

Protection for Indian steel industry must be temporary - Naushad Forbes

Confederation of Indian Industry President, Naushad Forbes, even in the wake of a clamour for increased protection for the steel industry, said that the protective measures should be temporary.

He told "The long-term objective has to be full integration with free trade around the world. The steel sector has a particular problem at present. China has a massive overcapacity, which is double the total Indian consumption. So, the situation is very skewed. So, you have a temporary problem that needs to be addressed to sustain the local industry. That's what's being done, so you have protective tariffs, but the important thing is that the protection indeed be temporary and not permanent to help the industry sort out problems in the short run and make the industry competitive not only locally but even in China."

The rationale, according to him, was that protection helped the producer, but it was a cost or tax on the consumer.

In the long-term, we have to move away from protection," Forbes explained when asked about protection sought by the steel industry in the wake of cheap imports from China.

He also pointed out that steel users were many more in number than the steel producers and protection increases the cost of goods for consumers.

TV Narendran, managing director for Tata Steel India and Southeast Asia, who is also the CII regional chairman, however, said that the Indian steel industry was not unique in seeking protection. He said "Before January no one was talking about protection when the import duty was 0-5%. Steel industry worked to make itself



competitive despite a high cost of capital and cost of doing business. But when you have a 'Make in India' programme, how do you protect investors because end of the day, you put in INR 200,000 crore in building steel capacity and when you have a problem you don't do anything. Then the question to ask is why anyone would put in capacity in India. And India being a country, which has raw material and market, should be an ideal place to make steel. Steel industry has always competed with the rest of the world. Across the world, countries were taking action and it was normal & accepted by WTO. Anti-dumping takes time and hence the temporary measures."

India imposes anti-dumping duty on steel products from 6 nations



An anti-dumping duty of USD 474-557 per tonne was imposed on 'hot-rolled flat products of alloy or non-alloy steel' import from China, Japan, South Korea, Russia, Brazil and Indonesia, the Department of Revenue in the Ministry of Finance said in a notification.

The duty would be in force for six months till February 7, 2017.

The anti-dumping duty was imposed on recommendation of the Directorate General of Anti Dumping (DGAD).

An anti-dumping duty of USD 474 per tonne was imposed on import of hot-rolled flat products of alloy or non-alloy steel of a width up to 2100 mm

and thickness up to 25 mm from Korea and Japan.

Korean firms attracting the anti-dumping duty are Hyundai Steel Company and POSCO. Three Japanese companies JFE Steel Corp, Nippon Steel and Sumitomo Metal Corp are also featuring in the list.

A similar anti-dumping duty was slapped on import of similar products from China, the exporter company being Angang Steel Company Ltd and Zhangjiagang. Imports of the same from Indonesia, Russia and Brazil too attracted USD 474 per tonne duty.

Hot rolled flat products of alloy or non-alloy steel not in coils (commonly known as sheets and plates) of a width up to 4950 mm and thickness upto 150 mm imported from Korea, Japan, China, Russia, Brazil and Indonesia would attract USD 557 per ton anti-dumping duty.

"DGAD has come to the provisional conclusion that the subject goods have been exported to India from the subject countries below normal value and the domestic industry has suffered material injury on account of subject imports from the subject countries," the notification said.

Also, DGAD felt the injury has been caused by the dumped imports of the subject goods from the subject countries.