

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:3779  
ANSWERED ON:30.07.2009  
DUMPING OF FOREIGN STEEL PRODUCTS  
Khaire Shri Chandrakant Bhaurao

**Will the Minister of STEEL be pleased to state:**

- (a) whether the Government proposes to make India a global leader in the production of steel;
- (b) if so, the efforts made by the Government in this regard including tax reforms, if any proposed for the purpose;
- (c) whether attention of the Government has been drawn to dumping of foreign steel products at cheaper cost in the country; and
- (d) if so, the steps taken by the Government to protect the indigenous market from dumping of such products?

**Answer**

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

(a)&(b): National Steel Policy 2005 had made the projection for a steel production capacity of 110 million tonnes per annum in India by the year 2019-20. However, based on the steel investment scenario in the country, it has been estimated that, India's steel production is likely to be 124 million tonnes by the year 2011-12. Currently, India occupies 5th position among the major world steel producing countries. The projected steel production capacity of 124 million tonnes by the year 2011-12 will place India as an important steel producing country in the world.

Steel is deregulated sector in India, where matters such as production, sale, price, import and export are free from Government control. Governments, both Central and State act as facilitators for the investors to set up their investment projects. Currently, steel investments in the country are covered under the following benefits: -

- (I) 100% Foreign Direct Investment under automatic route
- (II) Import duty benefits under 98.01 of Customs tariff.
- (III) Export Promotion Capital Goods (EPCG) Scheme.

Apart from these, Government initiates various fiscal measures from time to time a directed at creating a level playing field for the domestic steel industry vis-à-vis the international market. The various fiscal measures currently in vogue are: -

- (I) Import Duty of 5% on import of all steel items (except iron and steel melting scrap)
- (II) 'NIL' export duty on steel export (except iron and steel melting scrap).
- (III) Duty Entitlement Pass Book (DEPB) benefits on steel export at approved rates.

(c)&(d): The Directorate General of Anti Dumping and Allied Duties (DGAD) in the Department of Commerce investigates into allegations of dumping on receiving a fully documented petition from the domestic industry with prima-facie evidence of dumping in the country, injury to domestic industry and casual link between the dumped goods and injury. Such petitions submitted by domestic industry are processed as per the procedures and within the time limits specified under the Customs Tariff Act, 1975 as amended in 1995 and the rules made thereunder, DGAD conducts investigations and recommends imposition of duty, wherever appropriate, to the Department of Revenue by issuing its preliminary / final findings. Acting upon such recommendations of the DGAD, the Department of Revenue may impose the provisional or definitive duties.

On the basis of an application filed by the domestic industry, Directorate General of Anti – dumping & allied Duties (DGAD) initiated anti-dumping investigation concerning imports of "Cold Rolled Flat Products of Stainless Steel originating in or exported from China PR, Japan, Korea, European Union, South Africa, Taiwan, Thailand and USA" on 25th November 2008. Preliminary findings recommending provisional anti-dumping duties were issued on 27th March 2009 and provisional anti- dumping duties was levied by Department of Revenue on 22nd April, 2009.

On the basis of an another application filed by the domestic industry, DGAD initiated anti-dumping investigation concerning imports of "Hot Rolled Products of steel originating in or exported from China PR, Indonesia, Iran, Japan, Kazakhstan, Malaysia, Philippines, Romania, Russia, South Africa, Saudi Arabia, Korea ROK, Thailand, Turkey and Ukraine" on 28th November 2008.