

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

UNSTARRED QUESTION NO:783

ANSWERED ON:24.07.2015

Import of Steel

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

- a) whether the domestic steel industry is reportedly suffering due to cheap import of industrial grade stainless steel from China, Malaysia, South Korea and Japan under Free Trade Agreement;
- b) if so, reaction of the Government thereto along with the details of such imports during each of the last three years and the current year, country-wise;
- c) whether the Government has imposed anti-dumping duty on such imports and if so, the details thereof; and
- d) the other measures taken/being taken by the Government to safeguard the interest of domestic steel industry?

Answer

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

(a) & (b): The total value of imports of industrial grade stainless steel from Free Trade Agreement (FTA) partners such as Japan and South Korea over the last 3 years has shown a negative growth rate. Moreover, there is no FTA with China and the FTA utilisation rate with Malaysia is less than 10%. Hence, one cannot attribute any sufferings of this sector to Free Trade Agreements (FTA). The details of the imports (in Rupees) of industrial grade stainless steel over the last three years and in 2015-16 (April-May, 2015) is given in Annexure 1

(c): The government has imposed anti-dumping duty on stainless steel as per details given in Annexure 2.

(d): Before entering into Free Trade Agreement (FTA) negotiations with its trading partners, studies are undertaken internally, as well as through the Joint Study Group (JSG) to study the feasibility of the proposed Free Trade Agreements. Consultations are also held with the domestic stakeholders including the Apex Chambers of Commerce and Industry, Industry Associations as well as the Administrative Ministries and Departments. In order to protect the interest of the domestic industry these agreements provide for maintaining sensitive/negative lists of items on which limited or no tariff concessions are granted under the FTA. In addition, in case of a surge in imports and injury to the domestic industry, a country is allowed to take recourse to the measures such as anti-dumping and safeguards.

Annexure 1

COUNTRY-WISE IMPORT OF INDUSTRIAL GRADE STAINLESS STEEL DURING 2012-13,2013-14,2014-15 AND 2015-16(APR TO MAY)

HS 7219 - Flat rolled products of stainless steel of a width 600 mm or more

COUNTRY 2012-13 2013-14 2014-15 2015-16(Apr to May)

QTY(KG) VAL(INR) QTY(KG) VAL(INR) QTY(KG) VAL(INR) QTY(KG) VAL(INR)

CHINA P RP 65900459 8947682206 51907799 6591364524 95987538 13361489929 18481991 2622816632

JAPAN 35229880 4028434241 30672726 3322428874 41634244 4235742415 7355265 789704833

KOREA RP 45809292 4804278521 39531984 3947261530 37980469 3848617498 4352966 460248386

MALAYSIA 17593020 2528525089 11273117 1617447078 25810526 3841308963 8249350 1248286423

HS7220 - Flat rolled products of stainless steel of a width less than 600mm

COUNTRY 2012-13 2013-14 2014-15 2015-16(Apr to May)

QTY(KG) VAL(INR) QTY(KG) VAL(INR) QTY(KG) VAL(INR) QTY(KG) VAL(INR)

CHINA P RP 24844282 2226053301 59857337 5625966815 135614967 11789324106 17906733 1472880981

JAPAN 4107268 1248545300 3354508 1090687750 2950647 937326014 703451 167946145

KOREA RP 4429540 794141238 13423901 1086971025 3458758 574107593 536423 104737814

MALAYSIA 1623982 208481128 629200 88622701 1718373 239158138 536314 80110853

HS 7721 - bars and rods, hot rolled, in irregularly wound coils of stainless steel

COUNTRY 2012-13 2013-14 2014-15 2015-16(Apr to May)

QTY(KG) VAL(INR) QTY(KG) VAL(INR) QTY(KG) VAL(INR) QTY(KG) VAL(INR)

CHINA P RP 1636702 259198124 4686913 691018671 8144588 1165712986 408680 55897569

JAPAN 2824156 536408942 593128 135385411 1129021 246071250 69849 18826073

KOREA RP 31036 8225569 282271 41637095 959658 154433690

MALAYSIA 38000 3584197 47700 6563998 71546 9574293

Total of HS 7219, 7220 and 7221

COUNTRY 2012-13 2013-14 2014-15 2015-16(Apr to May)

CHINA P RP 92381443 11432933631 116452049 12908350010 239747093 26316527021 36797404 4151595182

JAPAN 42161304 5813388483 34620362 4548502035 45713912 5419139679 8128565 976477051

KOREA RP 50269868 5606645328 53238156 5075869650 42398885 4577158781 4889389 564986200

MALAYSIA 19255002 2740590414 11950017 1712633777 27600445 4090041394 8785664 1328397276

Note: The figures for 2014-15 and 2015-16 (April-May) are provisional.

Annexure 2

S.

No. Product/

HS Classification/

Applicant(s) Country (ies)

involved Range of definitive Anti-dumping

1. Cold Rolled Flat products of Stainless Steel EU, Canada, Japan & USA Difference between US\$ 1470 to 2431 and landed value per MT w.e.f. 28.12.2001. Duty expired on import from EU and Canada on 25.11.2005. Duty expired on imports from Japan and USA on 27.12.2006.

2. Cold Rolled Flat products of Stainless Steel China PR, Korea RP, EU, South Africa, Taiwan, Thailand & USA US\$ Nil to 2254.69 per MT w.e.f. 22.4.2009. Duty expired on 21.4.2015. Sunset review is under investigation and the investigation has been extended upto 16.10.2015

3. Certain Hot Rolled Flat Products of Stainless Steel European Union, South Africa, Taiwan & USA US\$ Nil to 1130.28/MT w.e.f. 25.11.2011

4. Stainless Steel Cold Rolled Flat products of 400 series having width below 600 mm. European Union, Korea & USA. Difference between US \$ 1491 and landed value per MT w.e.f. 4.10.2012

5. Hot Rolled flat product of Stainless Steel of 304 Grade China PR, Korea RP and Malaysia US\$ 180 to 316 per MT w.e.f. 5.6.2015
