

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.2203
FOR ANSWER ON 16/03/2016

DUMPING OF LOW GRADE STEEL IN THE COUNTRY

2203. SHRI C.M. RAMESH:

Will the Minister of STEEL be pleased to state:

- (a) what are the reasons that excessive steel produced in countries like China, Japan, Russia, Korea, etc. is dumped into India;
- (b) whether there is any quantitative restrictions on steel dumping;
- (c) how the dumping of low grade steel is impacting steel industry in the country; and
- (d) what remedial measures have been taken by Government to address the situation?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI VISHNU DEO SAI)

(a)to(c): Steel being a deregulated sector, the role of Government is limited to that of a facilitator for the growth of steel industry in the country. Production, import, export etc. of various steel items are, therefore, solely depend on the decision of individual steel manufacturer and the Government has not imposed any quantitative restrictions on them. As per available information, presently there is glut in global steel market. Due to the excess capacity in many of the leading steel producing countries like China, Japan, Russia, Korea etc. these countries export steel products into growing markets like India, even at below cost of production, resulting in the prices of imported items being much lower than their domestic prices.

- (d) In order to protect domestic steel sector against cheap steel imports, the Government has taken the following steps:-
 - (i) To ensure that only quality steel is produced or imported, Government has notified Steel & Steel Products (Quality Control) Orders, 2012 dated 12.03.2012 and Steel & Steel Products (Quality Control) Orders, 2015 dated 15.12.2015.
 - (ii) To increase availability of Coal and Iron ore for the domestic steel industry:-
 - (a) Notified the Coal Mines (Special Provisions) Amendment Act, 2015 on 30.03.2015 to streamline coal block allocations.

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- (b) Notified the Mines and Minerals (Development and Regulation) Amendment Act, 2015 on 27.03.2015 to streamline grant of Mining Leases.
- (iii) The Union Budget 2015-16 has raised peak rate of basic customs duty on both flat and non-flat steel to 15% from 10%.
- (iv) Hiked import duty on ingots & billets, alloy steel (flat & long), stainless steel (long) and non-alloy long products from 5 % to 7.5% and non-alloy and other alloy flat products from 7.5% to 10%. This was further revised in August, 2015 on flat steel from 10% to 12.5%, long steel from 7.5% to 10% and semi-finished steel from 7.5% to 10%.
- (v) In November, 2014, instructions were issued to ensure import of rebars strictly as per Steel Product Quality Control Order 2012, to block influx of cheap imports of boron added rebars.
- (vi) In June, 2015, an Anti-Dumping Duty levied for five years on imports of certain variety of hot-rolled flat products of stainless steel from China (\$ 309 per tonne), Korea (\$ 180 per tonne) and Malaysia (\$ 316 per tonne).
- (vii) Imposed, in September, 2015, a provisional Safeguard Duty of 20% on hot-rolled flat products of non-alloy and other alloy steel, in coils of a width of 600 mm or more, for a period of 200 days.
- (viii) Imposed, vide its notification dated 05.02.2016, the Minimum Import Price (MIP) condition on 173 steel products. Imports of items covered under this notification will not be allowed into the country below the notified price.
