

Govt needs to protect 8 lakh MSMEs too: EEPC Chairman

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ANY DUTY HIKE on steel imports to protect steel manufacturers will have a detrimental impact on small industries that are already grappling with numerous challenges, Pankaj Chadha, Chairman of the Engineering Export Promotion Council (EEPC) of India, said on Wednesday.

This follows reports that the Ministry of Steel has pro-

posed a 25 per cent increase in duty to shield domestic manufacturers from steel being dumped into India by China, as well as a surge in imports from several countries with which India has a free-trade agreement (FTA).

"MSMEs are not being invited to the ongoing consultations to address trade-related issues faced by the steel industry. Discussions about a duty hike will hurt the downstream industry. Our perspec-

tive is straightforward: if protection is being provided for steel producers, there must also be protection for MSMEs. You cannot have a situation where producers are safeguarded while the 8 lakh MSMEs are left without support," Chadha said.

He added that while the balance sheets of large steel manufacturers remain robust, those of around 8 lakh MSMEs are in a precarious state. Within EEPC, 50 per cent of

export value is contributed by MSME members, and 60 per cent of its members are MSMEs. "How will MSMEs compete with international players? The steel sector should be addressed, but not at the expense of other sectors. For instance, Japanese steel shipments are currently stuck at ports due to delays in issuing no-objection certificates (NOCs). These products are unavailable in India," Chadha said.