

US tariffs risk Chinese goods flooding India

Tariffs up to 100% on key items from China take effect today

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India stares at the risk of an influx of Chinese products as US tariffs on a range of Chinese goods, including solar panels, electric vehicles, lithium-ion batteries, syringes, and steel, are set to take effect from September 27.

With higher tariffs reducing China's access to the US market, there is concern that China may divert its exports to other markets, including India, which could lead to potential dumping of goods. This situation could challenge Indian industries, particularly in sectors where competition with Chinese products is already fierce.

Ajay Srivastava, founder of the Global Trade Research Initiative, said India must act swiftly to protect its industries.

"The government should establish a 'war room' within the commerce department to monitor daily imports of these products. This proactive approach will help detect and prevent China from dumping goods at rock-bottom prices to sustain its factories, shielding India's domestic market from unfair competition. Timely intervention is key to ensuring India's manufacturing sector remains competitive in the face of potential Chinese overcapacity," he added.

The higher tariffs imposed by the Biden administration on Chinese products worth tens of billions of dollars ahead of the November presidential election range from 7.5 per cent to 100 per cent.

Earlier this year, a government official requesting anonymity had

TOP 5 IMPORTS



	Imports from China in FY24 (\$ mn)	Y-o-Y growth (%)
Iron, steel	2,655	31.7
Lithium-ion battery	2,206.01	0.76
Aluminium ore & concentrates	49.83	43.76
Syringes with needles	6.84	-48.29
Graphite	6.06	-23.19

Source: Department of Commerce

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India's trade barriers with China pose big risk to business: NTPC Green Energy

The green energy arm of India's largest power generator, NTPC, has said in its DRHP filing that the government's restrictions on trade ties with China will adversely impact its business, given that the

neighbouring country is a leader in solar and wind equipment manufacturing. NTPC Green Energy, which filed for the IPO last week, is aiming to initiate the listing in the next two months, writes SHREYA JAI

said India has a robust institutional mechanism to prevent dumping of goods from China. "We have our Directorate General of Trade Remedies (DGTR) system and an effective anti-dumping framework. In case somebody wants to dump goods, we have all the institutional mechanisms to look at it. We will do that accordingly," the official had said.

Alok Sahay, secretary general of the Indian Steel Association, warned that China is already dumping steel into India and this trend may accelerate following the US tariffs. "Last year, Chinese steel exports to India increased 91 per cent. We are seeing a surge this year as well. There is a huge focus on exports by China this year because all their steel consum-

ing countries have put barriers for Chinese steel but there is very little barrier in countries like India. It is also a long drawn process to prove injury in India for anti-dumping duty to be imposed. But we are in discussion with the government and it is working to help us," he said.

According to the latest trade data for August, India's exports to China contracted by 22.44 per cent to \$1 billion, while imports increased by 15.5 per cent to \$10.8 billion, indicating continued dependency on the Northern neighbour.

D Dhanuraj, chief executive of the Centre for Public Policy Research, said the US policy to increase tariffs on EVs and solar panels are not going to benefit the global south, including India.

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India faces risk of Chinese goods influx

“In India, there could be a better chance of dumping Chinese products given the slowdown and excess production capacity that China has. The incentives and boost by the government of India to propel EVs and solar energy could be a more attractive option for the dumping of these products to India,” he said.

However, Ashwani Sehgal, president of the Indian Solar Manufacturers Association, said China currently cannot dump its solar panels into India due to the Approved List of Models and Manufacturers

(ALMM). “So the duties increased by the US on Chinese panels shall cripple China more but Chinese cannot dump into India,” he said.

The ALMM is a registry created by the Indian Ministry of New and Renewable Energy that includes certified solar photovoltaic models and manufacturers meeting government standards. This list ensures that only high-quality products are used in government-funded renewable energy projects, including those under initiatives like PM-KUSUM and solar park development.