

India's plan to impose safeguard duties on aluminium, steel questioned at WTO

EU frowns over levy on aluminium; Ukraine, Korea, Japan question steel safeguards

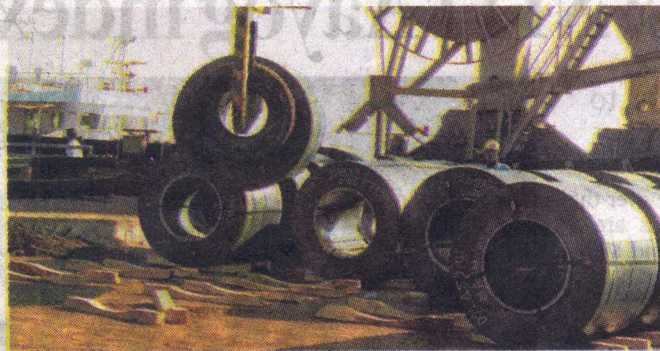
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India's proposed move to impose safeguard duties on import of aluminium has been questioned by the EU which has claimed that the conditions for its implementation have not been met.

New Delhi is also facing a challenge from Ukraine, Korea and Japan in its effort to impose safeguard measures on import of hot-rolled steel. Safeguard duties are additional import levies imposed on items if there is a sudden spurt in its import leading to losses to domestic producers.

"At a recent meeting of the WTO Committee on Safeguards, the EU pointed out that India's injury determination (for the local industry) was not conclusive and that the increase in imports was not sudden and sharp



as required under the Safeguards Agreement," an official privy to the meeting told *BusinessLine*.

No stagnation: EU

The EU further pointed out that both domestic capacity and production of aluminium in India were increasing which indicated that domestic industry was not stagnating.

The US also said that it was looking forward to receiving India's reply to its questions on the aluminium safeguard.

The Directorate General of Safeguards, in April this year, had recommended provisional safeguard duties of 5 per cent on 'un-

wrought aluminium' for a period of 200 days till final duties are determined. On the basis of the preliminary findings, the DG Safeguards ruled that the increased imports of aluminium had caused serious injury and threat of serious injury to domestic industry. As a result, the domestic industry had incurred financial losses in recent period 2015-16.

Ukraine, Korea and Japan expressed concerns with India's proposed safeguard measure on imports of hot-rolled flat sheets and plates. "Ukraine said it has serious concerns with India's practice of imposing safeguard measures based on the use of

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forecast market trends rather than an actual increase in imports," the official said.

Japan said India's determination used as the basis for the safeguard measure did not meet WTO requirements, in particular the one requiring a connection between increased imports and injury to the affected domestic producer, and the need to offer tariff concessions to compensate affected members for the safeguard.

In its reply, India said that in case of both safeguards, the details of its findings were available on a government website and it urged members to examine the findings carefully.

In case, the countries continue to differ with India's views, it could lodge a dispute against the country at the WTO.