

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 2041
TO BE ANSWERED ON 28th NOVEMBER, 2016

CHEAP IMPORTS

2041. SHRI RAMA CHANDRA HANSDAH:

SHRI M.B. RAJESH:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether there is a surge in cheap imports in the country which is affecting the domestic products and if so, the details thereof and the reasons therefor;
- (b) whether the tariff concessions offered under the Free Trade Agreements is the leading cause of the surge in imports from other countries;
- (c) if so, the details thereof along with the measures taken or being taken by the Government to safeguard the domestic products;
- (d) the rules/regulations/principles being followed for levying anti-dumping duties along with the details of products on which it is being levied by the Directorate General of Anti-Dumping and Allied Duties, country-wise including the rates of such duties and the total collection in the financial year 2015-16; and
- (e) whether the dumping of finished rubber products is being witnessed in the country thereby causing distress and misery among rubber growers and if so, the details thereof along with the corrective measures taken by the Government in this regard?

ANSWER

वाणिज्य एवं उद्योग राज्य मंत्री (श्रीमती निर्मला सीतारमण) (स्वतंत्र प्रभार)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

- (a) Import of an item takes place only when similar item is either not available in the domestic market or is available at a cheaper rate outside the country than the one available in the domestic market. Excess capacity overseas and downward pressure on international prices in light of the global slowdown has led to enhanced competitive pressure on domestic producers from foreign suppliers in some sectors.
- (b) & (c) The trade data with Free Trade Agreement (FTA) partners, prior to and after implementation of the agreement indicates that there has been a significant increase in our trade. Moreover, studies also indicate that increase in share of import of raw materials, intermediate goods and capital goods could lead to enhanced efficiency in domestic production and thus contribute to greater exports. The overall effect on trade of an FTA is positive and statistically significant.

Further, to protect the interest of the domestic industry, these agreements provide for maintaining sensitive/negative lists of items on which limited or no tariff concessions are granted under the FTA. In addition, in case of a surge in imports and injury to the domestic industry, a country is allowed to take recourse to the measures such as safeguards and anti-dumping measures.

(d) The Directorate General of Anti-Dumping & Allied Duties (DGAD) is responsible for conducting anti - dumping investigations and recommending imposition of suitable remedial measures to the Central Government with a view to provide a level playing field to the domestic industry. The DGAD conducts anti – dumping(AD) investigations on the basis of a duly substantiated petition filed by the domestic industry alleging dumping of goods into the country causing injury to the domestic industry and brings out final findings recommending AD duties, if any. There after, Department of Revenue notifies the rate of AD duty. All the final findings of DGAD and duty notifications are all available on their websites : www.dgtr.gov.in and www.cbec.gov.in.

(e) Though there have been complaints of cheap import of rubber products into the country including tyres. Sizeable dumping of natural rubber at cheaper rates has not been noticed. The Government has however taken the following steps to regulate the import of natural rubber in 2015 and 2016:

- i. Reduction in export obligation period: Under Advance Authorisation Scheme, natural rubber import was subject to pre-import condition and export obligation was reduced to only six months (from the date of import clearance) to avoid any misuse of diversion to domestic market.
- ii. Suspension of import under Advance Authorisation: Import of Natural Rubber was under suspension during the period from 21st January, 2016 to 31st March, 2016 under Advance Authorisations issued or revalidated on or after 21st January, 2016.
- iii. Enhancement of basic import duty:- Import duty on dry forms of natural rubber was raised from “20% or Rs 30 per kg whichever is lower” to “25% or Rs 30 a kg whichever is lower” with effect from 30 April 2015.
