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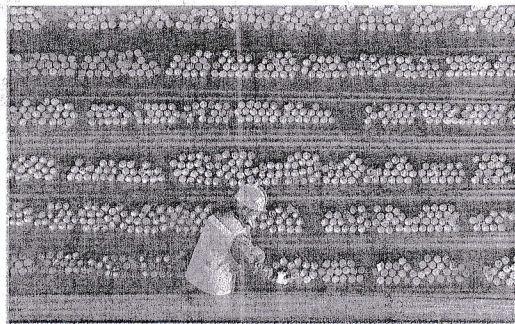
# Steelmakers seek protection from rising Chinese imports

**WANT SAFEGUARDS.** Industry leaders write to FM, urging tougher trade barriers against predatory pricing

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India's steelmakers have written to Finance Minister Nirmala Sitharaman, seeking safeguards for their committed investments and protection against predatory-priced imports from China. Citing global examples, the steelmakers are seeking trade actions such as anti-dumping duties, import tariff increase, among others, similar to measures taken by the US, Canada, LatAm nations and Europe.

In a letter dated earlier this month, the steelmakers through their umbrella organisation, the India Steel Association (ISA) have stated that countries like the US have imposed a 25 per cent duty on all steel products coming in from China, with up to 100 per cent duty on select offerings including steel.



**IN A BIND.** A prolonged housing demand slowdown in China, saddled with a glut of the metal, has led to a skewing of prices

The ISA includes Naveen Jindal's JSPL, JSW, AMNS India, Tata Steel and PSU major SAIL, among others.

#### **CALL FOR DUTY HIKE**

Similarly, Europe has imposed a 25 per cent duty, as TRQ Safeguard, on Chinese steel coming in, while Canada has proposed duty imposition starting October 2024. Tur-

key also has anti-dumping tariffs ranging between 20.5 per cent and 57.5 per cent. Asian nations such as Japan, Vietnam and Malaysia have also initiated anti-dumping probes.

"...most countries are raising barriers to imports from China and others to safeguard their domestic market," the ISA wrote in its

letter (reviewed by *businessline*).

The association has pointed out that, on an average, investments amounting to ₹70,000 - 75,000 crore are made annually by steelmakers. These are "now at risk, due to erosion of margins".

#### **SAFEGUARD DUTIES**

Chinese steel imports into India have increased by 93 per cent year-on-year (y-o-y) in FY24, with India turning a net importer of steel.

In the first five months of this fiscal (April - August), the country has continued to remain a net importer of the metal, while the trade deficit (in steel) has already exceeded the FY24 numbers.

Apart from pitching for higher import duty — doubling to 15 per cent from the existing 7.5 per cent — the steelmakers are also calling for high safeguard duties (up to 25 per cent), export duty

on low grade iron ore (iron content below 58 per cent) and the removal of the lesser duty rule.

A prolonged slowdown in housing demand in China, which is saddled with a glut of the metal, has led to skewing of the prices.

The steel mills, citing a NITI Aayog report, maintained that they absorb around \$80-100 per tonne outside the factory gate; which incidentally is not paid by importers. They are seeking a level playing field which would mean adding a similar amount to the landed cost of the metal shipped into the country.

Meanwhile, the Indian steel exporters are also facing a variety of trade barriers, resulting in a roughly 40 per cent fall in outbound shipments, apart from increased competition from Chinese offerings, which continue to sell at predatory prices.