

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.3813
FOR ANSWER ON 05/04/2017

MIP FOR SAFEGUARDING INDIGENOUS STEEL INDUSTRY

3813. DR. R. LAKSHMANAN:

Will the Minister of STEEL be pleased to state:

- (a) whether Government deems it appropriate to impose Minimum Import Price (MIP) on the pretext of safeguarding indigenous steel industry as steel industry being a deregulated one;
- (b) if so, the details thereof;
- (c) the details regarding requests received by Government to protect steel industry during the last three years; and
- (d) the details of action taken by Government in this regard?

ANSWER

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

(a)&(b): Yes, Sir. The Government had imposed Minimum Import Price (MIP) on various steel items at a time when the domestic steel industry was going through a severe downturn due to cheap imports at predatory prices.

(c)&(d): Some domestic steel manufacturers and other stake holders have represented for protecting the steel industry from surge in imports from various countries. These representations have regularly been examined by the Government for taking corrective measures. In order to protect the domestic steel industry, the Government has taken the following action:-

- (1) Increased the peak rate of basic customs duty on both flat and non-flat steel to 15% from 10% in the Union Budget 2015-16.
- (2) Increased the import duty on ingots & billets, alloy steel (flat & long), stainless steel (long) and non-alloy long products to 7.5% (from 5%) and non-alloy and other alloy flat products to 10% (from 7.5%) in June, 2015. This has been further revised in August, 2015. Currently, import duty on flat steel is applicable at 12.5%, on long steel products at 10% and on semi-finished steel products at 10%.
- (3) Levied the Anti-Dumping Duty 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) in June, 2015.
- (4) Levied the Anti-Dumping Duty for five years on imports of cold rolled Flat products of stainless steel of width of 600 mm upto 1250 mm of all series not further worked than Cold rolled (cold reduced) with a thickness of up to 4 mm from China (57.39% of landed value), Korea (5.39% - 13.44% of landed value), Chinese Taipei (15.93% of the landed value), South Africa (12.34% - 36.91% of landed value), Thailand (4.58% - 5.39%), USA (9.47% of landed value) and EU (29.41% - 52.56% of landed value) in December, 2015.
- (5) Amended the Steel & Steel Products (Quality Control) Order, 2012, in December, 2015 to ensure that only quality steel is produced/imported in India.

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- (6) In February, 2016, the Government notified Minimum Import Price (MIP) on 173 steel products in order to provide a level playing field to domestic producers against the injury caused as evident from the decline in margins of the producers.
- (7) Imposed the Safeguard Duty of 20% in March, 2016 on hot-rolled flat products of non-alloy and other alloy steel, in coils of width of 600 mm or more, whose effective value has now been reduced to 15%.
- (8) Government has imposed preliminary anti-dumping duty on a number of steel products from other countries for a period of six months as per the following notifications:-
 - a) Notification No.44/2016-Customs (ADD) dated 8th August, 2016 imposing anti-dumping duty on Hot-rolled flat products of alloy or non-alloy steel falling under headings 7208, 7211, 7225 or 7226 originating in, or exported from People's Republic of China, Japan, Korea RP, Russia, Brazil and Indonesia.
 - b) Notification No.45/2016-Customs (ADD) dated 17th August, 2016 imposing anti-dumping duty on Cold-Rolled flat products of alloy or non-alloy steel falling under headings 7209, 7211, 7225 and 7226 originating in, or exported from People's Republic of China, Japan, Korea RP and Ukraine.
 - c) Notification No.51/2016-Customs (ADD) dated 2nd November, 2016 imposing anti-dumping duty on Wire Rod of Alloy or Non-Alloy Steel falling under headings 7213 and 7227 originating in, or exported from China.
- (9) The Government has also extended the MIP twice on 66 tariff lines which are not covered under the anti-dumping duty (AD) and safeguard (SG) measures for a period of 2 months (once in August, 2016 and again in October, 2016).
- (10) In November, 2016, the Government has notified provisional anti-dumping duty on "Wire Rod of Alloy or Non-Alloy Steel" originating and exported from China into India at a reference price of USD 499/tonne – USD 538/tonne.
- (11) In December, 2016, the Government has again notified Minimum Import Price (MIP) on 19 GP/GC tariff lines excluding colour coated sheets in order to remove any scope of circumvention within this range and to guard domestic steel producers against cheap in-bound shipments. However, the same has now been phased out in February, 2017.
- (12) The Government has also notified anti-dumping on import of colour-coated sheets originating and exported from China and European Union (EU) region into India at a reference price of USD 849/tonne in January, 2017.
- (13) In addition to above trade remedial measures, Government has also levied anti-dumping duty on products of iron & steel such as seamless tubes, pipes and hollow profiles of iron, alloy or non-alloy steel, originating in, or exported from the People's Republic of China at a reference price of USD 961.33/tonne – USD 1610.67/tonne in February, 2017.