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F. No. 22/01/2024-DGTR
Government of India
Ministry of Commerce and Industry
Department of Commerce
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building, -Parliament Street, New Delhi -110001

Dated 19.12.2024

INITIATION NOTIFICATION
Case No. – SG-01/2024

Subject: Initiation of safeguard investigation concerning imports of “Non-Alloy and Alloy Steel Flat Products” into India.

F. No. 22/01/2024-DGTR. The Indian Steel Association (“ISA” or the “Applicant”), on behalf of its Members, namely, *a) ArcelorMittal Nippon Steel India Limited, b) AMNS Khopoli Limited, c) JSW Steel Limited, d) JSW Steel Coated Products Limited, e) Bhushan Power & Steel Limited, f) Jindal Steel and Power Limited, and g) Steel Authority of India Limited* (collectively referred to as “applicant companies”) has filed an application under Section 8B of Customs Tariff Act, 1975 (hereinafter referred to as “the Act”), read with the Customs Tariff (Identification and Assessment of Safeguard Duty) Rules, 1997 (hereinafter referred to as “the Rules”) seeking imposition of Safeguard Duty on imports of “**Non-Alloy and Alloy Steel Flat Products**” (hereinafter referred to as “PUC” or “Product Under Consideration”) into India.

2. The Applicant alleges that there is a recent, sudden, sharp and significant increase in the volume of imports, which has caused significant injury to the domestic industry in India. The Applicant further alleges that imports have taken place in such increased quantities and under such circumstances as to cause or threaten to cause serious injury to the domestic industry. They have sought imposition of safeguard duties to protect the domestic industry engaged in the production of like articles or directly competitive products from such serious injury and threat thereof being caused by the imports of PUC.

(A) PRODUCT UNDER CONSIDERATION AND LIKE ARTICLE

3. The product under consideration for the present investigation is “**Non-Alloy and Alloy Steel Flat Products**”, (“PUC”), which includes (a) Hot Rolled (“HR”) coils, sheets and plates, (b) HR Plate Mill Plates (“PMP”), (c) Cold Rolled (“CR”) coils and sheets, (d) Metallic Coated Steel coils and sheets, whether or not profiled, including Galvanneal, Coated with Zinc or Aluminium-Zinc or Zinc-Aluminium-Magnesium (“Coated”), and (e) Colour Coated coils and sheets, whether or not profiled (“CC”).
4. The following products are *excluded* from the scope of the PUC:
 - a) Cold Rolled Grain Oriented Electrical Steel (CRGO)

- b) Cold Rolled Non-Oriented Electrical Steel (CRNO) coils and sheets
- c) Coated - Electro Galvanized steel
- d) Tinplate
- e) Stainless steel

5. The Applicant has claimed that there are no known differences between the imported goods and the products manufactured by the Indian industry. The two products are comparable in terms of product characteristics such as physical and chemical characteristics, manufacturing process and technology, functions and uses, product specifications, pricing, distribution and marketing and tariff classification. *Prima facie*, for the purposes of the present investigation, the goods manufactured by the domestic industry are being treated as 'like articles' to the imported goods.
6. The PUC falls under the HSN tariff headings 7208, 7209, 7210, 7211, 7212, 7225 and 7226. The tariff headings are indicative only and not binding on the Authority.
7. The PUC is used *inter alia* in general engineering and fabrication, pipe manufacturing, construction, capital goods, automotive industry, tractors, bicycles, appliances, furniture, electrical panels, packaging, drums, barrels, general engineering, substrate for coating, colour coating galvanizing, metal-coating / plating, roofing application, appliances, renewable energy, walling, panelling, cladding and decking, automotive, white goods and appliances, furniture, etc.

(B) DOMESTIC INDUSTRY AND STANDING

8. *Prima facie*, the domestic industry collectively account for a major share of the total domestic production of the like article in India and constitute the domestic industry in terms of Section 8B(11)(b) of the Customs Tariff Act, 1975.

(C) PERIOD OF INVESTIGATION (POI)

9. The most recent period or the period of investigation (POI) for the present investigation is 1st October 2023 to 30th September 2024. The Authority will examine data pertaining to 1st April 2021 to 31st March 2022, 1st April 2022 to 31st March 2023, 1st April 2023 to 31st March 2024 and the POI in this investigation.

(D) INCREASE IN IMPORTS AS A RESULT OF UNFORESEEN DEVELOPMENTS AND EFFECT OF OBLIGATIONS

10. The Applicant has claimed that there is recent, sudden, sharp and significant increase in imports of PUC during the period of investigation and the most recent period as a result of unforeseen developments and of an effect of obligations incurred under GATT 1994. The Applicant has further stated that:
- i. Starting from the imposition of 25% duty under Section 232 by the United States of America under its Trade Expansion Act, 1962, several countries have imposed multiple trade remedy measures against imports of steel products. The

evidence indicates that 129 trade remedy measures have been imposed by various countries against steel products between 2019 to 2023.

- ii. The existence of significant excess capacity far exceeding domestic consumption in China, Japan and South Korea have arisen, inter alia, due to slowing demand in those countries;
 - iii. China's recent domestic policy measures resulted in a decline of consumption of long steel products that are mainly used in real-estate sector. To mitigate the decline in steel consumption in long products, Chinese steel companies shifted significant percentage of their production from long products to flat products, which is being exported to global markets.
 - iv. ASEAN is expected to significantly increase crude steel production capacity, with 75% of the region's planned capacity expansion related to investments by Chinese companies. ASEAN is the top region among cross-border investments by Chinese steel companies who are investing heavily in steel projects abroad and the capacity in ASEAN is expected to increase to levels that far exceed the region's steel demand.
 - v. The Applicant submits that India has incurred several obligations under GATT 1994 and other covered agreements. The implementation of those obligations, including but not limited to obligations under Article I:1, Article II:1(b), Articles XXIV:4, XXIV:8, and XXIV:12 of GATT 1994, individually and collectively have led to the circumstances leading to the increase in imports of PUC.
 - vi. The confluence of all the above unforeseen developments and effect of obligations have resulted in a recent, sudden, sharp and significant increase in imports of PUC into India.
11. *Prima facie*, the Authority notes that the Applicants have provided sufficient evidence to demonstrate that the above unforeseen developments have led to a recent, sudden, sharp and significant increase in imports of the PUC.

(E) SERIOUS INJURY, THREAT OF SERIOUS INJURY AND CAUSAL LINK

12. The Applicants claim that there is a recent, sudden, sharp and significant increase in imports of the PUC, which is causing serious injury to the domestic industry. The Applicants further claim that the increased imports also pose a further threat of serious injury.
13. *Prima facie*, after examining the accuracy and adequacy of the evidence provided in the application, the Authority, is satisfied that sufficient evidence exists that there is a recent, sudden, sharp and significant increase in volume of imports as a result of unforeseen developments causing serious injury and a threat of serious injury to domestic industry.

(F) INITIATION OF THE SAFEGUARD INVESTIGATION

14. On the basis of the duly substantiated application filed by the Applicant, and having satisfied itself on the basis of evidence provided therein, the Authority considers that there is sufficient *prima facie* evidence to justify the initiation of the safeguard investigation under the Customs Tariff Act, 1975 and the Customs Tariff (Identification and Assessment of Safeguard Duty) Rules, 1997 to determine whether unforeseen developments have resulted in a sudden, sharp and significant increase in imports in recent periods, and whether such increased imports have caused serious injury or pose a threat of serious injury to the domestic industry. The applicant has requested for the imposition of provisional measures citing the existence of critical circumstances. Further, the applicant has requested imposition of safeguard measures for a period of four years. The applicant has also provided an adjustment plan since they have sought imposition of safeguard duties for a period exceeding one year.

(G) SUBMISSION OF INFORMATION

15. All communication should be sent to the Director General via email at email addresses jd12-dgtr@gov.in and ad12-dgtr@gov.in with a copy to adv11-dgtr@gov.in and consultant-dgtr@govcontractor.in. It must be ensured that the narrative part of the submission is in searchable PDF/MS-Word format and data files are in MS-Excel format.
16. The known producers/exporters, the Governments of the exporting countries through their embassies in India, and the importers and users in India who are known to be associated with the subject goods are being informed separately to enable them to file all the relevant information within the time limits mentioned in this initiation notification. All such information must be filed in the form and manner as prescribed by this initiation notification, the Rules, and the applicable trade notices issued by the Authority.
17. Any other interested party may also make a submission relevant to the present investigation in the form and manner as prescribed by this initiation notification, the Rules, and the applicable trade notices issued by the Authority within the time limits mentioned in this initiation notification.
18. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other interested parties.
19. Interested parties are further directed to regularly visit the official website of the Directorate General of Trade Remedies (<https://www.dgtr.gov.in/>) to stay updated and apprised with the information as well as further processes related to the investigation.

(H) TIME LIMIT

20. Any information relating to the present investigation should be sent to the Director General via email at email address jd12-dgtr@gov.in and ad12-dgtr@gov.in with a copy to adv11-dgtr@gov.in and consultant-dgtr@govcontractor.in, within 15 days from the date of this initiation notification. If no information is received within the stipulated time limit or the information received is incomplete, the Authority may record its findings based on the facts available on record and in accordance with the Rules.

21. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant matter and file their responses or submissions within the above time limit as stipulated in this notification.

(I) SUBMISSION OF INFORMATION ON CONFIDENTIAL BASIS

22. Where any party to the present investigation makes confidential submissions or provides information on a confidential basis before the Authority, such party is required to simultaneously submit a non-confidential version of such information in terms of Rule 7(2) of the Rules and in accordance with the relevant trade notices issued by the Authority in this regard.
23. Such submissions must be clearly marked as “confidential” or “non-confidential” at the top of each page. Any submission that has been made to the Authority without such markings shall be treated as “non-confidential” information, and the Authority shall be at liberty to allow other interested parties to inspect such submissions.
24. The confidential version shall contain all information which is, by nature, confidential, and/or other information, which the supplier of such information claims as confidential. For the information which is claimed to be confidential by nature, or the information on which confidentiality is claimed because of other reasons, the supplier of the information is required to provide a good cause statement along with the supplied information as to why such information cannot be disclosed.
25. The non-confidential version of the information filed by the interested parties should be a replica of the confidential version with the confidential information preferably indexed or blanked out (where indexation is not possible) and such information must be appropriately and adequately summarized depending upon the information on which confidentiality is claimed.
26. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on a confidential basis. However, in exceptional circumstances, the party submitting the confidential information may indicate that such information is not susceptible to summary, and a statement of reasons containing a sufficient and adequate explanation in terms of Rule 7 of the Rules, and appropriate trade notices issued by the Authority, as to why such summarization is not possible, must be provided to the satisfaction of the Authority.
27. Any submission made without a meaningful non-confidential version thereof or a sufficient and adequate cause statement in terms of Rule 7 of the Rules, and appropriate trade notices issued by the Authority, on the confidentiality claim shall not be taken on record by the Authority.
28. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied that the request for confidentiality is not warranted or if the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.

29. The Authority on being satisfied and accepting the need for confidentiality of the information provided, shall not disclose it to any party without specific authorisation of the party providing such information.
30. A list of registered interested parties will be uploaded on the DGTR's website along with the request therein to all of them to email the non-confidential version of their submissions to all other interested parties.

(J) NON-COOPERATION

31. In case any interested party refuses access to and otherwise does not provide necessary information within a reasonable period or within the time stipulated by the Authority in this initiation notification, or significantly impedes the investigation, the Authority may declare such interested party as non-cooperative and record its findings based on the facts available and make such recommendations to the Central Government as it deems fit.



(Darpan Jain)
Director General