

Anti-Dumping Duty on Newsprint and Graphite

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*43. SHRI BHAKTA CHARAN DAS:
SHRI N.K. PREMCHANDRAN:

Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have decided to impose antidumping duty on newsprint and graphite electrodes originating from US, Germany, France, Spain, Italy, Austria, Belgium and China;

(b) if so, the details thereof;

(c) the circumstances which compelled the Government to impose this duty;

(d) the rate of duty likely to be imposed per tonne and likely earnings therefrom;

(e) whether due to imposing this duty, Indian export is likely to be affected to these countries; and

(f) if so, the details thereof and the steps taken so that India's trade relations are not affected?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) to (f) A Statement is laid on the Table of the House.

Statement

(a) to (d) Designated Authority appointed under the Customs Tariff Act and the Rules for anti dumping investigation made thereunder, is conducting investigations, which are quasi-judicial in nature. The Designated Authority has notified the preliminary findings recommending imposition of provisional anti dumping duties and the investigations are continuing against imports of newsprint from USA, Canada and Russia and against imports of graphite electrodes from USA, Austria, France, Germany, Italy, Spain, Belgium and China PR.

(e) and (f) Anti dumping investigations are carried out and duties recommended in accordance with laws which are in conformity with GATT agreement. Imposition of anti dumping duties following such investigations which conform to GATT agreement, do not adversely affect India's trade relations.

SHRI BHAKTA CHARAN DAS: Mr. Deputy Speaker, Sir, the hon. Minister has not given answers to my questions (c) and (d). I would like to know what is the rate of duty imposed on the newsprint and graphite electrodes.

DR. BOLLA BULLI RAMAIAH: This is a quasi-judicial system that operates on the basis of the representation received from different parties. They will examine it and they will work out various things. In the case of graphite electrodes, duties have been recommended on imports from Germany at the rate of about Rs. 9,000 per MT to

Rs. 20,933/MT; from France at the rate of Rs. 29,000 per MT; from Italy at the rate of about Rs. 21,000 per MT; from Austria at the rate of about Rs. 27,000 per MT; from Spain at the rate of about Rs. 17,000 per MT and from Belgium approximately at the rate of Rs. 16,000 per MT. This is based on the dumping system; where category-wise and exporter-wise duties are recommended.

SHRI BHAKTA CHARAN DAS: In answer to question (e) and (f), the hon. Minister has said that the anti-dumping investigations are carried out and duties recommended in accordance with laws which are in conformity with GATT agreement. Imposition of anti-dumping duties following such investigations which conform to GATT agreement do not adversely affect India's trade relations.

I would like to know from the hon. Minister whether it is true that by signing the GATT agreement we have surrendered to the conditions of WTO. I would also like to know whether the domestic selling prices are higher than the imported electrodes which is used by the steel industries as conductors of electricity. If no Indian manufacturers produce the required range, what are the circumstances which compel them to impose the duty?

DR. BOLLA BULLI RAMAIAH: These items, as I mentioned earlier, are taken into consideration by seeing the country which are exporting, the local price at which they are selling and the price at which they are selling to India. This is what is called anti-dumping. That is why, we have to protect our industry and we work out the injury margin and level of duties that is required. On the basis of that only we arrive at these figures.

SHRI RAMESH CHENNITHALA: By putting newsprint in Open General Licence, Indian indigenous newsprint units are facing a lot of problems. One public sector undertaking which was running in profit, that is, the Hindustan Newsprint Limited in my constituency, is at the verge of closure because of dumping of newsprint from other countries like Canada, America and others. Earlier, there was a formula which was adopted for import, which is, 2:1. That means, for every two tonnes of newsprint taken indigenously, one tonne would be allowed to be imported. This was the formula that existed earlier but this was changed now. Due to that, almost all public sector undertakings were closed down. For example, in Madhya Pradesh, NEPA is closed down; in Assam, NAGAUG is closed down; Mysore Paper Mill is also closed down and other units were also closed down. Almost all the public sector undertakings which were manufacturing newsprint were closed down because of this policy.

I am congratulating the hon. Minister for imposing a ten per cent duty on this. By this, a small relief has been given to them. But because of dumping, other existing units which are working well would also be closed down. So, I would like to know from the hon. Minister whether newsprint will be taken out of OGL and whether 2:1 formula would be adopted.

DR. BOLLA BULLI RAMAIAH: Hon. Member has put

a very valid question. The formula of 1:2 in respect of imports against the local purchase was introduced by the earlier Government and was not introduced by this Government. Regarding the question of representation coming from the newsprint manufacturers, I would say that that is the reason why the anti-dumping process has been gone into in respect of those things.

And they have worked out different measures and have already identified three countries, that is, USA, Canada and Russia, which are dumping in this country and we are also going to have a final hearing on the 7th August when all the people can come with their representation. After that, they will give their final findings.

[Translation]

SHRI KASHI RAM RANA: Mr. Deputy Speaker, Sir, Hon'ble Minister has talked about imposing anti dumping Duty on the imports of material for the protection of industries in the country. About newsprint also he has said that a decision in regard to anti dumping duty on newsprint will be taken by 7th August. This discussion is going on for several months. Several representations have been received by Finance Minister and Commerce Minister in this regard. Our newsprint mill in my constituency is closed for the last several months and the labourers working there are unemployed. Several mills of newsprint are lying closed in the entire country. A representation from the workers of NEPA has also been received three days ago. Why the Government is delaying the recommendations made by Designated Authority? What are the reasons for delay in implementing the recommendations regarding anti Dumping Duty? On the rest of the things you have imposed it but why don't you take decision in this regard urgently?

[English]

DR. BOLLA BULLI RAMAIAH: Sir, as the hon. Member has mentioned, anti-dumping procedure has been started as the Indian industry is suffering and the designated authority has to give a final hearing for both the newspaper printers and also manufacturers. We are going to have the final hearing on the 7th August and after that, we will come to a final decision come.

[Translation]

PROF. RASA SINGH RAWAT: According to the agreement, signed by the Government of India under W.T.O., India will have to follow the open market policy in the world and it will have to keep away from the import export of various items. On the other hand, the demand of consumer items in India is increasing and the prosperous countries of the world have imposed anti-dumping duty on certain items and efforts are being made to make rest of the items import free. To ensure that India's export interests remain protected the interests of agro based products and other items manufactured by domestic industry remain protected. What efforts are being made by the government? Because he has also complained that pressure is increasing on us.

In that context, what are those guidelines which are being followed by the Government of India?

[English]

DR. BOLLA BULLI RAMAIAH: Regarding what the hon. Member has mentioned about the WTO, we have both ways. We are allowing imports on the basis of various goods which are to be made available. At the same time, it should also not affect our industry. That is how anti-dumping process is going to protect the Indian industry. Whenever dumping takes place, we should also protect our Indian industry. That is the reason why, while bargaining for our agricultural products and various other commodities, we are discussing about it with each Ministry and we take into consideration the view of each Ministry. We are not going ahead without consulting each Ministry. That is how, we are processing these things and anti-dumping process is also a part of it. We want to protect our industry.

SHRI P.C. CHACKO: The overconscious and very slow anti-dumping process being taken by the Commerce Ministry is not doing good. By the time the Commerce Ministry takes the anti-dumping steps and measures, the Indian industry will be totally dead. I remember what Shri Chidambaram said in this House that we are facing an unequal world.

The newsprint is being imported into this country even at less than the cost price. All the newsprint factories in this country are being closed down. Contrary to the rules and regulations of the WTO, other countries, particularly European countries, are imposing anti-dumping measures on Indian products, especially Indian cotton. What steps are we taking? The whole House is concerned with it.

MR. DEPUTY-SPEAKER: So, what do you want to ask?

SHRI P.C. CHACKO: My question to the hon. Minister is that our steps are very slow. It is not protecting the local industry. Will the Minister assure this House that a Special Cell will be formed in the Ministry of Commerce to take expeditious steps to save the Indian industry from encroachment by the world monopoly?

DR. BOLLA BULLI RAMAIAH: Sir, I also agree with the hon. Member. Now, we have also made a proposal on Anti-Dumping Directorate with adequate staff to take care of all these issues. I think, this is almost approved.

SHRI P.C. CHACKO: In six months, you could not take a decision about newsprint. ... (Interruptions)

MR. DEPUTY-SPEAKER: Do you want to add anything?

DR. BOLLA BULLI RAMAIAH: That is what I have said. We have now proposed Anti-dumping Directorate which will be able to increase the number of people in order to take care of all these issues.