

# China alloy steel imports under lens

## OUR SPECIAL CORRESPONDENT

**New Delhi, Sept. 25:** India has started anti-dumping investigations into alloy steel from China.

Commerce ministry officials said six Indian companies had approached the directorate general of anti-dumping and allied duties, for a probe and the imposition of an anti-dumping duty on alloy steel bars and rods, used in sectors such as machinery, automobiles and construction.

The government anti-dumping body has said it has "sufficient evidence" of China dumping steel products.

"The authority, hereby, initiates an investigation into the alleged dumping, and consequent injury to the domestic industry," the directorate said in a notification. It will look at whether dumping is taking place, its effects and recommend a penal duty.

The domestic steel industry has been hit by low demand and dumping by foreign players.

While private steel companies are struggling, with some of them figuring on the RBI list of top defaulters, the financial performance

of state-run Steel Authority of India Ltd has also suffered.

India has been trying to create a duty wall to protect its steel mills from dumping by China and other East Asian and East European countries who have resorted to undercutting as steel demand has dried up in the world.

The government has tried helping distressed steel firms by raising the import duty and slapping additional safeguard duties. However, the fact remains that bad loans in steel sector account for as much as Rs 3 lakh crore. In terms of loans owed to banks, the iron and steel industry saw the highest slippage at 7.8 per cent followed by textiles at 6.4 per cent.

However, all this has resulted in India getting involved in trade spats with East Asian giants over import levies and restrictions. Japan has threatened to take India to the WTO over restrictions that nearly halved its steel exports to this country over the past year.

India had earlier extended safeguard duties of 20 per cent on a range of products for two years to protect domestic units reeling under cheap imports from China, Japan and Korea, besides imposing minimum import prices.