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F.No. 6/16/2019 - DGTR

Government of India

Ministry of Commerce & Industry

Directorate General of Trade Remedies

4thFloor, Jeevan Tara Building, 5, Parliament Street, NewDelhi-110001

Dated 18.10.2019

INITIATION NOTIFICATION

Case No. OI (CVD)- 05 /2019

Subject: Initiation of Anti-Subsidy Investigation concerning imports of Flat Products of Stainless Steel from Indonesia.

F.No.6/16/2019-DGTR: Whereas, Indian Stainless Steel Development Association (ISSDA), Jindal Stainless Limited (JSL) and Jindal Stainless (Hisar) Limited and Jindal Stainless Steelway Limited (JSSL) (hereinafter referred to as “petitioners” or “Domestic industry”) have filed an application on behalf of Domestic industry before the Designated Authority ,in accordancewiththeCustoms TariffAct1975, as amended from time to time (hereinafter referred to as the Act) and the 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 referred to as the Rules),alleging subsidization of Flat Rolled Products of Stainless Steel (referred to as ‘subject goods’ or ‘product under consideration’) from Indonesia (hereinafter referred to as ‘subject country’) and requested for initiation of an anti-subsidy investigation for levy of countervailing duties on the imports of the subject goods, originating in or exported from the subject country.

A. Allegation of Subsidization

2. The petitioners have alleged that the producers/exporters of the subject goods in the subject country have benefitted from the actionable subsidies provided at various levels by the Government of the subject country, including ‘Public bodies’. The petitioners 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 and in the determination of other investigating Authorities who had conducted a comprehensive investigation of such schemes and concluded existence of countervailable subsidy programs.

B. Consultation

3. In terms of Article 13 of ASCM pre-initiation consultations were held with the representatives of the Government of Indonesia. The comments of representatives of the Government of the subject country have been taken on record.

C. Subsidy Programs

4. The prima facie evidence provided by the petitioners show that the producers and exporters of the subject goods in the subject country have benefitted from a number of subsidy schemes/programs, granted by the Government of Indonesia and/or their respective public bodies as listed below:

Schemes identified as utilities and raw material at less than adequate remuneration

Program No 1	Benchmarking Coal Price for Electricity
Program No 2	Minimum value addition for export
Program No 3	Benchmark pricing for Minerals, Metals and Coal
Program No 4	Domestic Market Obligation (DMO) Scheme

Schemes Identified as Export Financing and Export Credit

Program No 5	Export Credit Insurance/reimbursement from losses
Program No 6	Export Credit Guarantees
Program No 9	Export Financing from Indonesia EXIM

Schemes Identified as Tax Incentives and VAT Exemption

Program No 7	Reduction of Income tax
Program No 8	Tax Holiday
Program No 10	Exemption on Import Duty
Program No 11	Import Duty Drawback
Program No 13	Reduction of Net Taxable Income
Program No 14	Carry Forward of Losses

Program No 15	Postpone on Import Duty
Program No 16	Exemption of Duty on Raw Material and Supporting Goods for Production Purpose
Program No 17	Exemption from Income Tax on Imports
Program No 18	Reduction for Investors investing in SEZ
Program No 19	Pioneer Industry Status
Program No 23	Refund of VAT

Schemes Identified as Provision for Goods & Services

Program No 21 Deduction in Land Tax

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

D. Allegation of Injury and Causal Link

6. The petitioners have furnished information on various parameters relating to ‘injury’ to the domestic industry as prescribed under the Rules. The evidence provided by the petitioner’s prima facie shows material injury to the domestic industry has been caused by the alleged subsidized imports from the subject country.
7. The petitioners have also claimed that imports are causing threat of material injury, considering substantial increase in imports in the POI, positive price undercutting, surplus capacities, capacity addition and high export orientation of producers in Indonesia and trade remedial measure imposed by various countries on the subject goods.

E. Initiation of the Investigation

8. The Authority finds that there is prima facie evidence of existence of countervailable subsidies on production and export of the subject goods in the subject country and such subsidized imports are causing material injury to the domestic industry through their volume and price effects. Further, the threat of material injury to the domestic industry on account of subsidized imports has also been alleged by the domestic industry.
9. In view of the above position, the Authority hereby initiates an investigation into the alleged subsidization and consequent material injury and threat of injury to the domestic industry in

terms of Rule 6 of the Rules supra, to determine the existence, degree and effect of alleged subsidization and to recommend the amount of countervailing duty, which if levied, would be adequate to remove the injury to the domestic industry.

F. Domestic Industry

10. The application has been filed Indian Stainless Steel Development Association (ISSDA), Jindal Stainless Limited (JSL) and Jindal Stainless (Hisar) Limited and Jindal Stainless Steelway Limited (JSSL) as per the evidence available on record, production of the petitioner companies accounts for a major proportion of the total domestic production.
11. The petitioner companies have stated that they are related to an exporter in Indonesia namely PT Jindal Stainless Indonesia. However, the petitioners have certified that the company has not exported the subject goods to India during the period of Investigation. Thus, it does not affect the eligibility of the petitioner companies.
12. The Authority, therefore, determines that the petitioner companies constitute the domestic industry within the meaning of Rules 2(b) and the application satisfies the criteria of standing in terms of Rules 6(3) of the Rules supra.

G. Product under consideration

13. The product under consideration in the present investigation is “Flat Rolled Products of Stainless Steel, excluding the following
 - a. Blade Steel, or commercially known as razor blade grade steel used in the production of razor
 - b. Coin Blank falling under 73269099 used in the production of monetary coins.
14. Product under consideration can be transacted in a number of different forms, such as coils, sheets, plates, circles, strips or otherwise. All forms of the product are within the scope of the product under consideration.
15. The product under consideration falls under customs sub-heading nos. 7219 and 7220 of Chapter 72 of the Customs Tariff Act, 1975. The classification is, however, indicative only and in no way binding on the scope of the present investigations.

H. PCN

16. Petitioners have proposed a Product Coding system. Petitioners have considered grades, forms, width, thickness and finish as different product type (PCN). However, in a parallel anti-dumping investigation concerning imports of Flat Rolled Products of Stainless Steel initiated vide Notification 6/12/2019-DGTR dated 03.07.2019, the Authority had decided to adopt the PCN Methodology based on certain factors viz. product type, grade of the product,

form of the product, width of the product, thickness and finish of the product. The same methodology as published vide notification 6/12/2019-DGTR dated 14/08/2019 is proposed to be adopted in this investigation.

I. Like Article

17. The petitioners have claimed that the goods produced by the domestic industry are like article to the subject goods originating in or exported from the subject country. It has been stated that there is no significant difference in the subject goods produced by the petitioners and those exported from subject country. The petitioners claim that the two are technically and commercially substitutable. For the purpose of present investigation, the subject goods produced by the domestic industry are being treated as 'like articles' to the subject goods imported from the subject country.

J. Country Involved

18. The country involved in the present investigation is Indonesia.

K. Period of Investigation

19. The period of investigation (POI) in the present investigation is April 2018- March 2019. The injury investigation period will, however, cover the periods 2015-16, 2016-17, 2017-18 and the period of investigation.

L. Procedure & Submission of information

20. The exporters in the subject country, importers and users in India known to be concerned with the product and the domestic industry are being informed separately to enable them to provide all information relevant in the form and manner prescribed. Any other party interested to participate in the present investigation may also write to:

**The Designated Authority
Directorate General of Trade Remedies
Department of Commerce
Ministry of Commerce & Industry
4th Floor, Jeevan Tara Building,
5 Parliament Street, New Delhi-110001**

21. As per Rule 7(5) of the Rules supra, the Designated Authority is also providing opportunity to the industrial users of the product under investigation, and to represent consumer organizations who can furnish information which is relevant to the investigation regarding subsidy, injury and causal link. Any other interested party may also make its submissions relevant to the investigation within the time limits set out below.

M. Time limit

22. Any information relating to the present investigation should be sent in writing so as to reach the Authority at the address mentioned above not later than 40 (forty) days from the date of publication of this notification. The Government of the subject country, known exporters and importers, who are being addressed separately, are however required to submit the information within 40 (forty) days from the date of the letter addressed to them separately. If no information is received within the prescribed time limit or the submitted information is incomplete, the Authority may record its findings on the basis of the facts available on record in accordance with the Rules.

N. Submission of Information on Non-Confidential basis

23. In terms of Rule 8 of the Rules, the interested parties are required to submit a non-confidential version of any confidential information provided to the Authority. In case confidentiality is claimed on any part of the questionnaire's response/submissions, the same must be submitted in two separate sets (a) marked as Confidential (with title, index, number of pages, etc.) and (b) other set marked as Non-Confidential (with title, index, number of pages, etc.). All the information supplied must be clearly marked as either "confidential" or "non-confidential" at the top of each page.
24. Information supplied without any mark as "Confidential" shall be treated as non-confidential and the Authority shall be at liberty to allow the other interested parties to inspect any such non-confidential information. Two (2) copies each of the confidential version and the non-confidential version must be submitted.
25. For information claimed as confidential; 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 and/or why summarization of such information is not possible.
26. The non- confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked / 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, party submitting the confidential information may indicate that such information is not susceptible to summary; 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 that the request for confidentiality is not warranted or 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 a good cause statement on the confidentiality claim may not be taken on record by the Authority. 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 confidential information.

O. Non cooperation

29. In terms of Rule 7(8), in case where an interested party refuses access to or 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.

P. Inspection of Public File

30. In terms of Rule 7(7), any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties.


18.10.19
(Sunil Kumar)

Additional Secretary & Designated Authority