

# India reviewing ASEAN trade pact to curb steel imports

**KEY CONCERN.** Move to address re-routing of Chinese offerings

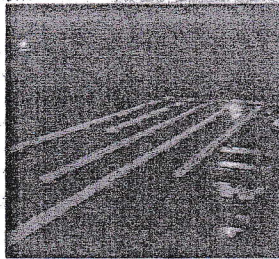
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India has initiated a review of the ASEAN-India Free Trade Agreement (AIFTA), specifically the ASEAN-India Trade in Goods Agreement (AITIGA), with a focus on addressing concerns about steel imports from ASEAN nations, particularly those potentially linked to Chinese investments.

This review is driven by India's concerns over trade imbalances, the re-routing of Chinese goods through ASEAN countries to exploit duty concessions, and the impact on domestic industries, including steel.

"FTA review is an ongoing process," Steel Secretary Sandeep Poundrik confirmed on the sidelines of an interaction in the Ministry. He said suggestions have already been provided on it.

The review primarily seeks to determine if China is routing its excess stocks through these ASEAN nations. Or if the export offerings from these nations follow the "melted and poured" norms, that is, "melted and poured" as "the original location". This actually means,



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where the raw steel is first produced in a steel-making furnace in a liquid state; and then poured into its first solid shape. The first solid state can take the form of either a semi-finished product (slab, billets or ingots) or a finished steel mill product.

"There are ways to check whether some of the issues relating to rules of origin are being followed; and whether Chinese offerings are being routed. Some of these issues are being taken up," an offi-

cial requesting anonymity said.

One common complaint that had previously been made by the industry was China routing excess stocks through Vietnam, with which India had trade arrangements. This has prompted anti-dumping investigations into metal offerings coming into India from the ASEAN nation.

Two anti-dumping probes against China and Vietnam are nearing completion and recommendations are expected soon, sources said.

## NET IMPORTER

In FY25, India was a net importer of steel with imports being at a 10-year-high of 9.5 million tonnes (mt), while exports dipped to multi-year low of 5 mt. Trade deficit in volume terms was at 4.5 mt, the highest in recent terms.

In terms of country specific imports, shipments from Korea was the highest 2.8 mt, followed by China at 2.5 mt, and Japan at 2 mt, latest numbers available with the Steel Ministry show.

Sources said, India is looking for a country-wise review of the AITIGA to contain its rising trade deficit with the 10-nation bloc.