

25% IMPORT DUTY ON STEEL, ALUMINIUM

Minimal impact of US steel duties: Official

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THE ANNOUNCEMENT BY US President Donald Trump of 25% import duty on steel and aluminium products took effect on Wednesday but the Indian steel secretary said that the industry sees minimal impact of the move on shipments of the alloy to the US.

India exports less than 100,000 tonne steel to the US and the volume is miniscule to have an impact, secretary Sandeep Poundrik told reporters on the sidelines of an event.

While iron and steel exports to the US stood at just \$399 million in April-December, the exports of products of iron and steel were \$2.2 billion. The exports of aluminium to the US were \$599 million in April-December.

The US announcement raises duty on aluminium and its articles to 25% from 10%. In steel the US has maintained duties at 25% since 2018 but after negotiations had exempted some countries — including India — from these higher duties.

As the duties will be applicable on all countries, some of them have announced their

KEY NUMBERS

■ Iron & steel exports to the US stood at \$399 million in Apr-Dec

■ US hikes duty on aluminium and its articles to 25%

■ EU to impose tariffs on \$28.3 bn worth of US goods

■ India has a trade deficit, exports at \$494.2 mn, imports at \$842 mn

■ Aluminium exports to US stood at \$859.8 mn, imports at \$898.9 mn

SANDEEP POUNDRIK
STEEL SECRETARY

India exports less than 100,000 tonne steel to the US...the volume is miniscule



intent to retaliate. The European Union (EU) has said it will impose retaliatory measures on \$28.3 billion worth of US products like boats, motorbikes and bourbon. China and Canada have also announced action. The UK, however, said it will push for a trade deal with the US.

"India imports more iron and steel (excluding finished products) and aluminium products from the US than it exports, meaning that if India retaliates, the US would face a bigger impact in these sectors," wrote trade analyst firm GTRI.

India has a trade deficit in iron and steel, exporting \$494.2 million to the US while importing \$842 million. In aluminium and aluminium products, trade

is nearly balanced, with exports at \$859.8 million and imports slightly higher at \$898.9 million.

When the first Trump administration increased duties on steel and aluminium, India imposed retaliatory tariffs on 28 products imported from the US in 2019.

"Unlike in June 2019, when India responded to similar US tariffs with higher duties on American goods, this time, India seems unwilling to take countermeasures, despite the economic impact. Even though both countries have agreed to negotiate, these tariffs show that Trump has little regard for India's concerns," wrote GTRI.