

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:5634
ANSWERED ON:29.04.2010
DUTY ON INDIAN STEEL
Shetkar Shri Suresh Kumar

Will the Minister of STEEL be pleased to state:

- (a) whether the European Union (EU) threatens to slap duty on Indian steel recently;
- (b) if so, the details thereof alongwith the reasons therefor; and
- (c) the reaction of the steel industry and the Government thereupon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI A. SAI PRATHAP)

(a)&(b): In October 2009, the European Union (EU) initiated Anti Dumping (AD) and Anti-subsidy (AS) proceedings against exports of Stainless Steel Fasteners and parts thereof. Thereafter, in March 2010, the EU once again intimated the initiation of Anti Subsidy proceedings against exports of certain Stainless Steel bars. The ostensible reason for such countervailing investigation according to the EU is because the exports from India are being allegedly subsidized through schemes like the Duty Entitlement Pass Book (DEPB) scheme.

(c) The affected industries have opposed these investigations and have stated that Indian exports are not subsidized and even the DEPB scheme only neutralizes taxes and also has value caps to ensure that there is no subsidy element. The Government also accept this view. In fact, in April, 2010, India has been informed that European Commission (EC) has decided to terminate both the AD and AS proceedings against exports of Stainless Steel fasteners and parts thereof, indicating that there is no merit in the argument of the steel industry.