

● CHEAP IMPORTS

Steel firms seek import duty hike to curb rising shipment

PROMIT MUKHERJEE &
NEHA DASGUPTA
Mumbai, February 5

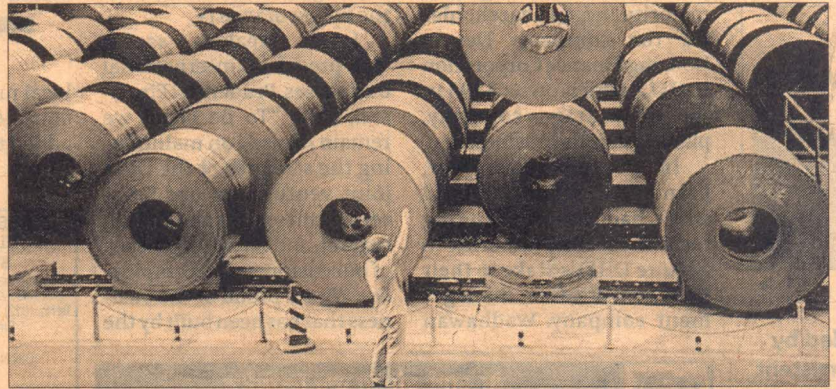
EXECUTIVES FROM TOP Indian steel companies met government officials on Wednesday and sought an increase in duties on imports of steel to check surging shipments from overseas, two sources with direct knowledge of the matter said.

Top Indian steel producer JSW Steel attended the meeting in which companies asked the government to implement higher duties or other short-term emergency measures to curb imports, the sources said. Local Indian producers are suffering from the double whammy of a rise in cheap imports and low domestic steel prices, which threatens to wipeout the healthy profits made in the past couple of years.

The steel companies have approached the ministry multiple times over the past few months, alleging China, Japan, South Korea and Vietnam are dumping various grades of low-cost steel into the Indian market and stealing market share as a result, three government sources said.

JSW Steel, Tata Steel, Steel Authority of India and Jindal Steel and Power, who together control over 45% of India's total steel production, are the key companies who have complained, the sources said.

The ministry has given various indications that some measures might be taken, the sources added. However, they are more likely to be non-tariff measures as India has already



suffered defeat in a dispute with Japan at the World Trade Organisation (WTO) on charges that New Delhi unfairly imposed import duties in 2016 to safeguard its steel industry.

The WTO upheld Japan's complaint in November but India is planning to appeal.

The steel ministry did not respond to a *Reuters* email seeking comment.

Imports of various grades of steel into India rose by around 8% in the April-December 2018 period, compared with a year earlier, government data showed.

During the same period, exports from India fell by more than 17%, making the country a net importer of steel, mainly because the US imposed additional duties last year on steel coming from some Asian countries, including India. As a result, the nation's steel imports from countries such as Japan, South Korea and Indonesia surged.

Chinese imports also climbed in the final quarter of 2018, Indian companies say.

According to government figures, for the April-September 2018 period imports from South Korea rose 29% from the year-earlier period, Japanese imports increased 35%, and Indonesian imports by 106%.

"The worry is imports," said Seshagiri Rao, joint managing director at JSW Steel, India's biggest steel company based on local production. He said the government had to 'ensure that our borders are protected and goods will not come into India and hurt the domestic steel industry'.

Anil Kumar Chaudhary, chairman of SAIL, and Rao from JSW Steel, told *Reuters* they have both told the government of their concerns about imports.

Tata Steel and JSPL did not reply to an email seeking comment. — **REUTERS**