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Anti-Dumping Duty on Steel Imports from China

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Why in News

Recently, the Directorate General of Trade Remedies (DGTR) has initiated a probe to **review the need for continuing imposition of anti-dumping duty on certain types of steel products imported from China**, following complaints from domestic industry.

The duty on the certain **steel products** was first imposed in February 2017 and is set to expire on 16th May 2021.

Directorate General of Trade Remedies

- It is the **apex national authority under the Ministry of Commerce and Industry** for administering all trade remedial measures including anti-dumping, countervailing duties and safeguard measures.
- It **provides trade defence support** to the domestic industry and exporters in dealing with increasing instances of trade remedy investigations instituted against them by other countries.

Key Points

- **About:**
 - Some of the major private domestic producers of steel have filed an application before the DGTR for a **sunset review of anti-dumping duty** imposed on imports of seamless tubes, pipes and hollow profiles of iron, alloy or non-alloy steel from China.
 - The applicants **have alleged that dumping of these products from China has continued even after imposition of anti-dumping duty**, and there has been a significant increase in the volume of imports.
 - **DGTR would review the need for continued imposition of the duties** in force and examine whether the expiry of existing duties is likely to lead to continuation or recurrence of dumping and impact the domestic industry.

- **Anti Dumping Duty:**
 - **About Dumping:**
 - Dumping is said to occur **when the goods are exported by a country to another country at a price lower than the price** it normally charges in its own home market.
 - This is **an unfair trade practice** which can have a distortive effect on international trade.
 - **Objective:**
 - **Imposition of Anti-dumping duty is a measure** to rectify the situation arising out of the dumping of goods and its trade distortive effect.
In the long-term, anti-dumping duties **can reduce the international competition of domestic companies** producing similar goods.
 - It is a **protectionist tariff** that a domestic government imposes on foreign imports that it believes are priced below fair market value.
 - The use of anti-dumping measures as an instrument of fair competition is **permitted by the World Trade Organisation**.
 - **Different From Countervailing Duties:**
An Anti-Dumping Duty (ADD) is a customs duty on imports providing a protection against the dumping of goods at prices substantially lower than the normal value whereas Countervailing duty is a customs **duty on goods that have received government subsidies** in the originating or exporting country.
- **WTO's Provisions Related to Anti-Dumping Duty:**
 - **Validity:** An anti-dumping duty is **valid for a period of five years** from the date of imposition unless revoked earlier.
 - **Sunset Review:** It can be extended for a further period of five years through a sunset or expiry review investigation.
 - A **Sunset review/ expiry review** is an **evaluation of the need for the continued existence of a program** or an agency. It allows for an assessment of the effectiveness and performance of the program or agency.
 - Such a review **can be initiated suo moto or on the basis of a duly substantiated request** received from or on behalf of the domestic industry.

Source:TH