

# Minimum import price of steel to go

ADITI DIVEKAR

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With steel import declining and domestic consumption picking up since the imposition of minimum import price (MIP) in February last year, the Ministry of Steel has no plans to continue with the measure.

"MIP on 19 products is expiring on February 4. Nothing will be done after that," Steel Minister Chaudhary Birender Singh told *Business Standard*. "We have been supporting the domestic steel producer segment for more than a year and have done whatever we could. We have acted timely but that does not mean these protective measures can go on forever."

Singh was speaking on the sidelines of the 25th meeting of the Steel Consumers' Council on Saturday. The government is considering bringing the remaining 19 products under anti-dumping protection, after February.

The ministry had brought down the MIP list to 66 products in August 2016, from 173 in February 2016. This was further revised to 19 products in December. Most products are now under the anti-dumping regime.

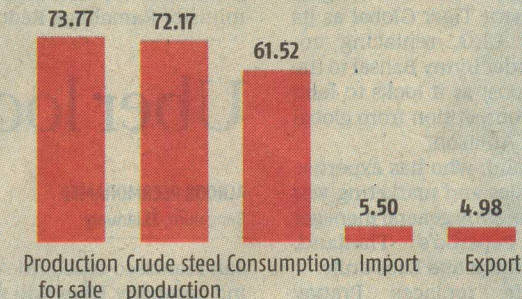
Regarding the safeguard and anti-dumping duties, Singh said India does carry the threat of being taken to the World Trade Organization (WTO). He refrained from elaborating.

The government has imposed a safeguard duty up



## TAKING THE PROTECTION OFF

Total finished steel (alloy+non-alloy) in Apr-Dec 2016 (mt)



Source: Joint Plant Committee

to 20 per cent on hot-rolled flat steel products in September 2015 and set a floor price in February to discourage imports from China, Japan and South Korea. Japan has threatened to take India to WTO over the restrictions.

Data of the Joint Plant Committee, under the ministry, show imports during April-December 2016 dropped 34 per cent, from the corresponding period last year, to 5.5 million tonnes (mt).

Due to this, market share for domestic players grew in the period under review, lead-

ing to eight per cent increase in production to 74 mt. Increase in exports was another factor for higher production this year, as outflow of the commodity doubled to 4.98 mt, from 2.91 mt in the same period last year.

Meanwhile, domestic consumption rose four per cent on a year-on-year basis.

Looking to play a balancing act, the ministry has now turned towards protecting steel consumers, which have been impacted by high steel prices and a flood of imported finished goods.