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U.S. Blocks India's Request for WTO to Rule on Steel Duty

Jennifer M. Freedma, Bloomberg

July 23, 2012: The U.S. blocked a request by India for World Trade Organization judges to investigate the legality of American countervailing duties on some Indian steel products. A second request would be automatically accepted.

India complained at the Geneva-based WTO on April 24, saying U.S. anti-subsidy duties on certain hot-rolled carbon- steel flat products violate global trade rules. India is challenging a U.S. finding that Indian steel producers got an illegal subsidy by paying too little for iron ore from a state- owned producer.

The U.S. first imposed the tariff in December 2001 and extended it six years later. The duty is fixed at 102.7 percent, according to a notification submitted by the U.S. to the WTO. The two governments held consultations in an unsuccessful bid to resolve the dispute without resorting to a panel.

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E-payment of customs duty is now a must

The Hindu

New Delhi, 8 September, 2012: The government has decided to make e-payment mandatory for importers registered under 'Accredited Clients Programme' and those paying customs duty of Rs.1 lakh or more per bill of entry. The trade facilitation measure, aimed at further reducing the transaction cost of importers, will come into effect from September 17 this year.

According to a Finance Ministry statement here on Friday, the Central Board of Excise & Customs (CBEC) has already instructed all Chief Commissioners of Customs to give wide publicity to this measure to enable trade and industry to be ready for the switch-over in duty payment mode in case any change in their software or any internal procedure for effecting e-payment is required. "As a large number of taxpayers would be required to pay the taxes electronically, it is requested that importers, trade and industry may be provided all assistance so as to help them in adopting the new procedure," the statement said.

While e-payment is advantageous to both the trade as well as the government, it affords taxpayers the facility of making payments from their own offices on a 24x7 basis and also facilitates quicker release of cargo. As for the government, it ensures immediate collection of taxes and error-free data relating to tax payments.

E-payment facility at customs locations was introduced in 2007, and is available through more than one authorised bank at all major customs locations having ICES (Indian Customs EDI System) facility. The ICES facility, designed to exchange/transact customs clearance related information electronically using EDI (Electronic Data Interchange) is now operational at 103 major customs locations handling nearly 98 per cent of the country's international trade.

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Govt initiates probe into chemical dumping by EU, Mexico

Business Standard

23 October 2012, New Delhi: India has initiated a probe into alleged dumping of a chemical, used in different industries including plastic and construction, by European Union and Mexico following complaints by domestic players.

The Commerce Ministry's designated authority, the Directorate General of Anti-Dumping and Allied Duties (DGAD), has begun an investigation into alleged dumping of "Polyvinyl Chloride (PVC) Suspension Grade Resin".

In a notification, the DGAD said it has sufficient evidence of dumping of the product from European Union and Mexico to initiate an anti-dumping investigation.

"The authority (DGAD) hereby initiates an investigation into the alleged dumping and consequent injury to the domestic industry ... to determine the existence, degree and effect of any alleged dumping and to recommend the amount of anti-dumping duty, which, if levied, would be adequate to remove the injury to the domestic industry," it said.

The period of investigation is from April-March 2012 . However, for the purpose of analysing injury, the data of previous three years of 2008-2009, 2009-2010 and 2010-2011 would also be considered, it added. After completion of the probe, the commerce ministry, if needed, would recommend the duty and the finance ministry would impose it.

The application was jointly filed by DCW Ltd, Chemplast Sanmar, Reliance Industries Ltd, DCM Shriram Consolidated and Finolex Industries.

Countries initiate an anti-dumping probe to determine whether their domestic industries have been hurt because of surge in cheap imports of any product. As a counter-measure, they impose duties under the multilateral regime of the WTO.

The duty is aimed at ensuring fair trading practices and creating a level-playing field for domestic producers vis-a- vis foreign producers and exporters resorting to dumping.

Unlike the safeguard duty, which is levied in a uniform way, anti-dumping duty varies from product to product and country to country.

India has initiated 275 anti-dumping investigations between 1992 and March 2012, involving 42 countries.

The countries prominently figuring in anti-dumping investigations are China, Korea and Singapore and the major product categories on which anti-dumping duty has been levied are chemicals and petrochemicals, pharmaceutical, steel and consumer goods.

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Anti-dumping duty on chemical imports from EU, Iran, Japan

Business standard

28 October 2012, New Delhi:The government has imposed anti- dumping duty of up to $1,537 per tonne on shipments of a chemical used in beauty products, from EU, Iran, Indonesia and Japan, saying it was being exported to India below cost price.

The Revenue Department imposed the duty on import of 'Melamine', following recommendations by the Directorate General of Anti-Dumping and Allied Duties (DGAD) in the Department of Commerce.

Anti-dumping duty is aimed at ensuring fair trading practices and creating a level-playing field for domestic producers vis-a-vis foreign producers and exporters resorting to dumping.

"The anti-dumping duty imposed...Shall be levied for a period of five years (unless revoked, amended or superseded earlier)," the Revenue Department said in a notification.

Earlier, the DGAD had carried out a probe into the imports of the chemical. The investigation found that the product was dumped into India below the normal price and thus caused "material injury" to the domestic industry.

Besides being used in innumerable products of beauty and utility, melamine is also used for laminates as it offers good hardness, resistance to scratch, stain, water and heat.

The notification said while the restrictive duty will be $1,446 per tonne on import of Melamine from Iran, the duty has been fixed at $1,537 from the other three destinations. Anti-dumping duty varies from product to product and country to country.

India initiated 275 anti-dumping investigations between 1992 and March, 2012, involving 42 countries. The countries prominently figuring in anti-dumping investigations are China, Korea and Singapore and the major product categories on which anti-dumping duty has been levied are chemicals and petrochemicals, pharmaceutical, steel and consumer goods.

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15% safeguard duty suggested on import of a chemical

PTI

2 December 2012, New Delhi:The Revenue Department has recommended 15 per cent safeguard duty on import of a chemical used in manufacturing of medical devices, with a view to protecting the interest of domestic producers.

The Directorate General of Safeguards (DGS), under the Revenue Department, after an investigation recommended that 15 per cent safeguard duty should be imposed on import of Dioctyl Phthalate for one year and 10 per cent in the second year.

Four domestic producers of the chemical had sought imposition of the duty on the chemical alleging that its increased imports was causing serious injury to them.

The DGS concluded that "increased imports of Dioctyl Phthalate India have caused or threatened to cause serious injury to the domestic producers ... and it will be in the public interest to impose safeguard duty on (its) imports..."

DGS said that "it has been established" that injury to various economic parameters of the domestic industry, like production, sale, inventory has been caused by the increased imports of the chemical. Dioctyl Phthalate is widely used as a plasticizer in manufacturing of articles made of PVC. It has been used as a plasticizer in medical devices such as intravenous tubing and bags, dialysis bags and tubing, and and blood bags.

In their application, the domestic producers had said that there is a surge in import both in absolute and relative terms.

The imports surged from 21,484 MT in 2009-10 to 38,967 MT 2011-12, showing a sharp increase of 81 per cent.

Data on the imports further revealed, the market share of the domestic industry increased from 66 per cent (2008-09) to 72 per cent (2009-10) and thereafter declined to 71 per cent (2010-11) and further to 61 per cent (2011-12).

The DGS said that while the domestic industry further enhanced its capacity in 2011-12, the decline in production despite increase in capacity is quite significant and is clearly adverse situation.
In accordance with WTO norms, safeguards give domestic producers temporary relief while they adjust to the pricing tactics of competitive foreign players.

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Antidumping duty likely on chemical from Israel, Taiwan

PTI

28 November 2012, New Delhi: India may impose anti-dumping duty of up to USD 150.88 per tonne on a chemical, used mainly in plastic industry, imported from Korea, Israel and Taiwan, to protect domestic players from cheaper shipments.

The Directorate General of Anti-dumping and Allied Duties (DGAD) has recommended imposition of the duty on imports of 'Phthalic Anhydride', the Commerce Ministry has said in a notification.The Directorate's recommendation comes on the basis of its findings that increased imports have caused material injury to the domestic industry, it said.

Leading producers IG Petrochemicals, Mysore Petrochemicals and Thirumalai Chemicals and SI Group Ltd had filed a petition for imposing anti-dumping duty on behalf of the domestic industry.It said the import of the chemical has increased to 40,605 tonne during January-December 2010 from 22,356 tonne in 2007-08.The duty ranged between USD 91.12 per tonne and USD 150.88 per tonne, it said.

The DGAD, which is under the Commerce Ministry, in its recommendations said that the chemical has been exported to India below its normal value from the three countries."...the Authority recommends imposition of definitive anti-dumping duty...so as to remove the injury to the domestic industry," it added.

Anti-dumping duty is recommended by the Commerce Ministry, while the Finance Ministry imposes the same.

The country has already imposed anti-dumping duty on imports of fabric, yarn, nylon tyre cord and several chemicals.

Unlike safeguard duties, which are levied in a uniform way, anti-dumping duties vary from product to product and from country to country. Countries initiate anti-dumping probes to check if domestic industry has been hurt because of a surge in cheap imports. As a counter-measure, they impose duties under the multilateral WTO regime.

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India-EU trade talks hit deadlock over import duty

Amiti Sen, Economic Times

24 October 2012, New Delhi: India's trade talks with European Union seem to have deadlocked over the import duty New Delhi levies on alcohol and automobiles. India says it has already made a liberal offer that is not negotiable any more, but the EU says it wants further cut in import duties that are a maximum of 60% on cars and 150% on whisky. "We have already made liberal offers in both alcohol and automobiles and the EU welcomed it. But now they are trying to re-open areas that have already been agreed upon which is not acceptable to us," a government official told ET.

The issue will come up for discussions again when negotiators meet next month.

New Delhi is understood to have agreed to bring down duties on wine by more than half from 150% to 40% above the threshold level of $4 per litre and whiskies over $6-$7 per litre." The EU is now pushing for cheaper alcohol to be entitled to the duty cuts offered and has asked us to lower the threshold level for wines to $3.2 per litre," the official said.

Similarly, even in automobiles the EU has demanded concessions over and above what the two sides agreed upon earlier. "We had sealed the deal on automobiles earlier this year. New Delhi had offered the EU a very generous deal and there is no reason why it should be re-opened," the official said.

In automobiles, India is understood to have agreed to allow imports of 2.5 lakh cars at 10% duty, a sixth of 60% it levies now, spread over five years. For cars outside the quota, New Delhi has offered to consider reducing import tariffs by half to 30%.

So far, India has not offered concessions on either alcohol or cars to any of its trading partners in its bilateral deals as these two sectors are young and hold a lot of growth potential. The Indian automobile industry, which has been protected so far be-hind high import tariff walls, is apprehensive that lowering duties for EU countries could spell havoc for the infant domestic industry.

Industry body SIAM has warned that duty concessions will keep out investments from the country as foreign car makers would prefer to export their cars to India rather than set up manufacturing facilities.

India, which hopes to gain in the services sector, is also unhappy with the progress on issues such as gaining data secure status in the EU that will increase flow of sophisticated offshore business to the country.

In a recent meeting with the EU commissioner for taxation and customs union, India's commerce minister Anand Sharma criticised the delay in EU's study of India's security processes.

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Custom duty cut for EU may hit local players

Sidhartha, Times Of India

12 November 2012, New Delhi: Slashing customs duty on high-end wine and spirits as part of the Broad-based Trade & Investment Agreement (BTIA) with the European Union will make life difficult for local players, especially at a time when homegrown barons such as Vijay Mallya too have been forced to sell stakes to global giants.

On the automobile front, it is feared that if the import duty on cars is lowered, several European carmakers which do not have manufacturing facilities in India may opt for the import route and would refrain from setting up plants here.

The twin moves may not be palatable to the domestic industry as the tariff protection that they have long enjoyed will go soon after a deal is signed, but are critical elements of the trade pact that is under negotiation for over five years. Protection cannot be available endlessly. In any case, there is a long transition period of at least four-five years or so for the auto industry and there is hardly any local wine that competes with what is made in Europe, said an official privy to the discussions.

In case of automobiles, the deal will ensure that European carmakers will take pole position in the race for domestic sales as the government has ignored demands for a level-playing field for their Japanese and Korean rivals despite India having existing trade agreements with the two Asian manufacturing giants.
In fact, the two proposals go far beyond what was originally offered. Initially, the government had only offered to lower import duty on a specified number of vehicles. But subsequently, it seems to have agreed to an across-the-board reduction along with a cut in customs duty on around 65 auto parts and machinery. In return, it has got EU to agree to phase out import duty on cars by 2020 and allow Indian textiles to enter the member countries on payment of concessional rate duty. Officials said a deal to boost export of Indian farm products such as banana, rice and sugar has also been clinched.

But when it comes to services, New Delhi cannot show significant gains. For instance, despite agreeing to send its team to certify that India is a data secure country, a precursor to a better deal for local giants such as Infosys and Wipro, the assessment is yet to be done.

Similarly, when it comes to visa issues, there have been no gains as yet as the European authorities are arguing that it is a sovereign issue dealt by individual states.

Officials said that a deal could take a while before being signed as there are several issues on which India and EU are yet to agree from patents to social development and investment regime.
They, however, ruled out delinking the agreement on goods from those on services and investment, an approach that had been adopted for the agreement with Asean. The fear is that splitting the agreements would not benefit India, and EU would walk away with gains on goods trade.

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Government hikes import tariff value of gold, silver

PTI, Economic Times

15 November 2012, New Delhi: In the wake of rising global prices of precious metals, the government today increased the import tariff value of gold and silver marginally to $ 561 per 10 grams and $ 1,058 per kg, respectively.

The tariff value, which is released every fortnight, is the base price on which the customs duty is determined to prevent under-invoicing. During October, tariff value of gold stood at $ 556 per 10 grams and of silver at $ 1,039 a kg.

The Central Board of Excise and Customs (CBEC) today issued a notification in this regard.
Besides, the government has reduced the import tariff value of RBD palmolein and brass scrap to $ 887 per tonne and $ 4029 per tonnes, respectively. In last month, tariff value of RBD palmolein stood at $ 889 per tonne, while brass scrap stood at $ 4,096 per tonne.

The government hiked import tariff value of precious metals following firm price trend in the global market. At present, gold prices are ruling at $ 1724.8 per ounce in London, while silver at $ 32.64 per ounce in London.

In the 2011 calendar year, about 1037 tonnes of gold was available in India, the world's biggest consumer, of which 967 tonnes was imported and the rest was from other sources like recycled, according to the World Gold Council.

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India seeks lower import tariff from Australia

Amiti Sen, Economic Times

26 November 2012, New Delhi: India has asked Australia to lower tariff and other import barriers on a host of products including pharmaceuticals, passenger cars, gems & jewellery, garments, chemicals and machinery in the bilateral free trade agreement being negotiated.

New Delhi has stressed that specialised access for some identified products from India, many of which are being imported in large quantities from China, is important to bridge the gaping trade deficit between the two countries.

"We are keen to conclude the proposed FTA with Australia, but it has to be done in a way that the large trade deficit does not get larger and we get to sell the products where we are competitive," an official told ET. India imported goods worth $15 billion from Australia in 2011-12 compared to exports worth $2.4 billion, running a trade deficit of $12.5 billion.

India and Australia began talks on a free trade pact, formally known as a comprehensive economic cooperation agreement, in May last year and are still at an initial stage of discussion. Both hope to increase bilateral trade to an annual $45 billion from the present $18 billion in the next five years as a result of the FTA.

New Delhi believes that its industry can export several products to Australia if it gets marginally better terms of trade, especially in goods where China is dominating. In a recent negotiating group meeting, India came up with a long list of products where it could give Australia assured quality at reasonable prices, the official said.

It included pharmaceuticals, organic chemicals, gems & jewellery, passenger cars, transport equipment, machinery and instruments, manufacture and metals, electronics goods, plastic products, garments, leather, rubber products, marine products, telephones, metal and furniture.

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US producers seek more duty on Indian shrimp

George Joseph, Business Standard

Kochi, 1 January 2013: India's seafood export industry is facing a serious threat after an American shrimp producers' organisation has filed petitions against subsidising shrimp exports by seven countries, including India.

On Friday, the Coalition of Gulf Shrimp Industries (COGSI) filed petitions with the US government, seeking relief from the subsidised shrimp imports from China, Ecuador, India, Indonesia, Malaysia, Thailand and Vietnam. The petitions seek imposition of countervailing duties (CVD) on shrimp from these countries. These duties are needed to offset the unfair trade advantage currently held by these countries, they said.

If Washington imposes CVD on imports, India's seafood exports industry will be in deep crisis as the US is the largest importer of Indian seafood in value terms. The exports industry is already hit by a drop in exports to other major markets, such as the European Union, Japan, South-east Asia and China. During April-September, however, the US imported 45,540 tonnes valued at Rs 1,947 crore, registering a growth of 11.42 per cent in value terms. The US is the only country which recorded growth in import during the period.

Earlier in 2005, the US Department of Commerce had imposed 11.17 per cent anti-dumping duty on Indian shrimp, which had caused a steep fall in exports. This was based on a petition filed by the Southern Shrimp Alliance, a producer's organisation.

Over 280 exporters were shipping shrimp out to the US during that period, which had come down 68 in 2009. Thanks to the concerted efforts by the industry and the government of India, Washing-ton was forced to reduce the duty to 2.52 per cent last year, following which Indian shipments rose again.

COGSI, in a press statement, said the US shrimp producers struggled hard to compete with "artificially low-priced" imported shrimp that is heavily subsidised by foreign governments. Since 2009, shrimp producers in these seven countries have gained US market share by aggressively undercutting domestic prices, they said.

Shrimp is a major export commodity in each of these seven countries, and their governments have set specific growth and export targets for their domestic shrimp industries. To meet these targets, these governments are spending billions of dollars on subsidies, including grants, investments, low-interest loans, tax breaks, provision of land and export credits and guarantees. The petitioners document over 100 programmes benefiting shrimp producers in these countries, including numerous export subsidies.

"Today's filing is about the survival of the entire US shrimp industry," said C. David Veal, executive director of COGSI.

The petitions will be investigated by the US International Trade Commission (USITC) and the Department of Commerce, with final determinations expected in the second half of 2013.

USITC will issue questionnaires to US producers, importers, and foreign exporters next week. Finally, in mid-February ITC will issue its preliminary vote. If it votes in the affirmative, the case will proceed, but if it votes in the negative, the case ends. ITC is composed of six commissioners, and at least four need to vote in the negative for the case to end. If the case continues, the Department of Commerce will proceed

with its investigation through the issuance of questionnaires to the government and largest packers and will conduct verification after issuing a preliminary determination of CVD.

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Govt plans gold import duty hike to trim CAD

Financial Express

New Delhi, 3 January 2013: As the current account deficit (CAD) hit a record 4.6% in the first half of the fiscal, a concerned government decided to clamp down on massive inflows of gold by raising the import duty on the "idle asset" for a third time in one year.

"As would be evident, gold imports constituted a substantial chunk of the imports and is a huge drain on the current account. Suppose gold imports had been one half of the actual level, that would have meant that our foreign exchange reserves would have increased by $10.5 billion. I would, therefore, appeal to the people to moderate the demand for gold, which leads to large imports of gold. I may add that we may be left with no choice but to make it a little more expensive to import gold. This matter is under the government's consideration," Chidambaram said on Wednesday. "I am confident that even if the year ends with a slightly larger CAD than last year, we would be able to finance the CAD without drawing upon reserves," he added.

Prime Minister Economic Advisory Council chairman C Rangarajan also said: "One of the approaches (to curb the CAD) is to to look at increasing the import duty on gold."

The plan to hike the import duty again from the current 4%, which has effectively been raised four fold since last January, reflects the government's growing uneasiness over large imports of an idle commodity-— unlike crude oil— worsening its current account, which comprises the balance of trade, net factor income such as interest and dividends and net transfer payments.

Although gold imports by India—the world's biggest consumer—dropped 30% in the first half of the fiscal to $20.2 billion, it was still more than what the country had bought from overseas during the entire 2007-08 fiscal and slightly lower than $20.7 billion in 2008-09.

Moreover, encouraged by the drop in the metal's imports following the duty increase, the government hopes another round of hike would put a check on purchases, especially when a slowing economy is dragging down exports.

The move is also significant as gold demand has started recovering since July after two successive quarters of a slowdown, thanks to the late revival of monsoon that raised rural income prospects, and restocking by traders and jewellers ahead of the festive and wedding season, according to the World Gold Council (WGC).

Indian gold demand surged 9% in the July-september period defying an 11% drop globally, in volume terms. Adding to policymakers' concerns, the WGC has forecast a rise in Indian gold demand in 2013 after a 25% fall in 2012 to 800 tonnes.

Last month, the WGC had also said the Indian consumers seemed to have adjusted to the rise in gold prices, following a sharp depreciation in the rupee and the hike in the import duty.

The country's trade deficit widened to a 17-year high of nearly $21 billion in the quarter through September, as exports tumbled by 12.2% while imports declined only 4.8%. Consequently, the CAD hit a record 5.4% of the country's gross domestic product (GDP) in the quarter through September, despite a sharp rise in foreign investments, driving up the deficit to a record 4.6% of the GDP, or $38.7 billion, in the first half of this fiscal. Worse still, while exports dropped 1.6% in October and 7.4% in November,

imports rose 7.4% and 6.4%, respectively, during this period, which would impact the CAD in the third quarter.

"In a country where the use of gold is deeply entrenched in traditions and the culture, and where 5 million weddings happen annually, increasing the import duty won't serve the purpose. Gold imports dropped in the first half of this fiscal as prices were high following a 15% rupee depreciation and as high inflation hit rural people's purchase power, and not just because of the duty hike," said Prithviraj Kothari, managing director of Riddhi Siddhi Bullion.

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Seafood exporters to oppose US countervailing levy on shrimps

Business Line (The Hindu)

Kochi, 4 January 2013: The Seafood Exporters Association of India will be sending a professional team to the US to discuss the issue on the imposition of countervailing duties on frozen warm water shrimps from India.

“We will be engaging US-based lawyers to represent the Indian industry to appear before the United States Department of Commerce (DoC) to sort out the issue of countervailing duties, Norbert Karikkassery, President of SEAI, Kerala region, said.

Addressing a press conference here on Friday, he said that the US-based Coalition of Gulf Shrimp Industries filed a petition before the International Trade Administration, DoC, and US International Trade Commission for imposing such duties from China, Ecuador, India, Indonesia, Malaysia, Thailand and Vietnam. The petition makes several allegations regarding the counter-valiable subsidies provided in India with regard to the manufacture, production and export of certain frozen warm water shrimp.

The petition identifies certain subsidy programmes as counter-valiable to the shrimp industry in India.

It also alleged that the Indian Government is aggressively promoting its shrimp industry through the provision of generous Government subsidies, SEAI officials said.

It also called for the initiation of an investigation into the counter-vailable subsidies and to impose duties through a countervailing duty order in an amount that would offset the benefit conferred by these subsidies.

The SEAI President pointed out that the seafood industry is passing through a tough phase due to unforeseen developments in the international scene that included the recessionary trends in the US and Europe. This coupled with the technical trade barrier by Japan has also affected the sector.

India’s marine exports are unlikely to surpass the $3.5-billion mark achieved last year due to various other issues in the domestic sector as well.

There has been a decline in the marine products exports for the first half year April-September 2012-13 compared to the corresponding period.

The exports have registered a decline of 6.91 per cent in quantity and 16.60 per cent in dollar earnings, he added.

Besides, the increase in reefer base rates by all the shipping lines operating from Indian coasts for freezer container rates, terminal handling charges levied by terminal operator in the Kochi port, revised US anti dumping duty on frozen shrimp imports from India, withdrawal of Status Holder Incentive Scheme for marine industry had also made an impact on marine exports, he said.

The number of Indian companies exporting to the US has come down to 68 as on today from 270 in 2005 on account of various factors, he added.

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20% safeguard duty on stainless steel import from China

PTI

New Delhi, 7 January 2013: The government has imposed safeguard duty at a rate of 20 per cent on imports of a certain variety of stainless steel from China to protect domestic players. The duty has been imposed on hot rolled flat products of stainless steel-304 grade (up to a maximum width of 1605 mm), the Finance Ministry said in a notification.

"... the central government after considering the said findings of Director General (Safeguards), hereby, imposes on hot rolled flat products of stainless steel-304 grade (Upton a maximum width of 1605 mm) and encompassing all austenitic grades ... when imported into India from China, a provisional guard duty at the rate of 20 per cent ad valorem," it added.

It further said that the safeguard duty will be effective for a period of 200 days from the date of the notification, unless revoked, superseded or amended earlier.

Safeguard duty is a WTO-compatible temporary measure that is brought in for a certain time-frame to avert any damage to domestic industry from cheap imports.

The government currently levies 5 per cent import duty on imports of stainless steel.

"It is a positive move and sentiments will definitely become better as it will discourage cheaper imports from China," Jindal Stainless President and Executive Director Ramesh Nair said.

India has a surplus stainless steel production capacity at about 3.5 million tonnes per annum (MTPA). Of this, about 0.8 MTPA gets exported.

Despite this, the industry estimates that imports from China, amounting to about 2.5-3 lakh tonnes in a year, are taking place largely due to cheaper rates offered by the Chinese manufacturers.

As per the industry estimates, China currently produces about 12-13 MTPA, which is much more than their consumption at about 9 MTPA. The Chinese production is expected to rise to 20-25 MTPA in two-three years.

Among the domestic producers, Jindal Stainless, with a capacity of 1.8 MTPA, accounts for about 50 per cent of total domestic production. Other major players include Salem Plant of SAIL, Viraj Steel and Mukand Ltd.

In November 2011, government had imposed anti-dumping duty on certain categories of flat stainless steel from European Union, South Africa, the US and Taiwan to protect the domestic industry from cheap imports from abroad. The level of duty on the product varied from country-to-country.

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Import duty on gold hiked to 6 pc to curb demand

PTI

New Delhi, 21 January 2013: With spiralling demand for gold draining huge amount of foreign exchange, government today hiked the import duty on it from 4 to 6 per cent, a decision that immediately sent prices shooting up.

Simultaneously, the government also raised the duty on platinum by a similar percentage from 4 to 6, Economic Affairs Secretary Arvind Mayaram told reporters here as government appealed to the people to moderate their demand for gold.

Shortly after news of the duty hike, gold prices shot up by Rs 315 to Rs 31,250 per 10 grams and markets sources say it may go up to Rs 700 per 10 grams in the short term.

For the second time in a year, the import duty on gold has been hiked to check the spiralling trend of gold imports leading to a record current account deficit that has a cascading effect on various economic fronts including distorting the balance of trade.

Finance Minister P Chidambaram had on January 2 indicated the coming hike in duty when he said the government would be left with no choice but to make import of gold a little more expensive.
In a bid to channelise gold holdings into institutional channels, Government also proposed providing a link between Gold Exchange Traded Fund (ETF) and Gold Deposit Scheme (GDS).

The objective is to unfreeze or release a part of the gold physically held by mutual funds under Gold ETFs and enable them to deposit the metal with the bank under GDS.

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U.S. to continue shrimp trade probes against seven countries

Xinhua

Washington, 7 February 2013: The U.S. International Trade Commission (USITC) on Thursday cleared the way for the government to continue anti-dumping investigations on imports of frozen warmwater shrimp from seven countries.

The USITC voted 5 to 1 in determining that there is a reasonable indication that a U.S. industry is materially hurt by imports of frozen warmwater shrimp from China, Ecuador, India, Indonesia, Malaysia, Thailand and Vietnam. It also alleged these shrimp were subsidized.

As a result, the U.S. Commerce Department will continue its countervailing probe that began on Jan. 18 and is expected to make its preliminary decision in late March.

In 2011, the United States imported frozen warmwater shrimp from China at an estimated 153.7 million U.S. dollars, 8.4 percent less than in 2010, according to the U.S. government's data.

In addition, the U.S. government has already slapped antidumping duty orders on frozen warmwater shrimp from Brazil, China, India, Thailand and Vietnam.

As the U.S. economy is undergoing a slow recovery, Washington has increasingly resorted to protectionist practices. As of Nov. 6, 2012, it has imposed anti-dumping or anti-subsidy duties on more than 120 products from 36 countries on the excuse that the imports had materially harmed related U.S. industries.

Chinese products including consumer goods, chemical, iron and steel products, farm produce and sea food are heavily targeted by such punitive duties.

The Chinese Ministry of Commerce has repeatedly urged Washington to abide by its commitment against protectionism and help maintain a free, open and just international trade environment.

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Govt may impose anti-dumping duty on Chinese chemical

PTI

New Delhi, 8 February 2013: India may impose anti-dumping duty of up to USD 0.78 per kg on a Chinese chemical that is used for photography and medical applications so as to protect domestic players.

In its preliminary findings, the Directorate General of Anti-dumping and Allied Duties (DGAD) has recommended imposition of the duty on imports of 'Meta Phenylene Diamine' from China, the Commerce Ministry said in a notification.

The Directorate's recommendation comes on the basis of its findings that increased imports have caused "material injury" to the domestic industry, it said.

Aarti Industry had filed a petition for imposing anti - dumping duty on behalf of the domestic industry. The company in the application had claimed that it is the sole producer of the chemical in India.

The directorate has recommended two set of duties - USD 0.57 per kg and USD O.78 per kg on different Chinese firms, it said.

The DGAD, which is under the Commerce Ministry, in its recommendations said that the chemical has been exported to India below its normal value from China.

"...the Authority is of the view that imposition of provisional duty is required to offset dumping and injury," it added.

Anti-dumping duty is recommended by the Commerce Ministry, while the Finance Ministry imposes the same.

The country has already imposed anti-dumping duty on imports of fabric, yarn, nylon tyre cord and several chemicals.

Unlike safeguard duties, which are levied in a uniform way, anti-dumping duties vary from product to product and from country to country.

Countries initiate anti-dumping probes to check if domestic industry has been hurt because of a surge in below-cost imports.

As a counter-measure, they impose duties under the multilateral WTO regime.

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Pak may hike duties to cut MFN benefit

Kirtika Suneja, Financial Express

New Delhi, 11 February 2013: Islamabad is not only delaying grant of the promised most-favoured nation (MFN) status to India in trade, but may also reduce the favour by hiking tariff on items of export interest to India under the new regime.

An MFN status doesn't mean any special favour being accorded, but merely lack of discriminatory treatment in giving access to the goods and services from the country concrened. New Delhi is unhappy with Pakistan for not honouring its commitment of granting it the MFN status by December 31, 2012, and mounting tensions at the border have added to woes.

According to senior government officials, Pakistan might impose standards on imports or raise duties on items in cases where India can be a major supplier.

In products like automobile components, machinery and other electronic and electrical equipment, India's neighbour is likely to protect its domestic industry with these measures. Products like motorcycle parts, flat enrolled products, machinery products, diesel generating sets and plastics are of India's export interest, which may also see tariff barriers.

"Even if they do open up, they will put restrictions on products whose export is beneficial to India. They can raise tariff barriers on these products though the applied rates will not go beyond the bound rates as prescribed by WTO. These are the most sought after products in Pakistan and their industry is thinking on these lines," said M Rafeeque Ahmed, president, Federation of Indian Exports Organisations.

As per the WTO, bound rates are the ceiling rates beyond which tariffs can't be increased while applied rates refer to the rates at which import taxes are levied, which can be lower than the bound rates.

During April-December 2012, Pakistan's exports to India rose more than 50% from the year-ago period while those from India to Pakistan declined by 10%. The number of cargo trucks from Pakistan to India increased by 101%.

It was agreed that after Pakistan notified its removal of all restrictions on trade by Wagah-Attari land route, the Indian side would bring down its Safta sensitive list by 30% before December, 2012. Once the MFN status is given to it, India is bound to bring down its Safta Sensitive List to 100 tariff lines.

Experts say this kind of protectionism by Pakistan may benefit China as it has an FTA with China, which offers tariff concessions to the latter. However, the commerce ministry is unfazed with this development. "By opening the MFN, you accept certain bound duties and those are mandatory. Besides, importing from India will save them transhipment costs so, they will get a better deal," said a commerce ministry official.

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Expect tariff-related measures in Budget to tackle duty inversion

Nayanima Basu, Business Standard

New Delhi, 11 February 2013**:** Finance Minister P Chidambaram is likely to announce several tariff-related measures in the forthcoming Budget to address duty inversion problems in an effort to boost the domestic manufacturing sector as well as exports from the country.

Duty inversion basically means that raw materials and intermediates are taxed higher than the finished products and the Budget may tackle the issue by altering customs duty rates. "Several tariff measures will be taken in this year's Budget which will promote domestic manufacturing. Various export promotion councils have brought to our notice that there are several duty inversions. So, the government intends to now set this thing right, especially for the chemicals and engineering sectors," a senior commerce department official told Business Standard. The move, officials said, will promote domestic production and manufacturing, which will give a fillip to Indian exports as well.

This will also give an impetus to the National Manufacturing Policy (NMP), which has been unveiled more than a year back but has failed to take off due to absence of investors and despite tax concessions. Under NMP, the government has proposed to set up large National Investment and Manufacturing Zones (NIMZs) with an aim to increase the share of the sector to at least 25 per cent of GDP by 2020 from the present 16 per cent, and create 100 million jobs during this period.

Under the policy, the government has authorised the National Manufacturing Competitiveness Council (NMCC) to look into duty structures and their impact on domestic manufacturing.

The official added that these measures would also augur well from a revenue realisation point of view since the finished products would be taxed more than the intermediates that go into domestic value addition.

According to a recent study done by Ficci, imported raw material users in a range of manufacturing industry segments are in a spot due to inverted Customs duty structure that makes them incompetitive against cheaper finished product imports and discourages domestic value addition.

The study noted that sectors that are adversely affected due to inverted duty structure are tyres, electronic hardware, electrical equipment, medical instruments and technical textiles among others.

For example, inverted duty structure is there in tyres. Basic customs duty on tyres is 10 per cent as compared with 20 per cent or Rs 20/kg (whichever is lower) on natural rubber, the study said. Tackling the issue of duty inversion also assumes importance in the backdrop of several bilateral trade agreements that India is now signing with its strategic partners such as Japan, Malaysia, South Korea and the Association of Southeast Asian Nations (Asean) in the form of free-trade agreements (FTA), the comprehensive economic partnership agreements (Cepa) and the comprehensive economic cooperation agreements (Ceca).

These trade agreements provide India greater market access to the partner countries. However, higher

import duties on raw materials makes Indian finished goods costlier as well as uncompetitive in the international markets.

Last year, the steering committee on manufacturing for the 12th Five-Year Plan under the Planning Commission had also recommended that local manufacturers be given a level-playing field along with cheaper imports under the trade agreements and other duty concession schemes.

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Mauritius offers zero customs duty regime for Indian companies setting up shop in the island nation

The Economic Times

New Delhi, 16 February 2013: Mauritius has offered a zero customs duty regime for Indian firms to gain easier access to European Union and Africa. Mauritian minister for trade and industry Sayyad Abd-Al-Cader Sayed Hossen discussed the country's free port policy with commerce and industry minister Anand Sharma on Friday.

The minister's visit comes ahead of the India-Mauritius joint working group meeting later this month to review the bilateral tax treaty. Mauritius has agreed to incorporate a limitation of benefit clause in the tax treaty to assuage India's concerns on the abuse of tax treaty by investors from third countries without making substantial investment in the island nation by operating through post box companies.

Mauritius enjoys duty-free access for its goods in European Union and Africa through its trade agreements. Indian companies setting up shop in the island nation will not only enjoy duty-free regime in Mauritius but also gain preferential access in these markets. The special arrangement of Mauritius with Common market for Eastern and Southern Africa (COMESA) and the Duty Free Quota Free (DFQF) regime with EU will come into effect in this policy.

The Mauritius Freeport is a dutyfree logistics, distribution and marketing hub for the Eastern and Southern African region. Logistics and warehousing facilities are readily available for the transshipment, consolidation, storage and minor processing of goods. Sharma said that both the countries should look at the possibility of establishing Integrated Textile Park in Mauritius and asked the officials to give a concept paper on this within two weeks. Sharma said India and Mauritius have initiated steps towards setting up Mauritius-India Joint Business Council and a Joint Working Group (JWG) on trade and investment.

"The Joint Business Council will be a robust institutional mechanism for giving a boost to trade and investment ties by identifying the priority sectors and sectors of engagement," Sharma said in a statement.

"The JWG would further work out the modalities for broadening and deepening the economic engagement between the two countries," Sharma added. In 2011-12, the bilateral trade between India and Mauritius grew by 68%.

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No need to hike import duty: Steel Min

PTI

New Delhi, 21 February 2013: The Steel Ministry has shot down domestic manufacturers' plea for hiking import duty on the alloy, saying there is no need to initiate such an action right now as imports have not reached an alarming level.

"Where is the need to slap import duty further on imports of steel? The imports have not gone up significantly. The fear of the steel makers is unfounded," a steel ministry official said.

According to a recent sectoral report by India Ratings and Research, steel imports grew by 24.8 per cent during the January-November period of 2012 to 7 million tonne over the same period of the previous year.

The official said that given the small volume of imports, which is not more than 6-7 million tonne, any move to make them costlier might prove wrong to others who depend on steel because of limited or zero availability in the country.

"We have not requested the Finance Ministry to raise import duty on steel in our Budget proposals for the next fiscal," he said.

In the Budget 2012-13, the government enhanced basic customs duty on non-alloy, flat-rolled steel from five per cent earlier to 7.5 per cent.

Domestic steel makers have been clamouring for a rise in import duty to rein in 'dumping' of the alloy - which has gone up by at least 40 per cent in the first six months of current fiscal.

"In order to protect interests of the domestic industry, Budget needs to revisit last year's hike in excise duty and take steps to discourage dumping of products," Tata Steel's Managing Director H M Nerurkar said in his Budget wish-list.

Jindal Steel and Power's MD & CEO Ravi Uppal asked the government to take steps for discouraging dumping into India as this would destroy the potential of the domestic steel industry.

"No dumping of steel should be allowed in India. The main challenge is China. They produce 750 million tonne steel, and can easily dump it in India. If that happens, then the baby (Indian steel industry) will die in its cradle," he said.

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Govt may impose anti-dumping duty on gypsum plaster boards

PTI

New Delhi, 25 February 2013: India may impose anti-dumping duty of up to USD 73.8 per cubic metre on imports of gypsum plaster boards, except certain varieties like fire boards, from China, Indonesia, Thailand and UAE to protect domestic players.

The gypsum plaster boards are mainly used in interior construction in suspended ceiling and partition applications.

In its final findings, the Directorate General of Anti-dumping and Allied Duties (DGAD) has recommended imposition of the duty on 'Plain Gypsum Plaster Boards' originating in or exported from China, Indonesia, Thailand and UAE, the Commerce Ministry said in a notification.

The DGAD's recommendation comes on the basis of its findings that increased imports have caused "material injury" to the domestic industry, it said.

Mumbai-based Saint-Gobain Gyproc India Ltd had filed a petition for imposing anti-dumping duty on behalf of the domestic industry.

The directorate has recommended different set of duties that ranged between USD 12.3 per cubic meter and USD 73.8 per cubic meter, the notification said.

The DGAD, which is under the Commerce Ministry, in its recommendations said that the boards have been exported to India below its normal value from these nations."...the Authority is of the view that imposition of definitive Anti-dumping duty is required to offset dumping and injury," it added.The restrictive duty is recommended by the Commerce Ministry, while the Finance Ministry imposes the same.

However, it said that fire heat boards, impact boards, gypsum ceiling boards with moisture barrier, heat boards, anti-mold boards, thermal boards, gypsum ceiling boards with aluminium edges sealed in white film and ceiling tiles may escape the restrictive duty.

The country has already imposed anti-dumping duty on imports of fabric, yarn, nylon tyre cord and several chemicals.

Unlike safeguard duties, which are levied in a uniform way, anti-dumping duties vary from product to product and from country to country.Countries initiate anti-dumping probes to check if domestic industry has been hurt because of a surge in below-cost imports.As a counter-measure, they impose duties under the multilateral WTO regime.

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Decks cleared for 20% export duty on sugar

Business Line (The Hindu)

New Delhi, 28 February2013: The Finance Minister P. Chidambaram has made a provision for imposing export duty of up to 20 per cent on raw sugar, white or refined sugar in the Union Budget. Currently, there is no duty applicable on sugar exports.

In case of imports, the Government already has a provision to increase the customs duty to up to 60 per cent to control its inflow into the country. However, the current import duty stands at 10 per cent. "The industry thinks it is a positive move towards decontrol of sugar exports and imports. We think there would no longer be a ban on exports, but the Government would regulate the exports and imports of sugar through changes in tariff. This is broadly in line with the recommendations of the Rangarajan Committee on sugar decontrol," said Abinash Verma, Director-General of the Indian Sugar Mills Association (ISMA). The industry, faced with cheaper imports mainly from Brazil and Pakistan, has been demanding an increase in customs duty to up to 60 per cent on sugar imports. According to trade sources, about 2.2 lakh tonnes of sugar imported from Brazil has found its way into the eastern parts of the country. Also, about 10-15,000 tonnes have entered the market in Punjab from Punjab (Pakistan) through the Wagah Border. The imported sugar is cheaper by 10-15 per cent compared with domestic ex-factory prices, sources said.

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SMEs join tyre cos' clamour against duty hike on rubber

Msaritavarma, The Financial Express

Thiruvananthapuram, 7 March 2013: Immediately after Kerala chief minister Oommen Chandy confirmed that the Union finance ministry is about to notify a hike in the import duty of natural rubber, from Rs20 per kg to Rs34 per kg, the rubber-consuming industry roped in 4,500 rubber SMEs to join its clamour to shout down the hike. According to the SMEs, the import duty on natural rubber cannot be seen as the single major factor in the price differential of rubber.

Since over 90% of the country's rubber production comes from Kerala, the fall in prices has ruffled the state's economy. A delegation of ministers led by the Kerala CM met the Union commerce minister and Union finance minister on Tuesday.

"The move to clear a notification hiking the import duty on natural rubber from R20 per kg to R34 per kg is already on," Oommen Chandy told FE. From R230 per kg last year, natural rubbber prices have nosedived to R160 per kg this year, almost seeking policy intervention, he said.

Alarmed by the imposition of import price curbs on natural rubber, SMEs in AIRIA (All India Rubber Industries Association) have joined hands with ATMA (Automotive Tyre Manufacturers' Association) in urging the commerce, finance and MSME ministries. An increase in the import duty on natural rubber will severely hit 4.5 lakh people working in rubber SMEs, according to the representation by AIRIA. "There is no significant differential between the current domestic and international prices of natural rubber, which should warrant drastic action on the lines proposed. According to Rubber Board's data, the price differential between domestic and international prices is currently less than 5%. The key concern of natural rubber growers and their representatives was that there was a significant price differential, to the tune of R20 per kg, and necessitating import curbs was no longer required", said Niraj Thakkar, president, AIRIA.

AIRIA contests the rubber-grower organisation's argument that rubber prices can be attributed to imports. It quotes a press release by the Rubber Board, which says that "Rubber price is a function of several factors."

Thakkar argues that a panel constituted by the ministry of commerce to examine the duty structure had met on 27 December, 2012, recommending to maintain status quo with regard to the rubber import policy. AIRIA pleads that the economic slowdown is affecting both the rubber-consuming industry and the rubber plantation sector.

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India asks Egypt to scrap penal duties on cotton yarn

Amiti Sen, Business Line (The Hindu)

New Delhi, March 15: India has submitted an unofficial notice to Egypt seeking removal of "wrongful'' penal duties imposed on cotton yarn imported from the country as it flouted World Trade Organisation (WTO) rules.

The 'non-paper' given to Cairo by New Delhi on safeguard duties imposed on cotton yarn last year is intended to serve as a warning that India may drag the matter to the WTO if corrective action is not taken soon, a Commerce Department official told *Business Line*.

Usually 'no paper' is meant to be a warning for harsher steps to follow.

Egypt is a significant buyer of Indian cotton yarn ranking fourth after China, Bangladesh and South Korea. In the January-October 2012 period, cotton yarn worth $130 million was exported to Egypt by India.

The imposition of safeguard duties – which are penal duties imposed in addition to customs duties to check surge in imports – has made Indian cotton yarn uncompetitive in the Egyptian market, Indian exporters of cotton yarn allege.

"Export of cotton yarn from India to Egypt may not be huge compared to total exports, but with growing protectionism across the world it is important to send out a signal that India is not going to take things lying down," a senior industry official from a leading textile body said.

Interestingly, Turkey withdrew similar penal duties on Indian cotton yarn late last year after India threatened to file a dispute with the WTO.

"We hope Egypt takes our non-paper seriously and acts. Hauling the country to the WTO is something that we would not want to do enthusiastically as Egypt is going through its own political and economic turmoil. But we also have our own industry's interests to protect," the official added.

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Shrimp exports to US under anti-dumping scanner

George Joseph, Business Standard

Kochi, 1 April 2013: The US Department of Commerce (DoC) has started a countervailing duty (CVD) investigation against India and six other countries on export of shrimp to that country, covering the period January 1-December 31, 2011.

The other countries are China, Ecuador, Indonesia, Malaysia, Thailand and Vietnam. The investigation was initiated on the basis of a preliminary finding that 21 subsidy programmes extended to seafood exporters in India merit further investigation. This is based on a complaint by the US shrimp industry.

Among the Indian programmes under the scanner are the Duty Entitlement Pass Book Scheme, tax and duty incentives under the Special Economic Zone programme and the export-oriented units programme, duty incentives under the Export Promotion Capital Goods programme, export financing, export credit insurance, subsidised loans to the marine products industry, the Development of Inland Fisheries and Aquaculture scheme, assistance from the National Fisheries Development Board and 13 subsidy / assistance schemes of the Marine Products Export Development Authority (MPEDA). Another 25 such subsidy schemes of China, seven of Ecuador, 14 of Indonesia, 16 of Malaysia, 12 of Thailand and 20 of Vietnam are also being scrutinised.

In February, a US International Trade Commission panel said there was reasonable indication that the US shrimp industry was being materially injured by import of allegedly subsidised shrimp from these countries.

Consumption of warm-water shrimp in the US in 2011 was 1.3 billion pounds, of which 87.6 per cent came through imports. In 2011, the US imported shrimp products worth $4.3 bn from these countries, 86 per cent of the total value of shrimps imported that year.

The move has left Kochi-based exporters concerned. "A high rate of CVD will seriously affect our exports to the US," one of them told Business Standard.

The US is the largest importer of Indian seafood, in value terms. The industry is faced with a drop in exports to other major markets, such as the European Union, Japan, Southeast Asia and China. During April-September 2012, the US imported 45,540 tonnes, valued at Rs 1,947 crore. This is a growth of 11.4 per cent in value terms. The US was the only country with growth in exports during that period, shows data from the MPEDA.

In 2005, DoC had imposed an 11.7 per cent anti-dumping duty on shrimp, causing a steep fall in exports. This was based on a petition filed by the Southern Shrimp Alliance. Around 280 exporters were shipping shrimp to the US during that period; this fell to 68 in 2009. Later, the US dropped the duty to 2.52 per cent.

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India Reports Jump in InvestigationsOf Antidumping, New Duties on Imports

Daniel Pruzin, WTO Reporter

Geneva, 4 April 2013: India has reported a sharp rise in new antidumping investigations and new antidumping duties targeting imported goods, with most of the measures directed at imports from developing countries.

In its latest semiannual notification circulated to World Trade Organization members March 27, India reported the initiation of 13 new antidumping investigations over the second half of 2012, up from seven new investigations during the first half of the year. Ten of the new investigations targeted imports from developing countries.

In its most recent report to the Group of 20 leading economies issued Oct. 31, the WTO noted that the initiation of new Indian antidumping investigations had been trending downward, with four initiated between May and September 2012, compared to eight over the previous six-month period.

However, nine of the 13 new Indian investigations over the second half of 2012 were initiated in the final quarter of the year, with four in December alone.

Four of the new second-half investigations targeted imports from China, with two investigations each aimed at imports from Taiwan and the United States. Additional investigations were initiated against imports from the European Union, South Korea, Malaysia, Mexico, and Thailand.

Solar Cells and Cast Aluminum Alloy Wheels Targeted

More than half of the new Indian investigations targeted imports of two products—solar cells and cast aluminum alloy wheels.

Along with the United States, India has traditionally been one of the most prolific users of antidumping measures to protect domestic producers against what authorities have determined to be unfairly priced imports.

India also reported that 21 final new antidumping measures were imposed in the second half of 2012, up sharply from the eight new measures imposed in the first half of the year. Fifteen of the new duty orders targeted imports from developing countries.

Four of the new duty orders targeted imports from China, while three were levied on imports from the European Union. Two additional measures apiece were imposed on imports from Iran, South Korea, and the United States.

Additional duty orders were imposed on imports from Indonesia, Israel, Japan, Kenya, Pakistan, Taiwan, Thailand, and Ukraine.

Seven of the new duty orders were imposed on imports of soda ash, with four measures targeting imports of melamine. Three measures apiece were imposed on imports of stainless steel cold rolled flat products and phthalic anhydride.

India now has 227 antidumping duty orders in force, with 79 measures, or more than a third, targeting imports from China. Other main targets of the Indian duties are: South Korea and Thailand (18 each), the

European Union and Taiwan (17 each), and Japan and the United States (nine each).

Fourteen Indian antidumping duty orders were terminated in the second half of 2012, up from five during the first half of the year. Included among these measures were two duty orders each targeting imports from Malaysia, Singapore, South Korea and Taiwan.

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Dumping duty on plaster boards from China, 3 other nations

K. R. Srivats, Business Line (The Hindu)

New Delhi, 15 April 2013: The Finance Ministry has imposed definitive anti-dumping duty on certain gypsum plaster boards imported from China, Indonesia, Thailand and the United Arab Emirates.

The levy does not apply to fire boards, impact boards, ECHO boards, heat boards and thermal boards. This anti-dumping duty will be valid for five years with effect from June 7, 2012, the date of imposition of provisional anti-dumping duty.

Saint Gobain Gyproc India Ltd had filed the petition seeking anti-dumping probe on gypsum plaster boards imported from these four countries.

In the case of gypsum plaster boards produced and exported from China, the duty has been pegged at $32.85 per cubic metre. For imports from Indonesia, it has been pegged at $24.11 per cubic metre.

In the case of Thailand, the anti-dumping duty for plaster boards produced and exported by Siam Gypsum Industry (Saraburi) Co Ltd and Siam Gypsum Industry (Songkhla) Co Ltd has been pegged at $54.46 per cubic metre.

For other producers and exporters from Thailand, the anti-dumping duty has been pegged at $73.80 per cubic metre.

In the case of the UAE, the duty for plaster boards produced and exported by Gypsemna Co (L.L.C) Dubai has been pegged at $12.30 per cubic metre. For all other producers and exporters from the UAE, the Revenue Department has imposed duty of $20.15 per cubic metre.

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India plans safeguard duties on iron, steel items from China

PTI

New Delhi, 2 May 2013: India plans to impose safeguard duties on some iron and steel pipes, tubes and profiles to protect domestic producers from a flood of imports from countries like China and Italy.

The Directorate General of Safeguards under the Finance Ministry has initiated an investigation on impact of large scale import of seamless pipes, tubes and hollow profiles of iron or non-ally steel from countries such as China and Italy.

"It has been found that prima facie increased imports of seamless pipes and tubes have caused and are threatening to cause serious injury to the domestic producers... and as such it has been decided to initiate an investigation in the matter," it said in a notice.

It sought comments from interested parties by May 21. The application for imposition of restrictive duties was jointly filed by Jindal Saw Ltd and Indian Seamless Metal Tubes Ltd and was supported by Maharashtra Seamless Ltd. The applicants account for more than 50 per cent of the total domestic production of seamless pipes and tubes in India.

The DGS will investigate imports between 2009-10 and 2012-13.

"The imports have increased from 307,581 tons in 2009-10 to 373,777 tons till 2012-13, recording an increase of 22 per cent," it said adding even though there was a decline in 2012-13 over the previous fiscal, but quarter wise analysis showed a sharp rising trend from Q2-Q3 on absolute basis.

In view of surging imports and loss of market share, the inventories with the domestic industry have also increased significantly - 5691 tons in 2009-10 to 14,170 tons in April-December 2012-13 fiscal.

An immediate safeguard duty is being sought for a period of four years.

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Govt imposes import duty on steel, aluminium, brass scraps

PTI

New Delhi, 10 May 2013: The government has imposed 2.5 per cent import duty on various types of scraps - melting steel, stainless steel and aluminium scraps, and has withdrawn exemption of special additional customs duty on brass scrap.

The measures were taken through two different notifications issued on Wednesday by the Finance Ministry. It did not give reasons for making changes except saying that it is in public interest.

"In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962, the Central Government, being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments...," said the notification, imposing 2.5 per cent import duty on steel and aluminium scraps.

Since 2003, import duty on melting steel scrap was nil, while on stainless steel scrap, the duty was reduced to zero in the Budget of 2011.

Besides, withdrawal of exemption of special additional customs duty (SAD) on brass scrap means that importers of brass scrap will now have to pay 4 per cent SAD on imports.

According to industry data, India imports about 7 million tonnes (MT) of melting steel scrap and about 1 or 2 MT of stainless steel scrap. However, no such data could be secured for aluminium or brass scrap as it is scattered and belong to medium and small scale industries.

The scrap is used as raw material largely by medium and small scale industries. As per the industry estimates, secondary steel producers account for about 40 per cent of India's total steel production at about 32 million tonnes.

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Import duty hike will arrest sugar imports: Pawar

PTI

New Delhi, 11 July 2013: The hike in sugar import duty to 15% will halt shipments and boost domestic sales, helping millers to clear the Rs 9,000 crore in outstanding payments to cane farmers, agriculture minister Sharad Pawar said Wednesday.

The minister also expressed confidence that there would not be any shortfall in production in the 2013-14 marketing year starting October. Rather, the country will have surplus sugar for exports, he said.
"The import of sugar will stop now. It (duty hike in sugar import) is a good thing because so much sugar is lying in godowns of millers and there are no takers. In such a situation, at least we can protect our farmers," Pawar said when asked about the duty hike.

The duty hike to 15% will, however, make the sweetener costlier for the common man.
Outstanding payments to cane growers stand at around Rs9,000 crore, especially in Uttar Pradesh, he added.

Asked if there is scope for a further hike in sugar import duty, he said: "Not necessary. It is not viable to import at 15%."

The country has imported nearly 6,00,000 tonne of raw sugar and another 1,00,000 tonne of refined sugar so far in the 2013-14 marketing year (October-September), according to the industry.

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India plans massive duty cut on Pakistan textile imports

Nayanima Basu, Business Standard

New Delhi, 16 July 2013: In an unprecedented move, India is planning to drastically slash tariff on import of textiles from Pakistan in an effort to normalise trading relations between both countries.

Currently, India imposes 30-45 per cent duty on textile products from Pakistan. The government is planning to bring it down to five per cent and has not ruled out the option of allowing duty-free access too.

This would be done by reducing the sensitive list of items India maintains for Pakistan, under which certain items are not allowed from there. This list is maintained under the South Asian Free Trade Agreement (Safta).

“Once the reduced sensitive list under Safta is notified, most of the textile lines would be out, for the benefit of Pakistan. We might bring it almost to the level of Bangladesh,” said a senior commerce department official involved in the process.

In 2011, India allowed duty-free access to Bangladeshi garments and apparel products.

This, however, would be done only when Pakistan grants most favoured nation (MFN) status, or non-discriminatory market access, to India, the official added.

Pakistan’s global exports basket has been dominated by products from the textiles and clothing sector, which, however, is not consistent with its exporting pattern to India.

These products are found listed in India’s sensitive list, thus restricting the possibility of Pakistan being able to formally export these products. The main items of informal trade from Pakistan to India are textiles and garments.

Interestingly, the new Pakistani government under Prime Minister Nawaz Sharif has renamed the official name of their Ministry of Commerce to Ministry of Commerce and Textile Industry, probably to highlight the importance of the industry to the world. While Sharif is himself handling the commerce portfolio, Qasim M Niaz has been appointed the new commerce secretary.

Nisha Taneja of the Indian Council for Research on International Economic Relations said, “Pakistan’s textile export basket is small. It depends on what products under this category would be opened up by India, which is crucial. They are heavily banking on textiles. And, I do not see a problem in granting them easy access because if we can take on Bangladesh, then there would be no problem with Pakistan.”

Pervez Lala, chief executive officer of a Pakistani apparel brand, Lala Textiles, which recently participated in an exhibition in Surat, told Business Standard Pakistani textile importers also had to face several non-tariff barriers in India, which affected their business. This issue of granting preferential market access to textile imports from Pakistan was discussed last month during the first joint business council meeting in Islamabad.

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Duty structure in capital goods sector under review

Economic Times

New Delhi, 24 July 2013: The government is planning to review the inverted duty structures in the capital goods sector to increase their local manufacturing and reduce imports.

The Department of Heavy Industry will indicate those tariff lines in the capital goods sector which have substantive domestic manufacturing capacity, but have suffered due to inverted duty structures or other trade related measures.

The issue was discussed at the first meeting of the manufacturing industry promotion board (MIPB) on Tuesday. The board also deliberated on ways to strengthen the public sector industries in the capital goods sector and reviewed the progress of national manufacturing and investment zones (NIMZs).
The meeting was chaired by commerce and industry minister Anand Sharma.

Inverted duty structure refers to situation where final product attracts less duty than inputs that go into manufacture of that product. This discourages local manufacturing and value addition.

The board also asked the state governments to give a status report on the development of NIMZ every month.

The department of revenue has also been asked to include the tax exemptions to the capital goods sector under the national manufacturing policy in the Direct Taxes Code (DTC).

After the meeting, Sharma said, "We had a review of the stages at which various NIMZs are. Issues which concern the states, industry, investors and the different departments were reviewed. Secretaries of economic affairs, surface transport, science and technology were present. We will have a review after three months."

Department and National Manufacturing Competiveness Council (NMCC) has been asked to outline measures to strengthen the public sector industries in the capital goods sector in the short and medium term and send their recommendations, which will be discussed in the next MIPB meeting.

The meeting was attended by secretaries of department of industrial policy and promotion (DIPP), Department of Economic Affairs, MSME, Science and Technology, and senior officials from Environment, Heavy Industry and States of Andhra Pradesh, Karnataka and Maharashtra.

Manufacturing growth fell to 1% in 2012-13 and has failed to see any pick up even in the current fiscal. The overall GDP growth sunk to a decade low of 5% last fiscal.

In the first week of July, the prime minister convened a high level meeting to discuss on boosting manufacturing in the country. It discussed on a spectrum of issues like building an indigenous mid size civilian aircraft, boosting steel production and textile exports besides the launch of pilot project on electric and hybrid for Delhi.

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