

India imposes 12% safeguard duty on steel imports, targeting China, Vietnam

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In a bold move to protect its steel industry, India has imposed a 12 per cent safeguard duty on imports of non-alloy and alloy steel flat products, effective Monday, specifically targeting shipments from China and Vietnam. The duty will remain in effect for 200 days, unless amended or revoked.

The duty will include imports of products, such as hot-rolled coils, cold-rolled sheets, metallic coated steel and colour-coated coils.

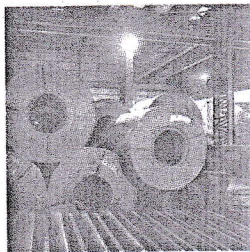
The steel sector has been reeling from the influx of low-cost imports, which have reached a 10 year-high of 9 million tonnes.

"...hereby imposes ... when imported into India, a provisional safeguard duty at the rate of 12 per cent *ad valorem*," the notification said.

WELCOME MOVE

Union Minister of Steel HD Kumaraswamy said the move will protect domestic manufacturers and ensure fair competition.

"We welcome the 12 per cent safeguard duty on imported steel flat products. This will protect Indian manufacturers, ensure fair com-



petition, and boost our domestic industry," the Minister wrote.

'CRITICAL STEP'

According to TV Narendran, CEO & MD, Tata Steel, the safeguard duty imposition is a critical step in addressing the surge of unfairly priced imports to India. "Unchecked imports — especially from countries with significant excess capacity — threaten domestic manufacturing, employment and future investments. This decision will help restore fair competition, ensure the industry's long-term sustainability," he said.

The DGTR, in a probe, had mentioned that there is a recent, sudden, sharp, and significant increase in imports of subject goods into India, which threaten to cause serious injury to the domestic industry and producers. It also noted that critical circumstances exist, where any

delay in application of provisional safeguard measures would cause damage that would be difficult to repair. "There is a necessity for immediate application of provisional safeguard measures," it had pointed out, while recommending a 12 per cent provisional duty.

According to Harsh Bansal, MD of BMW Industries, the quantum could have been slightly higher.

"They will see that the market doesn't move to cheaper imports. The government will also have to ensure the headline inflation remains within target range," he said.

SOME EXEMPTIONS

However, not all imports face levies. Steel products priced above specific thresholds — \$675 per tonne to \$964 per tonne, depending on the category — are exempt to ensure that high-value imports remain unaffected. Developing nations, except China and Vietnam, escaped the duty, aligning with India's trade commitments.

Exclusions are extended to specialised products like stainless steel, tinplate, and electrical steel, safeguarding niche markets. In total, there are 22 product specific exemptions.