

Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Anti-Dumping & Allied Duties
Udyog Bhawan,

New-Delhi, the 14th December, 2007.

INITIATION NOTIFICATION

(Sunset Review)

Subject: Initiation of Sunset Review of anti-dumping duty imposed against import of Mulberry Raw Silk (not thrown) originating in or exported from China PR.

15/12/2007-DGAD – Whereas, the Designated Authority having regard to the Customs Tariff Act, 1975 as amended in 1995 (hereinafter referred to as the Act) and the Customs Tariff (Identification, Assessment and Collection of Duty or Additional Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (herein after referred to as AD Rules), recommended imposition of provisional duty vide notification No. 14/28/2002-DGAD dated 20.12.2002 and such provisional duty was imposed by the Govt. of India vide, notification No. 2/2003-Customs dated 2.1.2003 The Authority issued its Final findings recommending imposition of definitive Anti Dumping Duty on imports of Mulberry Raw Silk (not thrown) of 2A grade and below (hereinafter referred to as subject goods) originating in or exported from China PR, vide notification Number 14/28/2002-DGAD dated 3rd July 2003 and such definitive duty was imposed by the Govt. of India vide Customs Notification No. 106/2003-Customs, dated 10th July 2007

2. Request for Review and Initiation

AND WHEREAS in terms of the Act and Rules referred above the antidumping duty imposed shall cease to have effect on expiry of five years from the date of such imposition unless the Designated Authority in a review determines that the expiry of the duty shall lead to continuation or recurrence of dumping and injury to the domestic industry.

AND WHEREAS In terms of the above provisions, the Central Silk Board, Bangalore on behalf of reelers / producers of the subject goods who are members of the associations / societies in the states of Karnataka, Andhra Pradesh, Tamilnadu, Jammu & Kashmir and West Bengal has approached the Designated Authority with a duly substantiated application requesting for such a review. The Authority considers that

initiation of sunset review proceedings for the Anti Dumping Duty in force would be appropriate to examine whether the expiry of duty is likely to lead to continuation or recurrence of dumping and injury.

3. Grounds for review:

The applicants for the review have submitted that continuation of the antidumping duties in force is warranted as dumping has not ceased to exist from China PR and the exporters and producers from China PR have continued to dump the goods in the Indian market in spite of antidumping duty in force. It has also been submitted that the domestic industry continues to suffer injury due to such dumped imports in spite of marginal improvement in the condition of the domestic industry and expiry of the measure is likely to result in continuation and intensification or recurrence of dumping and injury to the domestic industry.

4. Product under consideration

The product under investigation in the original investigation was 'Mulberry Raw Silk (not thrown), 2A grade and below'. Therefore, the product under consideration in this review investigation would continue to be same as in the original investigation. However, it has been also been alleged by the domestic industry that Mulberry Raw Silk (not thrown) above 2A grade has been imported to India below the price of 2A grade after imposition of the duty and significant quantities of the subject goods might have been imported to India as 3A grade and above. Therefore, the interested parties are required to provide information on the export of all grades of raw silk to India during the injury investigation period, alongwith the product under consideration, for an objective examination of the issue.

Mulberry Raw Silk (not thrown) is classified under Customs sub-heading no. 50.02 of Chapter 50 of the Customs Tariff Act, 1975 and ITC (HS) Code 50020001. The classification is however indicative only and in no way binding on the scope of the present investigations.

5. Normal Value in the country of export

The applicants have submitted that China PR continues as a non-market economy country and have been treated so in several jurisdictions, including this Authority in all investigations concerning this country, subject to rebuttal of the resumption by individual exporters and therefore, should be treated so in terms of para 8 of the annexure I to the Rules. The applicants have also brought to the notice of the Authority that India being the major consumer of the subject goods in the world and China being the major producer of the subject goods, there is no analogous country

for determination of normal value for the subject country in terms of first proviso of para 7 of annexure I and therefore, the normal value for the subject country should be determined in terms of the second proviso of the said Rules.

In terms of the above provisions the government of the exporting country, exporters and producers from the subject country may file separate questionnaire response rebutting the above presumption of non-market economy status for determination of normal value in the subject country.

6. Procedure

a) Countries Involved: The country involved in the present review is the Peoples Republic of China.

b). Period of Investigation: The period of investigation for the purpose of the present investigations is 1st July 2006 to 30th June 2007. The injury investigation period would however, cover the period 2003-04, 2004-05, 2005-06, 2006-07 and the POI.

c) The investigation will determine whether the expiry of the measure would be likely to lead to a continuation or recurrence of dumping and injury and the quantum of duty required for offsetting dumping and injury.

d) The review will cover all aspects of Notification No. 14/28/2002-DGAD dated 3rd July 2003.

e) The provisions of Rules 6,7,8,9,10,11,16,17,18,19 and 20 of the Rule supra shall be mutatis mutandis applicable in this review.

f) Submission of Information:

The exporters in the subject country, the governments of the subject country, through its embassy in India, the importers and users in India known to be concerned with the product 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 Authority in the following address:

The Director General of Anti-Dumping and Allied Duties
Government of India
Ministry of Commerce and Industry
Department of Commerce
Room No.240, Udyog Bhavan,
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.

g) **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 address mentioned above 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 Rules supra.

h) **Submission of information on Non-confidential basis:** In terms of Rule 6(7), of the Rules the interested parties are required to submit non-confidential summary of any confidential information provided to the Authority and if in the opinion of the party providing such information, such information is not susceptible to summarization, a statement of reason thereof is required to be provided. 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.

i) **Inspection of Public File:** In terms of Rule 6(7), any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties.

j) **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