty cannot continue indefinitely.

Nevertheless, the government extended by two months the anti-dumping duties on hot-rolled and cold-rolled flat products of alloy or non-alloy steel from countries including China and South Korea. Interestingly Pakistan has also imposed anti-dumping duties on imports from China at almost the same time.

The duty was earlier imposed in August 2016 for a period of six months. An anti-dumping duty of \$474-557 per tonne was imposed on 'hot-rolled flat products of alloy or non-alloy steel' import from China, Japan, South Korea, Russia, Brazil and Indonesia. The DGAD had concluded that conclusion that these goods have been exported to India from these countries below normal value which had affected domestic industry.

Imports of HR and CR coils

Of the total steel imported in India during 2015-16 imports of HR and CR coils was 47%. After imposition of these duties (August 2016) the imports of HR and CR coils has come down and in April-October 2016, the share of these HR and CR coils was around 36% of the total steel imported during the period.

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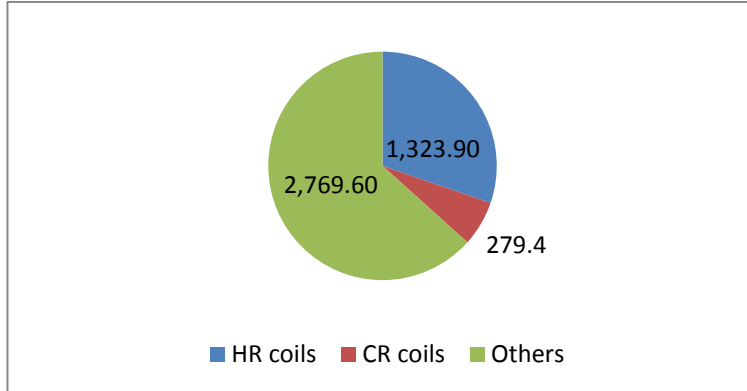
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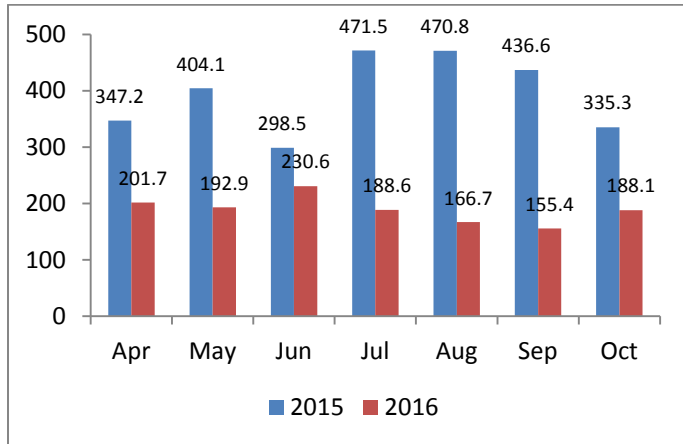
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Chart 1
Share of HR and CR coils during April-October 2016 (thousand tonnes)



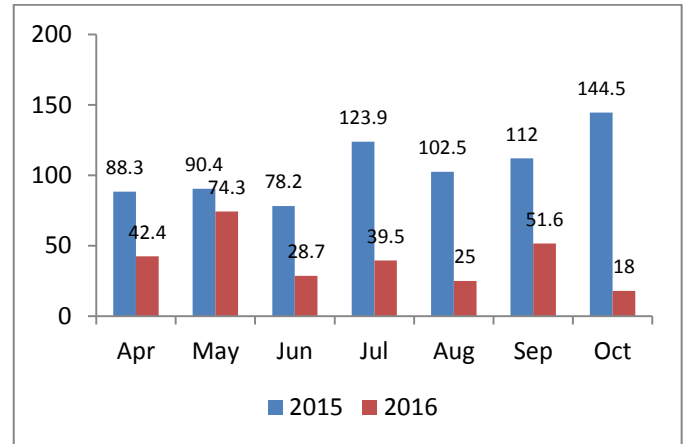
Source: CMIE

Chart 2
HR coil imports (thousand tonnes)



Source: CMIE

Chart 3
CR coil imports (thousand tonnes)



Source: CMIE

With this share of HR and CR coils in the total steel imports, the move to extend the anti-dumping duties on hot-rolled and cold-rolled flat products of alloy or non-alloy steel will benefit the industry.

It is also believed that India has a strong case for imposing long-term anti-dumping duties on up to 124 steel products in the next two months. Also it has been stated that the long-term anti-dumping duties could be imposed on a case-by-case basis within the next two months before the temporary anti-dumping duties expire.

Concluding remarks

- *The extension of antidumping duties by two months will benefit the steel industry*
- *If the government considers imposing long-term anti-dumping duties on up to 124 steel products, the industry will continue to get protection from the government.*
- ***However, it cannot be expected that this protection will last forever and the industry has to gear itself to face competition in the normal course.***

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