

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

UNSTARRED QUESTION NO:3950
ANSWERED ON:20.03.2015
CVD BY U.S. ON IMPORT OF STEEL PRODUCTS
Charitra Shri Ram;Kothapalli Smt. Geetha

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

- (a) whether the United States (US) has imposed Countervailing Duty (CVD) on import of certain Indian steel products and if so, the details thereof;
- (b) the reaction of the Government thereto;
- (c) whether the World Trade Organisation (WTO) has ruled against imposition of such high import duty by the US and if so, the details thereof; and
- (d) the present status in the matter?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) to (d): Yes Madam, the United States (US) has imposed countervailing duty (CVD) on certain steel products imported by the U.S. from India, in particular, on 'Certain Hot Rolled Carbon Steel Flat Products'.

Government of India (GOI) thoroughly examined the findings of the CVD investigation conducted by US and the CVD imposed on this product. In consultation with the stakeholders, GOI observed that the US acted inconsistently with the WTO Agreement on Subsidies and Countervailing Measures (ASCM). Hence, aggrieved by the US action, GOI filed a dispute against the US under the WTO Dispute Settlement Mechanism.

GOI achieved a major success in this WTO dispute. In its report, circulated on 8 December 2014, the WTO Appellate Body (AB) held that the US action was inconsistent with a number of ASCM provisions. Some of the key rulings in favour of India are -

- (i) AB held that the US Law mandating cumulation of non subsidised imports with subsidised imports while determining injury was inconsistent with the ASCM;
- (ii) AB also held that the US determination considering NMDC as a public body; and the US decision to initiate an investigation into grant of mining rights for iron ore and coal as a subsidy without sufficient factual evidence, were also inconsistent with the ASCM. The Panel and the AB reports are available in the public domain at https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds436_e.htm.

After adoption of the AB report by the WTO Dispute Settlement Body (DSB) on 19 December 2014, the US conveyed its intention to implement the recommendations and the rulings of the DSB within the mutually agreed Reasonable Period of Time (RPT) under Article 21 of the WTO Dispute Settlement Understanding (DSU).