

Steel Ministry says there are no plans yet to impose higher duty on finished steel imports

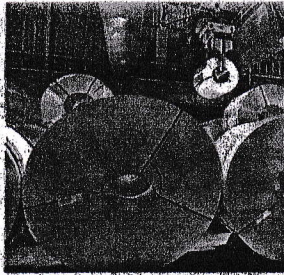
Abhishek Law
New Delhi

Steel Ministry is unlikely to call for the imposition of duty on imports, senior officials told *businessline*. Better than expected domestic demand is seen as the key reason for the Ministry not pushing ahead with imposition of duties or safeguard measures.

Incidentally, India — the second largest crude steel producer globally, is already a net importer of the alloy. It reversed a three-year trend of being a net-exporter.

IMPORTS VS EXPORTS

The country imported 5.6 million tonnes (mt) of steel, as against exports which stood at 4.7 mt for the nine months of April - December of 2023. While imports rose 26 per cent y-o-y, exports dipped 2-odd per cent for the period under



review, a Ministry report said.

According to the official, while imports have seen a rise, there is some uptick in exports being witnessed December-onwards. Moreover, domestic demand continues to be good. So, the Ministry "does not feel that there's an immediate need" to go for higher tax.

"There are no immediate plans to suggest taxes on imported steel even though there is a rise in shipments coming in," the official said adding that India continues to explore

WTO complaint measures.

Typically, the Steel Ministry submits its suggestion on the need to impose import duty to the Finance Ministry based on its own assessment of numbers and current market scenarios.

NO SUGGESTIONS MADE

Sometimes investigation are done by the Directorate General of Trade Remedies too, based on industry filing petitions seeking anti-dumping probe. If the DGTR is satisfied it may recommend imposition of anti-dumping duties.

So far, no proposal or suggestion has been made to the Finance Ministry, the Steel Min official said. "No proposal has gone to the Finance Ministry from our side for revision of existing duties or imposition of new ones," the official said.

Incidentally, India's steel majors in a recent meeting

with Ministry had raised concerns on rising imports, specially from China and Vietnam.

It was suggested that taxes be raised from the prevailing 7.5 per cent on several steel products to curb imports, while other safeguard options like tariff rate quotas, monitoring across ports and reconsideration of lesser duty rules be explored.

However sources said, the Ministry was reportedly not very happy with the data presented by the industry or the logic put forward on the need for imposing duty.

DOMESTIC DEMAND UP

"This apart there is good domestic demand which indicates there is higher production and higher requirement too," the official said.

Steel consumption hit a near five-year high to 99.36 mt, up 14 per cent y-o-y (87.14 mt in 9M-FY23), govt data shows.