

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE**

New Delhi: the 25TH June, 2001.

INITIATION NOTIFICATION

Subject: - Initiation of Anti-Dumping investigation concerning imports of certain Polyester Staple Fibres (PSF) originating in or exported from Korea R P, Malaysia, Taiwan and Thailand.

No.22/1/2001-DGAD – The Association of Synthetic Fibre Industry on behalf of the Indian domestic PSF industry has filed a petition in accordance with the Customs Tariff Act, 1975 as amended in 1995 and Customs Tariff (Identification, Assessment and Collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 before the Designated Authority (hereinafter referred to as the Authority) alleging dumping of certain Polyester Staple Fibres (PSF) originating in or exported from Korea R P, Malaysia, Taiwan and Thailand and requested for Anti Dumping investigations and levy of anti dumping duties.

Product under consideration:

2. The product under consideration in the present petition is certain Polyester Staple Fibres (PSF) (also referred as subject goods hereinafter) conforming to the following description:

"Polyester Staple Fibre of various lustres, of Deniers ranging from 0.8 to 4.5, of round/circular cross section and of all cut lengths/staple lengths (excluding speciality products, namely, Dope Dyed, Cationic Dyeable, Easy Dyeable, Low Pilling or Anti Pilling, Hollow PSF, Fire Retardant, Low Melt, Conjugate, Bicomponent and Fibre fill)"

The product under consideration constitutes only a part of the HS code 5503.20 at the 6-digit level. . The classification is, however, indicative only and is in no way binding on the scope of the present investigation.

The subject goods are used to spin yarn of 100% PSF or in blends with natural, artificial and/or synthetic staple fibres for manufacture of Apparel / Household Textiles, 100% Polyester Sewing Thread, other Industrial Textiles and for manufacture of waddings. Technical specifications of the subject goods are defined in

terms of their deniers, lustres like semi dull, bright, semi bright, full dull etc., colour, cross section and cut length or staple length. There are no standards, national or international, as per the petitioners. PSF is freely importable without any restrictions

Domestic Industry:

3. The petition has been filed by the Association of Synthetic Fibre Industry on behalf of the Indian domestic PSF industry. The petitioner companies, namely M/s Indo Rama Synthetics (India) Limited and M/s Reliance Industries Limited account for more than 71% of the domestic production of the subject goods during the Period of investigation. Whereas the supporting companies, namely M/s India Polyfibres Ltd, M/s Orissa Polyfibres Limited and M/s Terene Fibres India (P) Limited account for over 12% of the domestic production during the Period of investigation. Thus, the petitioners along with supporting companies account for over **83 %** of the total Indian Production of the subject goods. Hence, the Petitioners have the standing to file the petition as per the Rules.

Countries involved:

4. The petitioners have provided sufficient evidence of dumping of the product under consideration from the exporters of Korea R P, Malaysia, Taiwan and Thailand for the purpose of initiation of investigation. The submissions of the petitioners have been accepted and therefore, the present investigation is against imports of the subject goods originated or exported from Korea R P, Malaysia, Taiwan and Thailand (hereinafter referred to as the subject countries).

Like Articles:

5. The petitioners have claimed that goods produced by them are like articles to the subject goods, originating in or exported from the subject countries. For the purposes of the investigation, the goods produced by the petitioners are being treated as 'like article' of certain Polyester Staple Fibres (PSF) imported from the subject countries within the meaning of the Rules.

Normal Value:

6. The petitioners have claimed Normal Value based on the basis of constructed cost of production of the subject goods in the respective country of origin with reasonable addition for administrative, selling cost and for profits. Prima facie evidence has been produced to the Designated Authority with regard to the Normal Value of certain Polyester Staple Fibres (PSF).

Export Price:

7. The statistics published by the Directorate General of Commercial Intelligence and Statistics (DGCI&S) of the Ministry of Commerce, Calcutta, give combined details of all types of PSF imports into India from various countries in terms of volumes and value. However, the product under consideration relates only to some variants of the broader group of PSF, which are claimed to be dumped and causing injury to the domestic industry. As stated earlier, this investigation seeks to cover only "subject goods" for which no dedicated heading exists nor is the data compiled as such by any agency (including DGCIS).

In view of the fact that DGCI&S data is not available for the subject goods, the data collected and collated by the petitioners from Customs Daily Lists of Imports with respect to Export Price is being relied upon.

Adjustments have been claimed on account of Ocean Freight, Inland freight, Load port expenses, Commission and Marine Insurance to arrive at the Ex-factory prices.

Dumping Margin:

8. There is sufficient prima-facie evidence that Normal Value of the subject goods in the subject countries is significantly higher than the net export price (at ex-factory level) indicating prima-facie that the subject goods are being dumped by exporters from the subject countries.

Injury and Causal Link:

9. Various parameters relating to injury such as the significant increase in market share of the imports of the subject goods from subject countries, decline in the sales realization, losses/ negligible profits of the Domestic Industry and failure of Domestic Industry to realise fair and reasonable price from sale of the subject goods, prima-facie indicate collectively and cumulatively that the Domestic Industry has suffered material injury on account of dumping. Besides, it has also been alleged that huge surplus production capacity over consumption in the subject countries constitutes a threat of material injury to the domestic industry.

Initiation of Anti-Dumping Investigation:

10. The Designated Authority, in view of the foregoing paragraphs, initiates anti-dumping investigations into the existence, degree and effect of alleged dumping of the subject goods originating in or exported from the subject countries.

Period of INVESTIGATION (POI):

11. The period of investigation for the purpose of present investigation is **1st January, 2000 to 30th September, 2000 (9 Months)**.

Submission of Information:

12. The exporters in the subject countries and the importers in India known to be concerned are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Designated Authority, (Directorate General of Anti-Dumping & Allied Duties), Department of Commerce, Ministry of Commerce & Industry, Government of India, Udyog Bhawan, New Delhi-110011. 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.

Time Limit:

13. 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 thirty days from the date of publication of this notification. The known exporters and importers, who are being addressed separately, are, however, required to submit the information within forty days from the date of letter addressed to them separately.

Inspection of Public File:

14. 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.

15. 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.

(L.V. Saptharishi)
DESIGNATED AUTHORITY