

EU-India discussions on re-testing of imported steel products fail to cut ice

New Delhi must accept tests conducted in foreign-accredited labs, maintains EU

AMITI SEN

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The EU has said that its discussions with Indian authorities on the compulsory re-testing of specified stainless steel product imported into the country at BIS authorised laboratories has failed to resolve the issue. It sought to pursue the matter further at the World Trade Organization's committee on technical barriers to trade.

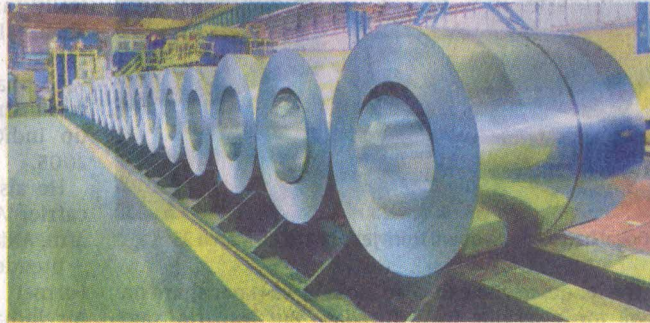
In a fresh representation, the EU reiterated its demand that India should accept the tests carried out in foreign accredited laboratories attesting compliance with ISO standards (or Indian standards) and stop conducting factory inspections in the EU steel mills that have quality management systems as defined in ISO 9001.

"Given that the intermediate product is a low risk one and that

the EU producers comply with international requirements and specifications, the EU is making these demands," the representation stated. The EU, however, has not indicated if it would file a dispute with the WTO over the matter.

India already has 50 carbon steel and three stainless steel products under the ambit of its quality control order. The Indian Steel Ministry recently notified its plans of including a few more steel items to the list. The EU had alleged that such controls were a non-tariff barrier, but India argued that the BIS standards were necessary in order to take into account the manufacturing practices here.

Responding to India's defence, the EU said that it had already complied with internationally recognised standards, as well as



The European Union has alleged that the controls imposed by India were a non-tariff barrier. ISTOCK/JORDACHEL

with safety and quality standards recognised around the world. "The EU would like to ask the Indian authorities to confirm whether these standards are equivalent to the relevant international standards. If that is the case, those international standards should be referred to in the text as well," it said.

The EU also asked India to apply the certification only with refer-

ence to stainless steel grades. "There should be no restrictions on physical dimensions (thickness, width or length) and no restriction on the finishing of the products (finishes, edge conditions etc.) as there are many different sizes and finishing for stainless steel products," it said.

Furthermore, once the producing mill is verified and the product certified, the certification

should remain valid in case the product is issued to the mill's service centres and then shipped to India to avoid an unnecessary and burdensome double certification process, it added.

Protectionist policies

Countries across the globe are turning protectionist to support their domestic steel industry as a slowdown in demand and low capacity utilisation are hurting bottomlines. Most steel producers, including the EU and India, are resorting to imposition of safeguard duties or anti-dumping duties (in cases where dumping of the product can be established) to make imports less competitive.

India became a net importer of steel in 2018-19 for the first time in three years. The country's finished steel exports reportedly declined by 34 per cent in the fiscal year to 6.36 million tonnes while finished steel imports rose 4.7 per cent to 7.84 million tonnes.