

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

STARRED QUESTION NO:221

ANSWERED ON:20.07.2009

IMPORT OF CHEAP GOODS

Botcha Lakshmi Smt. Jhansi;Mahtab Shri Bhartruhari

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

- (a) whether the import of cheap goods is having an adverse impact on the domestic industry;
- (b) if so, the details thereof;
- (c) whether the Government proposes to amend the relevant law to impose quantitative restrictions and anti-dumping measures on import of such goods; and
- (d) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO.221 FOR ANSWER ON 20TH JULY 2009 REGARDING "IMPORT OF CHEAP GOODS"

(a) & (b) Trade defence measures are available to the domestic industry to counter unfair trade practices followed by exporters of goods from other countries. In case a product is imported into the country at less than its normal value, and it causes injury to the domestic industry, the domestic industry can make an application to Directorate General of Anti-Dumping and Allied Duties (DGAD) in the Department of Commerce for imposition of anti-dumping duty. Similarly, an application for imposition of safeguard duty can be made by the domestic industry to Directorate General of Safeguards under Ministry of Finance, in case there is serious injury/market disruption, or threat of serious injury/threat of market disruption to the domestic industry, as a consequence of increased imports of an article into India. During 2008-09 and 2009-10 (upto 15.07.2009) anti-dumping duty was imposed in 22 cases (final duty in 12 cases and provisional duty in 10 cases) and Safeguard duty was imposed in 4 cases (final duty in 2 cases and provisional duty in 2 cases).

(c) & (d) Under Section 3(2) of Foreign Trade (Development and Regulation) Act, 1992, the Central Government has an inherent power to impose restrictions on import of goods. A specific proposal to amend Foreign Trade (Development and Regulation) Act, 1992 to provide for quantitative restrictions, as safeguard measures, in accordance with the WTO Agreement on Safeguards, is before the Government. However, the Customs Tariff Act, 1975 presently includes provisions for providing relief to the domestic producers against injury caused to them by imports, in accordance with the Agreement on Anti-Dumping (i.e. the Agreement on the implementation of Article VI of GATT, 1995), the Agreement on Subsidies and Countervailing Measures, and the Agreement on Safeguards. These provisions are aimed at offsetting the adverse effects of 'dumped' imports, 'subsidized' imports or 'increased' imports.