

# MINISTRY OF COMMERCE

## NOTIFICATION

New Delhi, the 25th June, 1999

## FINAL FINDINGS

**Subject:** Anti-Dumping investigation concerning import of Acrylic Fibre from Mexico.

**21/1/98- DGAD-** Having regard to the Customs Tariff Act, 1975 as amended in 1995 and the Customs Tariff (Identification, Assessment and Collocation of Anti-Dumping Duty on Dumped Article and for determination of Injury) Rules, 1995 thereof:

### A. PROCEEDURE

1. **The procedure described below has been followed subsequent to the preliminary findings:**
  - a. The Designated Authority (hereinafter also referred to as Authority) notified Preliminary Findings vide notified dated 7.4.99 with regard to anti-dumping investigations concerning import of Acrylic Fibre from Mexico and requested the interested parties to make their views known in writing within forty days from the date of its publication;
  - b. The Authority forwarded a copy of the preliminary findings to the known interested parties, who were requested to furnish their views, if any, on the said findings within forty days from the date of the letter.
  - c. The Authority also a copy of the preliminary findings to the Embassy of Mexico in New Delhi with a request hat the exporters and other interested parties may be advised to furnish their views on the said findings;
  - d. The Authority provided an opportunity to all interested parties to present their views orally on 11/5/98. All parties presenting view orally were requested to file written submission of the views expressed orally. The parties were advised to collect copies of the views expressed by the opposing parties and offer rejoinders, if any. However, only the petitioners were present at the oral hearing;
  - e. The Authority made available the public file to all interested parties containing non-confidential version of all evidence submitted and arguments made by various interested parties;
  - f. Apart from the petitioners, no arguments were raised by the exporters or any other interested party either before or after the announcement of the preliminary findings. However, the arguments raised by the petitioners have been appropriately dealt with in the preliminary findings and/or these findings.
  - g. In accordance with Rule 16 supra, the essential facts/basis considered for these findings were disclosed to known interested parties and comments received on the same, have been duly considered in these findings;
  - h. \*\*\* in this notification represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules.

## **B. PRODUCT UNDER CONSIDERATION**

2. The product under consideration is Acrylic Fibre in both shrinkable and non-shrinkable forms. Acrylic fibre is a synthetic polymer composed of at least 85 percent by weight of Acrylonitrile. The terms acrylic fibre includes staple. Tow and Top. The range of acrylic fibre extends from 1.5 Denier to 8.0 denier. Acrylic fibre is classified under Chapter 55 of the Customs Tariff Act, 1975, under tariff classification H.S. Code No. 5501 to 5503.

### **Arguments by Petitioner:**

3. The Authority has been requested to include acrylic fibre of 1.2 denier in the scope of duties, as 1.5 denier can be substitute easily with 1.2 denier. There is hardly any difference between the two deniers, which are technically and commercially substitutable. The petitioner has requested the Authority to confirm anti-dumping duty on staple, two and top.

### **Authority' s Position-**

4. The petition had categorically stated that the range of denier extended from 1.5 to 8.00. This fact was reflected in the provisional findings. The request of the petitioner for inclusion of 1.2 denier at this stage is belated and thus cannot be accommodated.

## **C. LIKE ARTICLES**

5. As stated in the provisional findings, there is no significant difference items of process, equipment of technology for the production of different varieties of acrylic fibre. In order to establish that the acrylic fibre produced by the domestic industry is a like article to the fibre exported from Mexico, characteristics such as technical specifications, manufacturing process, functions and uses and tariff classification have been considered.

The process of manufacture is broadly similar throughout the world, Acrylic fibre is produced either through wet spun or dry spun technology. Acrylonitrile is the basic raw material that goes into the production of acrylic fibre.

Acrylic fibre being an economical substitute of wool is used in making apparel and has household and industrial applications too. In India however, the uses are limited due to lack of R & D facilities.

There is no argument disputing that acrylic fibre produced by the domestic industry in various deniers has characteristics closely resembling the imported fibre and is substitutable by the acrylic fibre imported from the subject country both commercially and technically. Hence the acrylic fibre produced by the domestic industry have been treated as Like Articles as per the definitions contained in the Anti-Dumping Rules, to the fibre exported from Mexico.

### **Petitioners submissions :-**

6. It is reiterated that the acrylic fibre produced by the domestic industry is commercially and technically substitutable by the acrylic fibre exported from Mexico and the two are Like Articles under the Rules.

**Authority Position:-**

7. The Authority confirms the preliminary findings on Like Articles.

## **D. DOMESTIC INDUSTRY:-**

8. M/s. Indian Acrylics Ltd., Chandigarh, Pasupati Acrylon Ltd., New Delhi and Consolidated Fibre and Chemicals Ltd., Calcutta have jointly filed the petition. Indian Petrochemical Corporation Ltd., at Vadodara is the other company producing acrylic fibre. The petitioner has stated that the fifth company, M/s. J.K. Synthetics Ltd., is presently not in operation. M/s. J.K. Synthetics Ltd is having a total installed capacity of 24000 MT of acrylic fibre at Kota and Jhalawar. The production of acrylic fibre by them came down to 593 MT in 1997-98. It is also stated that these five units have a combined capacity of 108,000 MT. The total production of acrylic fibre in 1997-98 is stated to have been 79,469 MT. If the production of M/s. J.K. Synthetics Ltd. were taken into account, the total production would be 80,062 MT. The production of the petitioner companies was 58,669 MT.

The petition has been supported by the Forum of Acrylic Fibre Manufacturers wherein all the petitioner companies are members. Thus the petitioner accounts for more than 25% of domestic production and therefore has the required standing to file the petition on behalf of domestic industry under the Rules.

## **E. DUMPING**

**9. Petitioner's submissions:-**

The Authority has correctly determined normal value by combining all fibre for the present investigation as the various deniers of acrylic fiber do not display any significant difference with regard to costs or prices and there is high degree of substitutability among the different varieties. In view of non-cooperation by exporters, the Authority has rightly considered normal value on the basis of evidence of prices prevailing in the domestic market to Mexico as provided by the petitioner. The prices are required to be adjusted on account of inland freight and packing. Adjustments on account of local transportation, ocean freight and customs expenses are required to be made from the export price.

**Authority Position:-**

10. As brought out in the provisional findings, it is observed that the various deniers of acrylic fibre do not display any significant difference in term of the costs or prices and are in the same range. Moreover, there is a considerable amount of substitutability among the different varieties. The Authority has therefore, groups all fibers (described as product under consideration) for these investigations.

The Authority had forwarded questionnaires to the exporters from the subject country in terms of the section 9(A)1 of the Anti-Dumping Rules. However none of the exporters responded to the questionnaire. Therefore there were no claims made by the exporters with regard to normal value and export price. The Authority has therefore been constrained to rely upon best available information with regard to normal value and export price as provided by the petitioner and as available in official statistics respectively.

The Authority has considered normal value on the basis of the prices of acrylic fibre in the domestic market of Mexico on the basis of evidence submitted by the petitioner. Adjustments were allowed by the Authority on account of inland freight and packing. The export price has been determined on the basis of data published by DGCIS, after adjustments on account of local transportation, ocean freight and customs expenses. The dumping margin arrived at in the Preliminary Findings is based on the normal value and export price as stated in the said findings. This dumping margin is confirmed in these findings.

## **F. INJURY AND CAUSAL LINK:**

### **11. Petitioners submissions:-**

The domestic industry has been severely injured by dumped imports of acrylic fibre from Mexico which has resulted in decline in marker share and sales realisation and increase in closing stocks. Domestic industry is not in a position to expand its capacity.

### **12. Authority's Position:-**

As observed by the Authority

- a. The quantum of imports from the subject country has increased in absolute terms. Para 10(a) under heading on Injury of the Preliminary Findings, notes that the quantum of imports has gone up from 135% in 1996-97 over 95-96 to 519.3% in 97-98 over 96-97. The increase was 1354% in 1997-98 over that of 1995-96. Thus there has been a significant rise in imports from Mexico over the year.
- b. The market share of the petitioner companies has gone down;
- c. The domestic industry has been forced to sell at prices below its fair price resulting in losses or low returns on investments;
  - a. Imports are undercutting the prices of the domestic industry;
  - b. Closing stock of the domestic industry has gone up;
  - c. Domestic industry is not in a position to expand its capacity.

## **G. FINAL FINDINGS**

13. The Authority after considering the foregoing concludes that :

- a. Acrylic Fibre has been exported from Mexico to India below normal value resulting in dumping.
- b. The domestic industry has suffered material injury.
- c. The causal link between dumping and injury is established.

14. The Authority confirms the preliminary findings with regard to imposition of Anti-dumping duty and recommends imposition of definitive Anti-Dumping duty on all imports of acrylic fibre falling under customs sub-heading nos. 5501.30 and 5503.30 of the Customs Tariff Act as specified under the para relating to product under consideration originating in or exported from Mexico. The anti-dumping duty shall be the amounts mentioned in column 4, provided that the duty shall be the difference between the amounts mentioned in Col. 3 and the landed price of imports per kg. in case such difference is more than the amounts mentioned in Col. 4.

| Country | Name of the producer/ exporter | Amount  | Amount  |
|---------|--------------------------------|---------|---------|
| 1.      | 2.                             | 3 (Rs.) | 4 (Rs.) |
| Mexico  | All producers/ Exporters       | 83.7    | 2.20    |

15. Landed value of imports for the purpose shall be the assessable value as determined by Customs under Customs Act, 1962 and all duties of customs except duties levied under Section 3, 3A, 8B, 9 and 9A of the Customs Tariff Act, 1975.
16. Subject to the above, the Authority confirms the preliminary findings dated 7th April, 1999.
17. An appeal against this order shall be before the Customs, Excise and Gold (Control) Appellate Tribunal in accordance with the Act, supra.

**RATH I V TNAV JHA...**  
Designated Authority