

SAIL seeks levy of countervailing duties on Chinese stainless steel imports

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The Steel Authority of India (SAIL) has written to the Revenue Secretary, Sanjay Malhotra, seeking imposition of anti-subsidy duties or countervailing duties on Chinese stainless steel coming into India, to create a "level playing field". The PSU steel-maker has in its letter pointed out that the company is unable to utilise production capacities at Salem in Tamil Nadu — one of the largest facilities in the country.

Production of a particular popular grade of stainless steel is down y-o-y in FY23, it said, adding that the steel-maker is unable to sell its offerings in domestic markets since the Chinese products are coming in at least 19 per cent lesser the cost, which includes subsidies.

In fact, a senior Steel Ministry official in an internal note — a copy of which has been reviewed by *businessline* — also suggested the Ministry too take up the matter. "SAIL should get a level playing field to encourage its efforts to optimise the utilisation of full



AT A LOSS. SAIL said the Indian industry is losing 20-30% market share due to cheaper Chinese imports

production capacities.... (if the anti-subsidy duties are restored on Chinese imports, we shall be able to utilise a very significant part of our capacities," the letter by one of the ED's of the steel plant mentions.

SAIL in its letter has referred to an investigation carried out by the Directorate General of Trade Remedies (DGTR) and its recommendation that had mentioned that the Chinese products in question — called 200 series product in technical parlance — were subsidised to the extent of 19 per cent and it has

"caused injury" to the Indian industry (in terms of Indian players losing market share) to the extent of 20 - 30 per cent. It recommended "extension of anti-subsidy duties on imports from China".

The domestic stainless steel industry has also been trying to take up the matter across required fora. "...kindly consider the DGTR recommendation, and invoke anti-subsidy duties..." the letter further mentions. "We must also write from our end," a senior official in an internal note suggested:

UNDERUTILISED

Salem steel plant, which is on the Centre's disinvestment radar, has an annual production capacity of 1,80,000 tonnes of stainless steel flat rolled products; while its installed capacity is currently at 70,000 tonnes per annum in its cold rolling mill and 3,64,000 tonnes per annum in the hot rolling mill.

SAIL while building its case said, owing to low-priced imports, the (Salem) plant has suffered from underutilised production capacities.