

# Directorate General of Trade Remedies (DGTR) - UPSC Notes

The Directorate General of Trade Remedies (DGTR) was incorporated by the Government of India to ensure that the domestic industries are not affected by Unfair Trade Practices. This topic can be a potential question in the <u>UPSC Prelims</u>.

Directorate General of Trade Remedies (DGTR) can be related to Indian Polity under Important Government Organizations in General Studies Paper 2 and Economics in General Studies Paper 3 of the <u>UPSC Syllabus</u>. In this article, we'll discuss the details of the Directorate General of Trade Remedies (DGTR) along with the Functions and other points relevant to UPSC Preparation.

## Directorate General of Trade Remedies (DGTR)

Established in 1998 as the Directorate General of Anti-Dumping & Allied Duties, it was renamed in 2018 as the Directorate General of Trade Remedies (DGTR). DGTR works alongside the Department of Commerce under the Ministry of Commerce and Industry.

The Directorate General of Anti-dumping and Allied Duties (DGAD), Directorate General of Safeguards (DGS) and Safeguards (QR) functions of DGFT were merged into one single entity, DGTR, making it an integrated single umbrella National Authority.

- It is an apex national authority responsible for administering all the trade remedial measures which include:
  - Anti-Dumping Duties
  - Countervailing Duties and
  - Other Safeguard Measures.
- In order to gain an integrated single-window agency that will provide a comprehensive and swift trade defence mechanism in the country, DGTR was established.
- The Department of Revenue considers the recommendations of DGTR for imposing Anti-Dumping, Countervailing and Safeguard Duties.
- Merging of DGAD and DGS will result in savings of about 49 posts in the government in alignment with the Government's goal of "Minimum government and maximum governance".
- It will also bring in a substantial reduction of the time taken to provide relief to the domestic industry.
- DGTR draws from the skill set of various officers of various ministries in fields such as Law, Costing, Economics, Finance, Customs, Revenue and International Trade, hence serving as a multi-service organization.
- Trade defence support would be provided by the DGTR to our domestic industries and the exporters in dealing with the trade remedy investigations instituted by other countries against them.

Earlier, the Directorate General of Anti-dumping and Allied Duties (DGAD) dealt with anti-dumping and CVD cases, Directorate General of Safeguards (DGS) dealt with safeguard measures and DGFT dealt with quantitative restriction (QR) safeguards. The DGTR brings DGAD, DGS and Safeguards (QR) functions of DGFT into its fold by merging them into one single national entity.

Also read, Dumping & Countervailing Duties (CVDs)

## Functions of DGTR

Before DGAD became DGTR, it had the following functions:



Organization	Functions
1 0	Dealing with Anti-Dumping and CVD Cases
Directorate General Safeguards [DGS]	Dealing with Safeguard measures
• •	Dealing with Quantitative Restriction Safeguards

The four organizations were merged to become the Directorate General of Trade Remedies (DGTR) and became a singular national entity sharing all the functions under the same organization.

Now, the DGTR is a professionally integrated organisation with multi-spectrum skill sets emanating from officers drawn from different services and specialisations. Its functions can be listed as follows:

- 1. Dealing with Anti-Dumping, CVD and Safeguard measures.
- 2. Providing trade defence support to the Indian domestic industry and exporters in dealing with increasing instances of trade remedy investigations instituted against them by foreign countries.
- 3. Providing a level playing field to the country's domestic industries against the adverse effects of Unfair Trade Practices. This is implemented by:
  - 1. Using the Trade Remedial methods that the <u>World Trade Organisation (WTO)</u> framework provides.
  - 2. Using Customs Tariff Act & Rules and other Laws and International agreements related to the matter.
  - 3. Providing all of this in a transparent and time-bound manner.

## **UPSC Questions related to DGTR**

### What is DGTR?

The Directorate General of Trade Remedies (DGTR) was incorporated by the Government of India to ensure that the domestic industries are not affected by Unfair Trade Practices.

### Who imposes the Anti-Dumping duty in India?

Earlier, the DGAD dealt with anti-dumping measures in India. Currently, the DGTR deals with these measures.

#### What is Countervailing Duties (CVD) rate?

Countervailing duties (CVDs) are trade import tariffs imposed to nullify the adverse effects of subsidies. They are imposed only under World Trade Organisation rules and are also called anti-subsidy duties.





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