FACULTY OF JURIDICAL SCIENCES

Lecture-25

Anti-Dumping Duty in India

Anti-dumping duty is a measure imposed by a country's government on imports from another country which exports its goods at a lower price as compared to the market value in its own domestic market. Anti-dumping duty is levied to protect the importing country's domestic market from unfair trade practices used by exporters to disrupt the domestic market and creating a monopoly by producing similar products at very low prices.

The Customs Tariff Act, 1975 lays down the circumstances in which the Central Government can impose anti-dumping duties on dumped goods in Indian domestic market. The anti-dumping rules included by the 1995 amendment lays down provisions for identification, assessment and collection of anti-dumping duty from the importer.

The anti-dumping laws state that the Indian government may impose anti-dumping duty after it conducts the inquiry and determines normal value, export value and the margin between two. The government has the power to make anti-dumping rules to identify goods that are liable for levying anti-dumping duty.

In case any material or substantial injury is caused to the domestic industry, the Indian government has the power to levy other duty in addition to anti-dumping duty. The quantum of damage is analyzed by the volume of goods dumped, their consumption and the effect they have on the domestic market.

Anti-dumping duty is applicable only for a period of 5 years and its applicability ceases if the duty is not reviewed and renewed.

What is the procedure of levying Anti-dumping Duty in India?

1. An application is filed by the domestic industry or DGAD on its own cognizance.
2. The proceedings begin and responses are invited from 50% domestic producers constituting the total domestic market.
3. Provisional anti-dumping duty is levied on the basis of preliminary findings.
4. Final findings are drawn on the basis of inspection of domestic industry and importers.
5. The final anti-dumping duty is levied on the exporting company.

The entire investigation process has to be concluded within 12 months from the date of filing the application. Anti-dumping rules also state that this period may be extended by the period of 6 months, limiting the time period to 18 months. An application for appeal can be filed against the final decision can be filed with the Customs, Excise and Service Tax Appellate Tribunal along with Rs. 15,000 within 90 days of final order.