

# DUMPING IMPACT ON INDIA'S MANUFACTURING SECTOR

Cheap imports from China have hit the manufacturing sector. While the government levies anti-dumping duty on some forms of steel imported from China and Korea, primary producers of other consumables have been struggling to get the government's protection from cheap imports. *Business Standard* looks at some sectors that have witnessed sharp increase in imports in the last few years:

## PAPER



India imported paper and paperboards (excluding newsprint) worth up to ₹7,222 crore – a CAGR of 21% in four years. Of this, China contributed 18%, or ₹1,293 crore. Import growth from Asean is 39% CAGR in four years

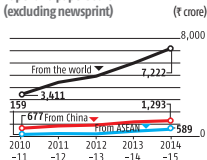
### INDUSTRY DEMAND

- Levy SAD of 10% on imports
- Levy import duty at most-favoured nation rate
- Keep paper industry on negative list (no preferential treatment)
- Levy anti-dumping/safeguard duty wherever needed

### GOVT RESPONSE

- Reviewing claim

Paper and paperboard (excluding newsprint)



## ELECTRICALS AND ELECTRONICS



- Import of HT switchgears shot up 8.6% to ₹705 crore in 2014-15
- Import of LT switchgears rose 8.7% to ₹7,900 crore in 2014-15
- Cables' import surged 26.2% to ₹5,392 crore in 2014-15
- Import of insulators up 15% to ₹483 crore in 2014-15
- Import of energy meters jumped a massive 64.7% to ₹56 crore

### INDUSTRY DEMAND

- Basic customs duty on electrical insulators – 7.5% and metal parts (raw materials) – 10%. Reduce BCD on metal parts
- Withdraw Cervat claim time period of six months
- Double depreciation on construction machinery to 30% from 15% now
- Include electrical equipment in Foreign Trade Policy 2015-20

### GOVT RESPONSE

- Suggestions are under consideration

## SYNTHETIC TEXTILE



- Import of fibres, filament yarns and spun yarns increased 20% in 2014-15
- Import of synthetic filament yarn up 18% to \$406.75 million
- Import of synthetic staple fibre up 9% to \$221.96 million
- Import of synthetic staple fibre for spinning rose 32% to \$196.86 million
- Fabric import touched \$780 million, besides 12.5 million pieces of garments from Bangladesh
- Effect on domestic industry ₹12,000 crore

### INDUSTRY DEMAND

- Exempt synthetic textile fully from 12.5% excise duty

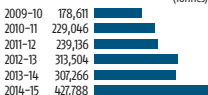
### GOVT RESPONSE

- Under consideration

## STAINLESS STEEL



Import of stainless steel (flat products) (Tonnes)



### GOVT RESPONSE

- Levied anti-dumping duty between \$180 and \$309 on certain grades from China, Korea and Malaysia

## STEEL



- Import rose 71% to 9.31 million tonnes in 2014-15 as against 5.45 million tonnes in 2013-14, 7.93 in 2012-13 and 6.86 million tonnes in 2011-12

### GOVT RESPONSE

- Import duty hiked to 7.5% on longs and 10% on flats from 5.5% and 7.5%, respectively

Sources: Indian Paper Manufacturers Association, Synthetic & Rayon Textiles Export Promotion Council, Indian Stainless Steel Development Association, Press Information Bureau