

No. 15/1/2009-DGAD
Government of India
Ministry of Commerce & Industry
Department of Commerce
(Directorate General of Anti Dumping & Allied Duties)
Udyog Bhawan, New Delhi

Dated 27th February 2009

Initiation Notification (Mid-Term Review)

Subject: Initiation of Mid-Term Review investigation regarding anti-dumping duty imposed on imports of 'Bias Tyres for Bus and Lorries/Trucks' originating in or exported from China PR and Thailand .

No. 15/1/2009-DGAD- Whereas having regard to the Customs Tariff Act, 1975 as amended time to time (hereinafter referred to as the Act), and the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, as amended time to time (hereinafter referred to as the AD Rules), vide Notification Number 14/9/2005 DGAD dated 29.06.2007, the Designated Authority (hereinafter referred to as the Authority) notified its final findings recommending definitive antidumping duty on import of 'Bias Tyres for Bus and Lorries/Trucks' (hereinafter referred to as subject goods) originating in or exported from China PR and Thailand.

And whereas definitive antidumping duty was imposed on the imports of subject goods vide Customs Notification No. 88/2007-Customs, dated 24.07.2007.

Automotive Tyre Manufacturer's Association (ATMA) New Delhi, the Applicant has claimed that the anti dumping duty imposed earlier is required to be reviewed in view of the fact that the due to significant movement of input prices and that dumping margin and injury margin have materially changed since the last investigation.

2. Product Under Consideration

The product involved in the original investigation and the present review investigation is defined as "new/unused pneumatic non radial bias tyres, tubes & flaps with or without tubes and/or flap of rubber, having nominal rim dia code above 16" used in buses and lorries/trucks". The scope of investigation includes tyres, tubes and flaps whether imported individually and/or in any combination thereof.

Tyres, Tubes and Flaps are produced separately. However, they are invariably used together in automotive applications. Tyres are classified in Chapter 40 under customs subheading no. 40112090 and tubes and flaps are under 40131020 and 40129049 respectively. However, customs classifications are indicative only and in no way binding on the scope of investigation.

3. Countries Involved:

The countries involved in this review investigation are China PR and Thailand (hereinafter referred to as the subject countries).

4. Grounds for Review

The Applicant has claimed that the current benchmark duty is no longer sufficient to address the injury to the domestic industry; the non-injurious price of the domestic industry has substantially increased; and therefore the quantum of anti-dumping duty is required to be modified/enhanced.

For this purpose, the applicant has provided sufficient evidence of normal value, export price, dumping margin, landed price, cost of production, non-injurious price, along with other relevant information to justify initiation of this review investigation.

The applicant has claimed that China PR should be treated as non-market economy country and have determined Normal value in accordance with Para 7 and 8 of Annexure I of the AD Rules. It has been stated that the applicant made efforts to determine Normal value considering an appropriate market economy country (surrogate) country, however, no reasonable and sufficient information could be traced by them in this regard. Thus, the applicant has determined Normal value on the basis of price payable in India duly adjusted, by constructing cost of production. International prices of major raw materials have been considered while constructing the cost of production.

In respect of Thailand, it has been stated that efforts were made to get information on prices at which subject goods is being sold by the producers in Thailand in their domestic market in the ordinary course of trade and that efforts were also made to get evidence of price lists of the exporters/manufacturers or price evidence for their exports to other countries or any other information from the published sources. However, the applicant has not been able to get an authentic, adequate and accurate evidence of actual transaction price at which subject goods is being sold in the domestic market of the Thailand or being exported to other countries. The applicant has, therefore claimed Normal value in Thailand on the basis of constructed cost of production, after making reasonable addition for selling, general and administrative

costs and profit. International prices of major raw materials have been considered while constructing the cost of production.

The export price for subject countries has been claimed on the basis of information provided by DGCI&S up to July,2008 and information obtained from Infodrive for August- to- Sept,-08. The applicant has not claimed any adjustment at this stage. There is sufficient evidence of the prices at which the goods have been imported from China and Thailand during this POR before the Authority to justify initiation of this review investigation. Based on information on record, dumping margin is significant.

The Applicant contends that since the raw material prices have varied significantly, it may not be appropriate to continue with benchmark form of duty. The Authority invites comments from the interested parties on this issue.

5. Initiation

The Act and the AD Rules made thereunder require the Authority to review from time to time the need for continuance of anti-dumping duty.

Automotive Tyre Manufacturer's Association (ATMA) has filed an application substantiating the need for Mid-Term review of the anti-dumping duty imposed on the subject goods originating in or exported from China PR and Thailand on the grounds that the due to significant movement of input prices and that dumping margin and injury margin have materially changed since the last investigation and have requested for enhancement of the anti-dumping duty imposed on subject goods.

Having satisfied itself that the applicant has produced sufficient positive information substantiating the need for a review, the Designated Authority considers that the mid-term review of the anti dumping duty would be appropriate at this stage under the provision of Section 9A(5) of the Act read along with Rule 23 of the AD Rules.

Having decided to review the final findings notified vide No. 14/9/2005 DGAD dated 29.06.2007 and final duty imposed by Notification No 88/2007-Customs, dated 24.07.2007, the Authority hereby initiates investigations, in accordance with the Act and the AD Rules, to review whether existing antidumping duty on imports of 'Bias Tyres for Bus and Lorries/Trucks' originating in or exported from China PR and Thailand is required to be modified at this stage.

6. Procedure:

This review investigation covers all aspects of Notification No. 14/9/2005 DGAD dated 29.06.2007.

Automotive Tyre Manufacturers Association i. e. the applicant is an association of Indian Producers of the subject goods and has filed the application on behalf of the domestic industry in the original investigation. M/s Apollo Tyres, Ceat Ltd. and JK Tyres have consented to provide relevant information in this review investigation. The Authority proposes to consider the three companies, who account for a major proportion of the production of the 'Like Article' in India, as domestic industry in accordance with the AD Rules supra.

7. Period of Investigation:

The period of investigation for the purpose of the present review is **1st October, 2007 to 30th September, 2008** (12 months). However, injury analysis shall cover the years from April-March 2005-06 to 2007-08 and POI.

8. Submission of Information:

The known exporters in subject countries, their government through their Embassies in India, the known importers and known users in India to be concerned and the domestic industry are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the:

**The Designated Authority,
Ministry of Commerce & Industry,
Department of Commerce,
Directorate General of Anti-Dumping & Allied Duties, (DGAD),
Room No. 240, Udyog Bhawan,
New Delhi-110107.**

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.

9. Submission of information on Non-confidential basis.

In terms of Rule 7 of the AD rules, the interested parties are required to submit non-confidential version of any confidential information provided to the Authority along with the reasons for claiming confidentiality. 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 such information, such information is not susceptible to summary; a statement of reason thereof is required to be provided.

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.

10. Time Limit:

Any information relating to the present review and any request for hearing should be sent in writing so as to reach the Authority at the above mentioned address, not later than forty days (**40 Days**) from the date of publication of this review notification. If no information is received within the prescribed time limit or the information received is incomplete, the Designated Authority may record its findings on the basis of the 'facts available' on record in accordance with the AD Rules.

11. Inspection of Public File:

In terms of Rules 6(7), any interested party may inspect the public file containing non-confidential version of the information/evidence submitted by other interested parties.

12. Use of facts available

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.

(R.Gopalan)
Designated Authority