

PMO review meeting next week

OUR SPECIAL CORRESPONDENT

New Delhi: The Prime Minister's Office has called a meeting next week to review the impact of the US tariff measure and the steps needed to protect domestic industry and boost exports.

Sources said the meeting would be attended by officials of the ministries of steel, commerce, finance and Niti Aayog along with representatives of exporters and domestic steel producers.

Commerce secretary Rita Teotia told reporters that New Delhi was waiting for the US notification on the hike in tariffs to gauge its impact on domestic players.

"Let us wait and see the manner in which it is finally notified and then we will decide. As you can see, presidential statements are calibrat-

ed," Teotia said.

While India would not be hit as much as some of the others such as the European Union, China or Brazil, Teotia said the matter went beyond the extent to which the country could be hurt. "At the moment, the quantum is small. But it is also the principle of it. Let us see," she said.

India exports steel items worth about \$500 million per year to the US. The country's share in prime steel imports in the US is 1.28 per cent, while in aluminium it is 1.12 per cent.

When asked if other countries too have raised duties beyond the bound rate, Teotia said no other WTO member had used the "security exception" argument as done by the US to raise the import duties.

India, she said, is not a protectionist country and has always kept its levies within WTO-bound rates.

INDIA REACTS

- PMO to meet officials of other ministries and industry representatives next week to review impact
- Local industry feels steel surplus nations will divert their exports to India and distort the domestic market
- Retaliatory moves by other countries will dent exports from India

Local worries

The domestic steel industry and exporters expressed concern on the impact of the US tariff move.

Bhaskar Chatterjee, secretary general of the Indian Steel Association, said, "The imposition of steep tariff on the import of steel by the US will in-

evitably encourage steel surplus nations to divert their exports to vibrant consumption centres such as India and distort our domestic market considerably."

Ravi Sehgal, chairman of the Engineering Export Promotion Council, said America's protectionist measures would provoke other regions such as Europe and China to take retaliatory steps, which would further dent exports from India.

Sajjan Jindal, chairman and managing director of JSW Group, however, welcomed Trump's move in a series of tweets, saying such decisions were necessary to safeguard domestic manufacturers. "What@POTUS has done is something our policymakers should replicate. In fact, steel should be excluded from all FTAs," Jindal tweeted.

Meanwhile, from Japan

and South Korea to Australia and Europe, officials lined up on Friday to seek exemptions from Trump's tariffs on US steel and aluminium imports, while Chinese producers called on Beijing to retaliate in kind.

Brazil, which after Canada is the biggest steel supplier to the US market, said it wanted to join the list of countries that were exempted from the new tariff order.

Japan's chief cabinet secretary Yoshihide Suga told a news conference that the country's steel and aluminum shipments posed no threat to US national security.

The European Union, the world's biggest trade bloc, chimed in. "Europe is certainly not a threat to American internal security, so we expect to be excluded," European trade commissioner Cecilia Malmstrom said in Brussels.

(With inputs from Reuters)