

Govt to look into rising Chinese stainless steel imports

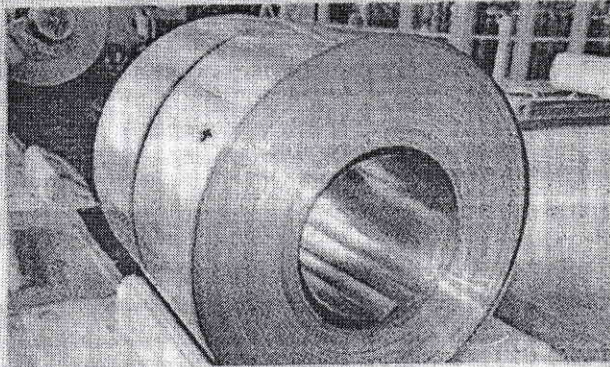
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The Steel Ministry is looking into the need for imposing countervailing duties (CVD) or import duties on Chinese stainless steel shipments coming to India. And accordingly, the departmental secretary has been asked to prepare a "brief note" and "submit" the same to Steel Minister Jyotiraditya Scindia.

The letter to the Steel Secretary has gone from the Union Minister's office. The note, through the Minister's PS, refers to a presentation made by the President of the Indian Stainless Steel Development Association (ISSDA), Rajamani Krishnamurti, asking the bureaucrat to examine the matter.

The note, reviewed by *businessline*, and dated May 31, says: "It is requested that the matter may please be examined and a brief note be submitted for kind perusal of Steel Minister at the earliest."

Scindia had earlier said that it had been brought to the notice of the Ministry about one or two specific instances where excess capa-



SURGING IMPORTS. From 5.5% in 2017-20, the Chinese imports now account for 32.9% of the usage in Indian markets

city of a country was being pushed here.

The stainless steel industry - makers and suppliers - have been complaining of Chinese imports impacting them for quite some time.

THE COMMON POINT

Two of India's largest stainless steel-makers, Jindal Stainless and SAIL (which runs the Salem Steel Plant), have already raised the matter with both the Finance and Steel Ministries.

The common point of complaint is that Chinese imports - particularly for the series 200 which is mostly used in consumer durables -

have been denting the share of Indian companies.

SAIL, in a letter, referred to an investigation carried out by the Directorate General of Trade Remedies (DGTR) and its April 6 recommendation, which mentioned that the Chinese products in question were subsidised and "caused injury", with players here losing market share to the extent of 20-30 per cent.

JSL said "about 50 per cent of imports of 200 series products were priced below direct cost of Indian industry; while one-third of imports were below the raw material costs in India."

As per the DGTR investiga-

tion, Chinese imports into India shot up to 44 per cent (on an annualised basis) after suspension of CVD since February 2021.

It stood at 49 per cent (annualised basis) for a nine-month period in 2022.

SUBMISSION BY ISSDA

The ISSDA in its presentation mentioned that Chinese steel imports into India were increasing post withdrawal of the CVD, while capacity utilisation by Indian players, including MSMEs, is going down.

For instance, from April 2017 to March 2020 (three years), the capacity utilisation was 49 per cent and for MSMEs, it was 61 per cent. Chinese imports were 83,828 tonnes during this period. However, between April and December of 2022, the annualised capacity utilisation was 33 per cent for Indian mills and for MSMEs it was 41 per cent, Chinese imports were up 500 per cent to 5,26,708 tonnes.

From a mere 5.5 per cent in 2017-20, the Chinese imports now account for 32.9 per cent of the usage in Indian markets, the association said in its presentation.