

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:2954

ANSWERED ON:10.02.2014

STEEL DEMAND

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

- (a) whether there is a huge demand for long steel in the international market and if so, the details thereof;
- (b) whether Japan and South Korea are increasing the export of steel to India under the free trade agreement and if so, the quantum of steel exported to India by these countries during the last three years;
- (c) the likely impact of the import of steel of such magnitude from these countries on the domestic steel industry;
- (d) the steps taken/being taken by the Government to protect the interest of domestic steel manufacturers; and
- (e) whether the United States of America has imposed any anti-dumping duty on the import of steel produced in India and if so, the details thereof and the reasons therefor along with the reaction of the Government thereto?

**Answer**

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a) Provisional data released by Joint Plant Committee (JPC) indicates that during April-December 2013-14, export of long finished steel (alloy + non-alloy) by India stood at 0.65 million tonnes (mt) and accounted for only 16% of the export of total finished steel (4.12 mt) by the country during this period.

(b)&(c): The details of imports from Japan and Korea, for the last three years, are given below:

Year	Import in '000 tonnes		Percentage of Total	
	Total All			
	Japan	Korea	countries	Japan Korea
2010-11	848.78	764.68	7134.51	11.9 10.7
2011-12	916.54	1308.34	7567.63	12.1 17.3
2012-13	1586.74	1664.32	8636.05	18.4 19.3

FTAs were signed with both Republic of Korea and Japan and these agreements have come into force with effect from 1st January 2010 and 1st August 2011 respectively. As per the agreements, the duties on several steel items (among other products) being imported from these countries is to be reduced to zero.

India was importing significant quantities of steel from these two countries even before the FTAs were entered into. Some findings in this regard are as follows:

- i. The imports from the Republic of Korea and Japan constituted more than 26% of total import of India even in 2008-09 before the FTAs were signed.
- ii. India has been importing more steel from Republic of Korea than Japan.
- iii. In 2010-11, the imports from Japan overtook the imports from Republic of Korea (ROK) even though the FTA with Japan had not yet started.
- iv. In 2011-12 the imports from both countries have gone up significantly and stood at 2.2 million tonnes against 7.6 million tonnes of total imports.
- v. In 2012-13 India's import grew by 14.1%, the imports from Japan and Korea moved up by 73% and 27% respectively and the total imports from these countries constituted 37.7% of Indian steel imports.

Till the year 2011-12 the difference in duty between the FTA nations and other countries was not as significant as the then prevailing rates of import duties on steel flats was 5%. In 2012-13 as the rate of import duties on steel flats has gone up to 7.5% for most countries, the import from ROK and Japan become more attractive as they enjoy concessional duties of 3.125% and 3.3%

respectively.

(d) An Inter Ministerial Group (IMG) has been set up in the Ministry of Steel for effective coordination and expediting implementation of various investment projects in the steel sector.

A Project Monitoring Group (PMG) has been constituted under the Cabinet Secretariat to fast track various clearances / resolution of issues delaying the investments of Rs. 1000 crores or more in the manufacturing / infrastructure sector including the steel sector.

Import of critical raw materials for steel industry such as coking coal, non-coking coal and scrap are subject to zero or very low levels of custom duty.

To increase domestic value addition and improve iron ore availability for domestic steel industry, duty on export of iron ore has been increased to 30%. Recently, the Government has imposed export duty @ 5% ad-valorem on export of iron ore pellets.

(e) United States International Trade Commission had imposed the following Anti Dumping Duty (AD) and Counter Vailing Duty (CVD) on the following products manufactured in India.

Product	Date	AD	CVD
H R Coil	Since March, 2001	38.72%	18.27%
Cut To Length Plates	Since Jan, 2000	42.39% (revised in Feb'2003 after WTO ruling) -Initially it was 72.49%	12.82%

The above anti dumping duties imposed were extended in 2007. In December, 2013 US International Trade Commission further issued order extending these anti dumping duties for 5 more years.