

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:3800

ANSWERED ON:16.05.2006

DUMPING OF SILK

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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether several silk producing countries including China are dumping silk yarn and fabrics in the country illegally;
- (b) if so, the details thereof;
- (c) whether the Government proposes to impose further anti-dumping duties in Chinese silk;
- (d) if so, the details thereof;
- (e) whether the opening of Indo-China trade through Nathula in Sikkim have increased illegal dumping of cheap silk products;
- (f) if so, the details thereof and the reaction of the Government in this regard; and
- g) the steps taken by the Government to check dumping of silk yarn and fabrics by silk producing countries?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a)to(d):Directorate General of Anti-Dumping and Allied Duties (DGAD) had received two applications alleging dumping of silk fabric and mulberry raw silk. (i) On the basis of application made by the Cooperative/Federations/Associations of power loom silk fabric producers of India, anti-dumping investigations into imports of silk fabric of specification 20-100 gms per meter from the People's Republic of China (PR China) had been initiated by the Directorate General of Anti-Dumping and Allied Duties (DGAD) on 18th May, 2005. DGAD has issued preliminary findings on 27th April, 2006 recommending to the Central Government the imposition of provisional anti-dumping duty on the dumped imports of silk fabric of specification 20-100 gms per meter from the PR China. (ii) On the basis of an application filed by the cottage/filature/multiend silk reelers association located in the states of Karnataka, Tamil Nadu and Andhra Pradesh, the DGAD had initiated anti-dumping investigation on 17.7.2002 into the import of mulberry raw silk (not thrown), 2A grade and below, originating in or exported from the People's Republic of China. Definitive anti-dumping duty was imposed on mulberry raw silk from PR China at the rate of difference between US\$ 27.97 per kg and the landed value of import, with effect from 2.1.2003 for a period of five years.

(e)to(g):Nathula Border Trade point has not yet been operationalised. As per the Customs Tariff Act, 1975 as amended in 1995 and the Rules framed thereunder, Anti-dumping investigations are normally initiated by the DGAD on receiving a fully documented petition from the domestic industry with prima-facie evidence of dumping, injury and casual link between the dumped goods and injury to the domestic industry. The purpose of Anti-dumping duties is to counteract trade distortion caused by dumping and the consequential injury to the domestic industry. Anti-dumping is an instrument for ensuring fair trade and is not a measure to restrict competition.