

# 'India should explore trade barriers as safeguards against rising steel imports'

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New Delhi

India should start putting trade barriers as a safeguard against rising steel imports, Dilip Oommen, CEO, ArcelorMittal Nippon Steel India, and President of the Indian Steel Association, said on Tuesday.

According to Oommen, India happens to be in the "spotlight" as far as "economy and steel consumption" are concerned. And since this is not the case in other countries, India remains vulnerable to imports.

"So India has the highest threats of imports coming in and flooding the country if action is not taken on time," he told *businessline* on the sidelines of the annual conclave organised by the Indian Steel Association.

## QUALITY CONTROL

According to Oommen, trade barriers "could be explored) in many forms" with the prime consideration be-



Dilip Oommen, CEO, ArcelorMittal Nippon Steel

ing whether the steel offerings that are coming in can be manufactured in India or not. If these can be manufactured by steel-makers here, then the question to be asked is why such steel is being imported despite availability in the country.

Strengthening the quality control norms, stringency in BIS (Bureau of Indian Standards) norms, among others, could be looked into.

"There is dumping happening. And we should start by making the BIS process more stringent and ensure (that stringent norms) en-

forcement so that the countries dumping steel refrain from doing that," he added.

Indian steel-makers have been badly hit by imports, primarily from China, over the last few months.

Earlier it was the stainless steel makers who had reached out to the Centre for intervention. The non-alloyed steel-makers are not feeling the pinch as exports slow down, key markets like Europe and Middle East curtail offers, and in the domestic market (in India) lower priced Chinese steel finds its way, either directly from China or through Vietnam.

For the seven-month period, from April-October, India is a net exporter with a slender margin of 0.05 million tonnes (mt). Steel being shipped out was 3.52 mt, down 11 per cent y-o-y, while shipments coming in stood at 3.47 mt, up 10 per cent y-o-y.

On a monthly basis, India was a net importer for Q2 (July-Sept) and also in Octo-

ber. Oommen said, "a lot of the steel coming into India" are commodity steel which is "easily produced (available) from many of producers in India"; thereby indicating that dumping of excess stocks by few countries was happening at prices lower than prevailing domestic price.

## THREAT FROM CHINA

When asked about Chinese steel-dumping emerging as a threat, Oommen said, "it (dumping by China) is a threat to the world and not just India."

"Because the production in China has not come down this year as compared to last year. We were told that the production will come down this year; but there is still no sign it. The BF utilisation (blast furnace) is still about 90 per cent; and domestic demand is not there. So, where will the steel go. It has to be exported," he said adding, "Steel exports from China have gone up drastically."