

**F. No. 6/3/2020-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi - 110001**

Dated 30.06.2020

INITIATION NOTIFICATION

(Case No. CVD OI-04/2020)

Subject: Initiation of anti-subsidy investigation concerning imports of “Aluminium Wire /Wire Rods above 7 mm dia”, originating in or exported from Malaysia.

1. Vedanta Limited and Bharat Aluminium Company Limited (hereinafter also referred to as the “Applicants”) have jointly filed an application before the Designated Authority (hereinafter also referred to as the “Authority”), on behalf of domestic industry, in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter also referred to as the “Act”) and Customs Tariff (Identification, Assessment and Collection of Countervailing Duty on Subsidized Articles and Determination of Injury) Rules, 1995, as amended from time to time (hereinafter also referred to as the “Rules”) for anti-subsidy investigation concerning imports of “Aluminium “Wire/Wire Rods above 7 mm dia” (hereinafter also referred to as “subject goods” or “product under consideration” or “PUC”), originating in or exported from Malaysia (hereinafter also referred to as the “subject country”).
2. The applicants have alleged that the material injury to the Domestic Industry is being caused due to subsidized imports from the subject country and have requested for imposition of countervailing duty on imports of subsidized subject goods, originating in or exported from the subject country.

A. Product under consideration

3. The product under consideration in the present investigation is “Aluminium “Wire/Wire Rods above 7 mm dia”. The scope of the product under consideration includes both alloyed and non alloyed wire/wire rods. The major raw material used for manufacturing the product under consideration is alumina. The product under consideration is produced and obtained by casting primary aluminium hot metal obtained from smelting of alumina. Wire/ Wire rods can also be produced by melting of scrap. Wire rod produced through scrap is beyond the scope of the

product under consideration.

4. The product under consideration is primarily used in electrical industry, steel industry and others. The product is classified under the Chapter 76 of the Customs Tariff Act, 1975 (51 of 1975) under customs heading 76011040, 76012040, 76041010, 76042920, 76051100, and 76052100. The Customs classification is only indicative and not binding on the scope of this investigation.

B. Like Article

5. The applicants have claimed that the subject goods exported to India are identical to the goods produced by the domestic industry. Subject goods produced by the domestic industry are comparable to the imported goods from subject country in terms of technical specifications, manufacturing process & technology, functions & uses, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable and should be treated as 'like article' under the Rules. Therefore, for the purpose of the present investigation, the subject goods produced by the applicants are being treated as 'Like Article' to the subject goods being imported from the subject country.

C. Domestic industry

6. The Application has been jointly filed by Vedanta Limited and Bharat Aluminium Company Limited. The Applicants have neither imported the subject goods from the subject country nor are related to any exporter or producer of subject goods in the subject country. The applicants have stated that Vedanta Limited is related to one of the importers of product under consideration, namely Sterlite Power Transmission Limited (SPTL). However, the SPTL has not imported the product under consideration during the period of investigation from the subject country.
7. As per evidence available on record, the Applicant's production accounts for a major proportion in the domestic production of the like article in India. On the basis of information available, the Authority has considered the Applicants as Domestic Industry within the meaning of the Rule 2(b) and satisfies the criteria of standing in terms of Rule 6(3) of the Rules.

D. Basis of Alleged Subsidization

8. The Applicants have alleged that the producers/exporters of the subject goods in the subject country have benefitted from actionable subsidies provided at various levels by the Government of the subject country, including the provinces and districts in which producers/exporters are located, and other Public bodies. The applicants have relied upon the relevant laws, Rules and Regulations and other Notifications of the relevant Government Agencies and Public bodies as available in the public domain.
9. The following subsidies/programs have been alleged by the domestic industry:

I. Scheme Identified in form of Grants:

Program No.1: The Market Development Grant

Program No. 2: Business/ Industry Excellence Award

II. Schemes Identified in form of Export Credit and Export Financing:

Program No. 3: Export Credit Refinancing

Program No. 4: Buyer Credit Guarantee

III. Schemes Identified in form of Tax Incentives:

Program No. 5: Pioneer Status

Program No. 6: Investment Tax Policies

Program No. 7: Reinvestment Allowance

Program No. 8: Accelerated Capital Allowance

Program No. 9: Group Relief

Program No. 10: Tariff Related Incentives

Program No. 11: Allowance Industrial Building/ Industrial Building Allowance (IBA)

Program No. 12: Allowance for Plants and Machinery

Program No. 13: Double Deduction for promotion of Exports

Program No. 14: Incentives for manufacturing and manufacturing related services in East Coast Economic Corridor

Program No. 15: Drawback on Import duty, Sales tax and Excise duty

Program No.16: Exemption from Import Duty and Sales Tax for Outsourcing Manufacturing Activities

Program No. 17: Exemption from Import Duty and Sales Tax on Machinery and Equipment

Program No. 18: Exemption from Import Duty on Raw Materials/Components

Program No. 19: Double Deduction for Promotion of Exports

Program No. 20: Double Deduction for Promotion of Export Cargo

Program No. 21: Allowance for Increased Export

Program No. 22: Tax Exemptions for Exporters in Free Trade Zones

IV. Schemes Identified in form of Provision for Less than Adequate Remuneration:

Program No. 23: Less than Adequate Remuneration for Land & Electricity.

The Designated Authority reserves the right to investigate other subsidies, which may be found to exist and availed by the producers/exporters of the subject goods, during the course of investigation.

E. Consultation

10. Consultation was held on 29th June, 2020 and was attended by the officials of the Government of Malaysia. The Government of Malaysia denied existence/ applicability of certain programs and non-availment of some of the program by producers/exporters of the product under consideration. Accordingly, program nos. 14, 20 and 22 have been taken out from the purview

of the investigation. The Authority considers that the existence of other alleged programs, their countervailability and extent of benefit therein are required to be analyzed through an investigation as per the relevant Rules.

F. Injury and Causal Link

11. Information furnished by the Applicants has been considered for assessment of injury to the domestic industry. The Applicants have furnished prima facie evidence regarding the injury having taken place due to the alleged subsidization, resulting in increased volume of subsidized imports in absolute terms and in relation to production and consumption in India, price undercutting and price suppressing effect on the domestic industry. The performance of the domestic industry has been adversely impacted in respect of production, capacity utilization, sales, profits, return on capital employed and cash flow, as a result of subsidized exports from subject country. There is sufficient prima facie evidence of material injury being caused to the domestic industry by subsidized exports from the subject country to justify initiation of a countervailing duty investigation.

G. Initiation of Anti-Subsidy Investigation

12. On the basis of the duly substantiated written application by or on behalf of the domestic industry, and having satisfied itself, on the basis of the prima facie evidence submitted by the domestic industry, substantiating subsidization of the subject goods originating in or exported from the subject country, injury to the domestic industry and causal link between such alleged subsidization and injury, and in accordance with Section 9 of the Act read with Rule 6 of the Rules, the Authority hereby initiates an investigation to determine the existence, degree and effect of alleged subsidies except those under programs 14,20 and 22 in respect of the subject goods originating in or exported from the subject country and to recommend the amount of countervailing duty, which, if levied, would be adequate to remove the injury to the domestic industry.

H. Subject Country

13. The subject country for the present investigation is Malaysia.

I. Period of Investigation (POI)

14. The period of investigation (POI) in the present investigation is April 2019 to December 2019 (9 months). The injury period of investigation will, however, cover the periods 2016-17, 2017-18, 2018-19 and the POI. The period of investigation proposed by the applicants is considered appropriate in the present case in view of increase in imports, decline in the import price, and consequent adverse effect on the domestic industry during the period.

J. Procedure

15. Principles as given in Rule 7 of the Rules shall be followed for the present investigation.

K. Submission of Information

16. In view of the special circumstances arising out of COVID-19 pandemic, all communication should be sent to the Designated Authority via email at the email addresses adg12-dgtr@gov.in and adv12-dgtr@gov.in.
17. The known producers/exporters in the subject country, Government of the subject country through their Embassy in India, the importers and users in India known to be concerned with the subject goods and the domestic industry are being informed separately to enable them to file all the relevant information in the form and manner prescribed within the time-limit set out below.
18. Any other interested party may also make its submissions relevant to the investigation in the prescribed form and manner within the time limit set out below.
19. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other parties.

L. Time Limit

20. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses adg12-dgtr@gov.in and adv12-dgtr@gov.in within 30 days from the date of receipt of the notice as per as per Rule 7(4) of the Rules. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record its findings on the basis of the facts available on record in accordance with the Rules.
21. All interested parties are advised to intimate their interest (including the nature of interest) in the instant matter and file their questionnaire responses within the above time limit.

M. Submission of information on confidential basis

22. Any party making any confidential submission or providing information on confidential basis before the Authority, is required to simultaneously submit a non-confidential version of the same in terms of Rule 8(2) of the Rules. Failure to adhere to the above may lead to rejection of the response / submissions.
23. The parties making any submission (including Appendices/Annexures attached thereto), before the Authority including questionnaire response, are required to file Confidential and Non-Confidential versions separately.
24. The “confidential” or “non-confidential” submissions must be clearly marked as “confidential” or “non-confidential” at the top of each page. Any submission made without such marking shall be treated as non-confidential by the Authority, and the Authority shall be at liberty to allow the other interested parties to inspect such submissions.
25. 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 information which are 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.

26. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out (in case indexation is not feasible) and summarized depending upon the information on which confidentiality is claimed. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on 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 why summarization is not possible must be provided to the satisfaction of the Authority.
27. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied 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.
28. Any submission made without a meaningful non-confidential version thereof or without good cause statement on the confidentiality claim shall not be taken on record by the Authority.
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 authorization of the party providing such information.

N. Inspection of Public File

30. In terms of Rule 7(7) of the Rules, any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties. The modality of maintaining public file in electronic mode is being worked out.

O. Non-cooperation

31. In case where an interested party refuses access to, or 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 Government as deemed fit.



(B.B Swain)

Special Secretary & Designated Authority