



DIRECTORATE GENERAL OF TRADE REMEDIES

ENSURING A LEVEL PLAYING FIELD



JANUARY 2021

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND
INDUSTRY**

Limitations in earlier institutional arrangement and policy framework

1. The Trade Remedial Measures (TRMs) i.e. Anti-Dumping (AD), Anti-Subsidy (AS) and Safeguard (SG) are major instruments provided under WTO's framework to member nations to protect their domestic industry from the incidence of unfair trade practices and unforeseen surge in imports. India has been a major user of these instruments. In the last ten years, 393 anti-dumping and CVD cases have been initiated by India against 41 countries, with measures taken in 282 cases against 33 countries. With the deepening of tariff reductions, the need to regulate these WTO compatible instruments continues protect the domestic industry.

Earlier Institutional Framework:

2. Earlier, the regulatory regime to administer these instruments in India was fragmented. The Directorate General of Anti-dumping & Allied Duties (DGAD), an attached office of the Ministry of Commerce and Industry, conducted anti-dumping and anti-subsidy investigations against import of dumped or subsidized goods to India and recommend anti-dumping duties or countervailing duties under the Anti-Dumping Rules 1995 and Anti Subsidy Rules 1995 respectively. The safeguard duties to protect the domestic industry from serious injury or threat of serious injury due to surge in imports were recommended by Director General, Safeguards, Ministry of Finance after investigation, under the Customs Tariff (Identification and Assessment of Safeguard Duties) Rules, 1997. For recommending Safeguard (QR), an Authorized Officer of DGFT conducted investigation, under the Safeguard Measures (Quantitative Restrictions) Rules, 2012 for evaluating, serious injury or threat of serious injury to domestic industry as a consequence of increased imports of a good into India for recommending Safeguard Measure in form of Quantitative Restrictions (QRs).

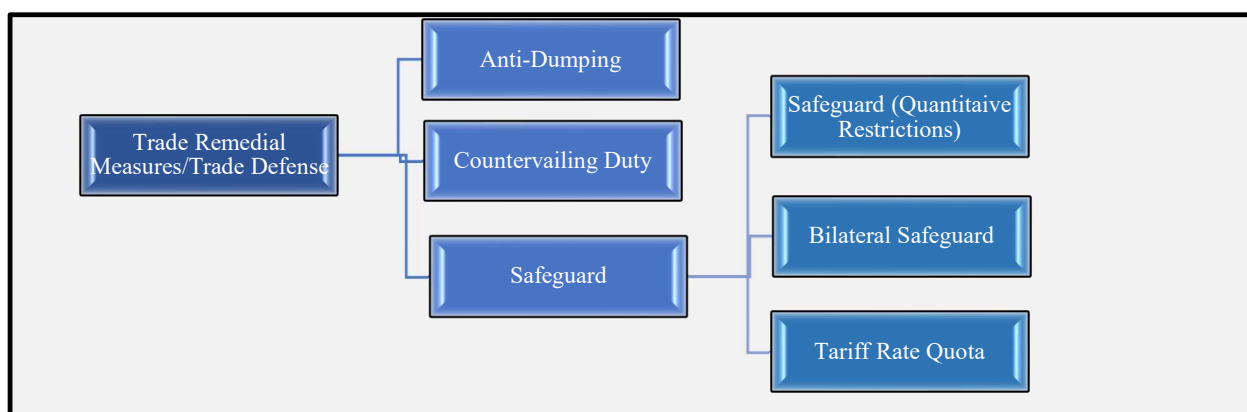
Establishment of DGTR

The arrangement of a separate structure for Anti-Dumping Duty (ADD), Countervailing Duty (CVD) investigations in DGAD, Safeguard Duty in DGS and Safeguards (QR) in DGFT, eluded optimality from the point of view of an effective and integrated approach to provide trade remedies to the domestic industry. Therefore, there was a dire need to bring trade remedial measures under one umbrella/single entity which led to emergence of DGTR in May 2018 by widening the scope of DGAD.

In May 2018, DGAD was restructured with enhanced role and re-designated as DGTR. The existing functions of DG (Safeguards), Ministry of Finance under Customs Tariff (Identification and Assessment of Safeguard Duties) Rules, 1997 and DGFT with respect to safeguard measures under the Safeguard Measures (Quantitative Restrictions) Rules, 2012 were migrated within the fold of DGTR.

Role of DGTR

DGTR functions as an attached office of Department of Commerce, Ministry of Commerce and Industry. It is a professionally integrated organisation with multi-spectrum skill sets emanating from officers drawn from different services and specialisations. DGTR performs the following Trade Remedial functions:



Salient Features of Trade Remedial Measures (TRM)

Anti-Dumping

Dumping

Injury/Threat of Injury

Causal link between injury and dumping

Discriminatory pricing/unfair competition from foreign producers, country/producer specific

Countervailing

Subsidised imports

Injury/Threat of Injury

Causal link between injury and subsidized imports

Subsidies granted by Government/public body of the exporting country, country /producer specific

Safeguards

Surge in imports

Serious Injury or Threat of Serious Injury

Causal link between serious injury and surge in imports

Sudden surge in imports, unforeseen development, non-discriminatory measure, against all countries

DGTR – A unified approach to TRM

Structural Reform

Creation of a unified entity, i.e. DGTR by bringing the existing functions of DG (Safeguards), Ministry of Finance under Safeguard Duties Rules, 1997 and DGFT with respect to safeguard measures under Quantitative Restrictions Rules, 2012 within the fold of DGTR

Policy Reforms

- i. Introduction of Anti-circumvention provisions in CVD Rules with the provision provisional assessment of CVD on circumventing products from the date of initiation
- ii. Strengthening of existing Anti-Circumvention provisions in AD Rules with the provision provisional assessment of ADD on circumventing products from the date of initiation
- iii. Provision of Tariff Rate Quota (TRQ) for Safeguard Measure under Customs Tariff Act and Safeguard Rules

Systemic Reforms

- i. Capacity building of key stakeholders especially MSMEs regarding available Trade remedy Measures. Administrative ministries and Chambers of Commerce have also been sensitised to ensure a coordinated approach in addressing the challenges of unfair trade practices.
- ii. A Helpdesk and facilitation centre has been operationalized in DGTR in September 2019 to assist the domestic industry, especially MSME sector, in filing applications and creating awareness regarding access to the available trade remedy measures.
- iii. Dedicated cells for Outreach and Knowledge and Training have been setup

Process Reforms

- i. Creation and up-gradation of an Online portal titled ARTIS (*Application for Remedies in Trade for Indian industry and other Stakeholders*) to enhance transparency and ease of business.
- ii. Updated comprehensive questionnaire formats notified for filing response by Exporters, Importers and Domestic Industry; A Manual of operating practices for Trade Remedy Investigations and Trade Defence Wing has been published to ensure uniformity and transparency, FAQ's and Brochures on TRMs to enable Industry to appreciate key aspects of TRMs
- iii. To ensure continued support to the domestic industry hit by unfair trade practices during the COVID-19 pandemic, online systems have been institutionalised for submission of applications/responses through email, holding of oral hearings and requisite data verification through Digital Video Conference (DVC)

Structural Reform

TRM – Before and After

Before May 2018, the involvement of three different organizations for seeking protection through an appropriate Trade Remedial Measure (TRM) led to challenges of choice of an appropriate measure and coordination. In situations where multiple trade practices were causing injury to the Domestic Industry, with creation of DGTR, the unified approach has led to:

- Strengthened and effective trade remedial actions to protect the domestic industry against unfair trade practices thereby providing a level and fair playing field to domestic industry by creating fair trading opportunities.
- Enhanced synergy amongst various trade remedial options through an overarching institutional framework by bringing all trade remedial actions under DGTR.
- Enhanced transparency and better access to trade remedies

Long Term Impact

The protection to Domestic Industry against unfair trade practices and surge in imports not only provides an immediate relief in arresting the ongoing injury but with various aforesaid reforms have enhanced efficacy to provide quick relief also have the following strategic impact in the long run:

- Domestic Industry especially MSME's would be assured of a level playing field against unfair trade practices.
- The Domestic Industry would be encouraged for technology development and expansion through economies of scale thereby assuring employment generation.
- The protection of manufacturing base would support the cherished goals of 'Make in India' and 'Atma Nirbhar Bharat'.

Impact on initiation time and efficacy

Steps taken to protect domestic industry from unfair trade practices: Govt

There has also been a reduction in the number of actual days taken to initiate investigations

Press Trust of India | New Delhi
Last Updated at November 20, 2019 18:52 IST

Average number of days taken for initiation of anti-dumping investigations during this year is 32 days as compared to 110 days during 2017 and 259 in 2016, it said.

* Quick Relief

India probes alleged spike in subsidised copper tube, pipe imports from Malaysia, Thailand, Vietnam

By: PTI | September 29, 2020 2:41 PM

BS Business Standard

Steps taken to protect domestic industry from unfair trade practices: Govt

"DGTR has, for the first time, initiated two cases of bilateral safeguards this year. No bilateral safeguard case has ever been initiated in the past

Nov 20, 2019

* Use of new options

DGTR reduces average time to 234 days for completing probe in 2019-20

By: PTI | June 18, 2020 4:00 PM

*Quick Relief

Some Key Post Reforms initiatives captured by Media



*To engage all relevant stakeholders, a regulatory framework meeting was held on 11.09.2018 to have a comprehensive view of the scope of various coping mechanism against unfair trade and surge in imports

DGTR proposes changes in antidumping, subsidizing rules



Press Trust of India
June 6, 2018 UPDATED: June 6, 2018 16:16 IST



*Policy Reforms

Lexology

Manual of Operating Practices for trade remedy investigations - A step towards transparency

... DGTR has become the integrated single umbrella national authority for trade remedy investigations dealing with quantitative restrictions, ...

Jan 23, 2019

DGTR launches online filing system for anti-dumping applications for speedy resolution

ITI • Last Updated: Oct 01, 2019, 05:34 PM IST



India merges anti-dumping, import safeguard bodies

1 min read . Updated: 09 May 2018, 10:12 PM IST

No need to file hard copy of application for seeking anti-dumping or safeguard probe: DGTR

TI • Last Updated: Apr 12, 2020, 05:15 PM IST



Indian industry to get greater protection against dumped imports as govt tightens rules

Amiti Sen | New Delhi | Updated on February 02, 2021 | Published on February 02, 2021