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Government of India  
Ministry of Commerce & Industry  
Directorate General of Anti-dumping & Allied Duties  
Udyog Bhawan, New Delhi  
No.14/02/2013-DGAD

Dated the 20th May, 2013

### **INITIATION NOTIFICATION**

**Subject: Initiation of Anti-Dumping Duty investigation concerning imports of “Graphite Electrodes of all diameters” originating in or exported from China PR.**

**No.14/02/2013 - DGAD:** M/s HEG Ltd. and M/s Graphite India Ltd (hereinafter referred to as ‘petitioners’ or “ the applicants” ) have collectively filed an application (also referred to as petition) before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter referred to as the Act) and Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped articles and for Determination of injury) Rules, 1995 as amended from time to time (hereinafter referred to as the AD Rules) for initiation of Anti-Dumping Duty investigation concerning imports of Graphite Electrodes (hereinafter also referred to as the subject goods) originating in or exported from China PR (hereinafter referred to as the subject country). M/s HEG Ltd. and M/s Graphite India Ltd have provided relevant information.

#### **Product under consideration**

2. The product under consideration for the purpose of present investigation is “Graphite Electrodes of all diameters” from China PR. The main function of Graphite Electrodes is to be used for melting of steel by passing electric current into the charge fed into the furnaces. This method of steel making is also known as secondary steel making. Graphite Electrodes are used in arc furnaces as current carrying conductors and are required to carry a very high rate of power feed. Graphite electrodes can be broadly categorized as Ultra High Power (UHP) and others which include the High Power Grade (HPG) and Normal Power Grade (NPG). Accordingly, they are required to have properties capable for taking such high current and power feeds and classified under chapter heading 85.45. The product under consideration is primarily imported under 85451100 and 85451900. However, the subject goods are also being imported under tariff headings like 38011000, 38019000, 83119000, 85354010, 85451100, 85451900, 85459090 and 85471090. The classification is, however, indicative only and is in no way binding on the scope of the present investigation.

#### **Like Articles**

3. The applicants have claimed that the subject goods, which are exported from China PR into India, are identical to the goods produced by the domestic industry. Graphite Electrodes produced by the domestic industry and imported from China are comparable in terms of essential

product characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Consumers can use and are using the two interchangeably. The two are technically and commercially substitutable and hence should be treated as 'like article' under the AD Rules. Therefore, for the purpose of the present investigation, the subject goods produced by the applicants in India are being treated as 'Like Article' to the subject goods being imported from the subject country.

### **Domestic Industry & Standing**

4. The application has been collectively filed by M/s HEG Ltd. and M/s Graphite India Ltd. It is noted that the applicants accounts for total Indian production of subject goods in the country. Petitioners' therefore, satisfy the standing and constitutes Domestic Industry within the meaning of the Rules It is also noted that petitioner has neither imported the product under consideration from the subject country nor are they related to an importer or exporter of the product under consideration. It is thus determined that the application has been made by or on behalf of the domestic industry and the application satisfies the requirements of 'standing' under Rule 5 of the AD Rules. Further, the Applicants constitute 'Domestic Industry' in terms of Rule 2(b) of the AD Rules.

### **Subject Country**

5. The subject country involved in the present investigation is China PR.

### **Normal value**

6. The petitioner has claimed that China PR should be treated as a non-market economy and the normal value should be determined in accordance with para-7 of Annexure-I to the Rules. The petitioner has claimed normal value on the basis of cost of production in India, duly adjusted; stating that information on cost or price in a market economy third country is not publically available. The Authority examined the claim of the petitioner and notes that there is sufficient prima facie evidence of normal value of the subject goods in the subject country.

### **Export Price**

7. The applicants have claimed export price for product under consideration based on International Business Information Services (IBIS), Mumbai to assess the volume and value of imports in India. Price adjustments have been made on account of ocean freight, marine insurance, commission, port expenses, inland freight expenses and bank charges. There is sufficient prima facie evidence of export price of the subject goods in the subject country.

### **Dumping Margin**

8. The applicant has provided sufficient evidence that the normal value of the subject goods in the subject country are significantly higher than the net export prices, prima-facie indicating that

the subject goods originating in or exported from the subject country are being dumped, to justify initiation of an antidumping investigation.

### **Injury and Causal Link**

9. The applicants have claimed that they have suffered material injury and have furnished evidence regarding injury having taken place as a result of the alleged dumping from subject country. It has been claimed that Imports of subject goods from subject country have significantly increased in absolute terms, in relation to total imports, in relation to production in India and also in terms of total demand of the subject goods in India. . The applicant has also claimed adverse price effects as evidenced by price depression and price undercutting. It has also been claimed that operating performance of the domestic industry has deteriorated in terms of profits, return on investments, cash flow, and profit before interest. The Authority considers that there is sufficient evidence of ‘injury’ being suffered by the applicant caused by dumped imports of subject goods from subject country to justify initiation of an antidumping investigation.

### **Initiation of Investigations**

10. The Authority finds that sufficient prima facie evidence of dumping of the subject goods originating in or exported from the subject country, ‘injury’ to the domestic industry and causal link between the dumping and ‘injury’ exists to justify initiation of an anti-dumping investigation. The Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of the Rules 5 of the AD Rules, to determine the existence, degree and effect of any alleged dumping and to recommend the amount of antidumping duty, which if levied would be adequate to remove the ‘injury’ to the domestic industry.

### **Period of Investigation**

11. The period of investigation for the present investigation is from 1<sup>st</sup> January 2012 to December 2012. However, the injury investigation period will cover the periods April 2009-March 2010, April 2010-March 2011, April 2011 to March 2012 and the Period of Investigation (POI).

### **Submission of information**

12. The known exporters in the subject country and their Governments through their Embassies in India, importers and users in India known to be concerned and the domestic industry are being informed separately to enable them to file all information relevant in the form and manner prescribed. Any other interested party may also make its submissions relevant to the investigation within the time-limit set out below and write to:

The Designated Authority,  
Directorate General of Anti-Dumping & Allied Duties,

Ministry of Commerce & Industry,  
Department of Commerce  
Room No.240, Udyog Bhawan,  
New Delhi -110107.

### **Time limit**

13. Any information relating to this investigation should be sent in writing so as to reach the Authority at the above address not later than 40 days from the date of publication of this notification. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record their findings on the basis of the 'facts available' on record in accordance with the AD Rules.

### **Submission of Information on Non-Confidential basis**

14. All interested parties shall provide a confidential and non-confidential summary in terms of Rule 7 (2) of the AD Rules for the confidential information provided as per Rule 7 (1) of the AD Rules. The non-confidential version or non-confidential summary of the confidential information should be in sufficient detail to provide a meaningful understanding of the information to the other interested parties. If in the opinion of the party providing information, such information is not susceptible to summary; a statement of reason thereof is required to be provided.

15. Notwithstanding anything contained in para above, if the Authority is satisfied that the request for confidentiality is not warranted or the supplier of the information is either unwilling to make the information public or to authorise its disclosure in a generalised or summary form, it may disregard such information.

### **Inspection of Public File**

16. In terms of rule 6(7) any interested party may inspect the public file containing non-confidential versions of the evidence submitted by other interested parties.

### **Non-cooperation**

17. In case any interested party refuses access to and otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the Authority may record its findings on the basis of the facts available to it and make such recommendations to the Central Governments as deemed fit.

(J.S.Deepak)  
Designated Authority