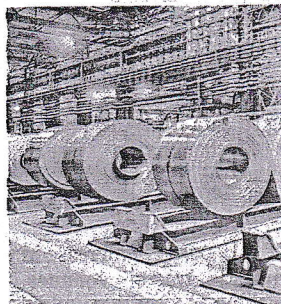


DGTR moots 12-15% safeguard duty on import of select steels

Abhishek Law
New Delhi

The Directorate-General of Trade Remedies (DGTR), after an initial investigation following allegations of dumping of steel, has recommended imposition of a 12-15 per cent safeguard duty on select types of the metal coming into India, *businessline* has learnt from sources in the know.

A safeguard duty is a temporary tariff that a country



imposes to protect its domestic industry from a sudden increase in imports.

Safeguard duties are ap-

plied to all countries, not just those that engage in unfair trade practices.

There will be certain price points post which the duty is likely not levied, that is, if the price of the metal or that particular alloy category crosses an upper threshold, additional duties will not be charged, it has been suggested as per initial discussions, an official said.

The Steel Ministry is yet to respond to queries from *businessline*.

Read more on p3

DGTR moots 12-15% safeguard duty on steel imports

Abhishek Law
New Delhi

The Directorate General of Trade Remedies (DGTR), post an initial investigation following allegations of dumping of steel, has recommended a 12-15 per cent safeguard duty imposition on select types of the metal coming into India, *businessline* has learnt from sources in the know.

A safeguard duty is a temporary tariff that a country imposes to protect its domestic industry from a sudden increase in imports. Safeguard duties are applied to all countries, not just those that engage in unfair trade practices.

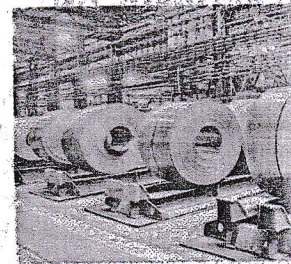
There will be certain price points post which the duty is likely to be not levied, that is, if the price of the metal or that particular alloy category crosses an upper threshold, additional duties will not be charged, it has been suggested as per initial discussions, an official said.

The Steel Ministry is yet to respond to queries from *businessline*.

"Preliminary finding for safeguard is being uploaded, most likely within this week. And a provisional duty 12-15 per cent is likely to be recommended," one of the sources said.

A second person said, no duty will be levied, if prices are equal to or above \$650-675 per tonne for the benchmark hot-rolled coils (HRCs), around \$700 per tonne range for hot rolled plates, around the \$860-865 per tonne range for coated steel and around \$964 per tonne price point for colour coated steel products.

"Some of the price points are still under discussion.



Over the last 12-18 months, India has turned a net importer of steel with Chinese stocks making their way into the country

And there could be revisions to these limits if required," the second person said.

UP TO 25% DUTY

The Steel Ministry had pitched for a 20-25 per cent safeguard duty to protect the domestic industry in view of increased imports specially from FTA nations and China. The recommendations were made to the country's Commerce Ministry.

Over the last 12-18 months, India turned a net importer of steel as Chinese excess stocks started making their way into the country. For the first 11 months of this fiscal, April-February, India's import of the alloy was 8.9 million tonnes (7.7 mt), up 16 per cent y-o-y, and exports at 4.9 mt (6.7 mt), down 34 per cent y-o-y. Steel trade deficit in value terms have soared to multi-year highs.

For most months of the fiscal, India's steel imports have been in the 0.70-1 mt range, barring April and June when they were in the 0.5-0.6 mt range.

India had around December initiated a probe into an alleged increase in imports of certain steel flat products into the country following a complaint from the Indian Steel Association.