

Government of India
Ministry of Commerce & Industry
Department Of Commerce
(Directorate General of Anti-Dumping & Allied Duties)

New Delhi Dated the 30th August, 2007

INITIATION NOTIFICATION

Subject: Initiation of Anti Dumping investigations concerning imports of Compact Fluorescent Lamps originating in or exported from China PR, Sri Lanka and Vietnam.

No. 14/1/2007 DGAD - M/s. Indo Asian Fusegear Ltd., M/s. Havell's India Ltd. And M/s. Osram India Pvt. Ltd., have jointly filed an application before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff (Amendment) Act, 1995 and the Customs Tariff (Identification, Assessment and Collection of anti dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 alleging dumping of Compact Fluorescent Lamps with or without ballast/control gear/choke, whether or not assembled, either in CKD or SKD conditions originating in or exported from China-PR, Malaysia, Sri Lanka and Vietnam and have requested for initiation of an anti-dumping investigations and levy of anti-dumping duties.

1. PRODUCT UNDER CONSIDERATION

The product under consideration in the present investigation is Compact Fluorescent Lamps with or without ballast/control gear/choke, whether or not assembled, either in CKD or SKD conditions. Unassembled CFL without ballast/choke/control gear would comprise sealed tubular shell with or without lamp base. Finished compact fluorescent lamps are (i) integrated type with built in ballast/control gears/choke and (ii) integrated type without build in control gears/ballast/choke. The subject goods are primarily used in electrical applications for illumination purpose.

The Subject goods falls under Chapter 85 of the Customs Tariff Act, 1975 under subheading no. 8539.31 and 8539.90. The Customs classification is indicative only and is in no way binding on the scope of the present investigation.

2. LIKE GOODS

The petitioners have claimed that goods produced by domestic industry are like articles to the goods originating in or exported from subject countries. There is no

significant difference in the subject goods produced by the petitioners and those exported from subject countries. Petitioners claim that the two are technically and commercially substitutable. For the purpose of present investigation, the goods produced by the petitioner companies are being treated as Like Articles to the product imported from the subject countries within the meaning of the Rules supra.

3. DOMESTIC INDUSTRY AND STANDING

The application has been filed by M/s. Indo Asian Fusegear Ltd., M/s. Havell's India Ltd., and M/s. Osram India Pvt. Ltd. These producers have provided information relevant to the present investigations and have consented to participate in the proposed investigations. The subject goods are produced by a number of other companies by using imported sealed glass tubular shells. These companies do not undertake basic production activities and are importers of the subject goods in significant volumes. Petitioners have provided production information compiled by Electric Lamp & Components Manufacturers Association (ELCOMA) which also does not show that there is any other producer of the product concerned, except M/s. Anchor Daewoo Industries, Phoenix and Surya Roshini. M/s. Surya Roshini Ltd. has supported the present petition. The company however, has produced subject goods from imported sealed glass tubular shells up to the present investigation period and hence is not considered to be part of domestic industry. It is noted that the production of these applicant companies constitutes more than 50% of Indian production. The Authority has determined that production of the petitioner companies constitute a major proportion in Indian production and therefore petitioners constitute domestic industry within the meaning of the rule 2(b) read with 2(d) and the application satisfies the criteria of standing in terms of Rule 5 of the Rules supra.

4. COUNTRIES INVOLVED

The petition has been filed seeking imposition of anti dumping duties on imports of the product under consideration from China PR, Malaysia, Sri Lanka and Vietnam. However, the information contained in the petition shows that the volume of imports from Malaysia is below 3% of total volume of imports. As imports from Malaysia are negligible by the reason of volume, the Authority does not consider it appropriate to initiate investigations against imports from Malaysia. The countries involved in the present investigation, therefore, are China PR, Sri Lanka and Vietnam (hereinafter also referred to as subject countries).

5. NORMAL VALUE

The Petitioners have claimed that China PR and Vietnam should be treated as non-market economy and have determined normal value in accordance with Para 7 of

Annexure I of the Anti Dumping Rules. The petitioners have claimed normal value considering cost of production in India, duly adjusted to include selling, general, administrative overheads & reasonable profit.

In accordance with Para 7 to the Annexure-I of the Rules, it is envisaged to choose European Union as an appropriate market economy Country for the purpose of establishing normal value in respect of China PR and Vietnam. Interested parties are hereby invited to comment on the appropriateness of this choice within the specific time limit laid down in this notification. With regard to Sri Lank, petitioners have claimed normal values for the subject goods considering constructed cost of production including selling, general & administrative overheads and reasonable profit. There is sufficient evidence of the normal value claimed for the subject goods in subject countries.

6. EXPORT PRICE

The petitioners have claimed export price of the subject goods from the subject countries as the import price in the proposed period, based on transaction wise import data provided by the DGCI&S for the period up to Dec., 2006 and based on IBIS for the period Jan.-March, 2007. Export price has been separately determined for different types of CFL. For the purpose, the product has been divided first into three categories- sealed glass tubular shells, without choke CFL and with choke CFL. Thereafter, each type of CFL has been separately classified in different types on the basis of wattage.

Adjustments have been claimed on account of ocean freight, marine insurance and inland transportation in the country of exports, port handling and port charges to arrive at ex-factory export price. There is sufficient evidence of the export price for the subject goods from the subject countries.

7. DUMPING MARGIN

Normal value and export price have been compared at ex-factory level, separately for each type of CFL and thereafter cumulated considering the associated value of imports, which shows significant dumping margin in respect of each of the subject countries. It is considered that there is sufficient prima facie evidence that the normal value of the subject goods in the subject countries is significantly higher than the ex-factory export price indicating, prima facie, that the subject goods are being dumped by exporters from the subject countries.

8. INJURY AND CAUSAL LINK

The petitioners have furnished information on various parameters relating to material injury and threat of material injury to the domestic industry. Parameters such as increase in imports in absolute terms as also relative to production and consumption in India, significant price undercutting, increase in inventories, significant decline in the market share of the domestic industry, significant deterioration in profits, cash profit and return on investment, significant price undercutting, prima facie, collectively and cumulatively indicate that the domestic industry has suffered material injury on account of dumping of subject goods from subject countries. Factors such as significant increase in import volumes of subject goods from subject countries in absolute terms and in relation to Indian production, significant price undercutting, significant capacities in the subject countries have been claimed in support of their claim of threat of material injury on account of dumped imports from subject countries.

9. INITIATION OF ANTI DUMPING INVESTIGATION

In view of the above, the Designated Authority finds that a sufficient prima facie evidence of dumping of subject goods from subject countries, injury to domestic industry and causal link between dumping and injury exists, and therefore, the Authority initiates an investigation into alleged dumping and consequent injury to the domestic industry in terms of Rule 5 of the said Rules, to determine the existence, degree and effect of any alleged dumping and to recommend the amount antidumping duty, which if levied, would be adequate to remove the injury to the domestic industry.

10. PERIOD OF INVESTIGATION (POI)

The period of investigation (POI) for the purpose of present investigation is 1st April 2006 to 31st March 2007 (12 months). However, the period for injury examination would cover periods from 1st April 2003 to the end of the POI.

11. SUBMISSION OF INFORMATION

The exporters in the subject countries and importers in India known to be concerned with this investigation are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Designated Authority at the following address:

Directorate General of Anti-Dumping & Allied Duties
Ministry of Commerce & Industry,

Department of Commerce, \
Government of India,
Room No. 240,
Udyog Bhavan,
New Delhi-110011

As per Rule 6(5) of Rule supra, the Designated Authority is also providing opportunity to the industrial users of the article under investigation, and to representative consumer organizations who can furnish information which is relevant to the investigation regarding dumping, injury and causality. Any other interested party may also make its submissions relevant to the investigation within the time limit set out below.

12. TIME LIMIT

a) General Time Limits

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 forty 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 the letter addressed to them separately.

b) Specific time limit for selection of market economy country

Interested parties to the investigation may wish to comment on the appropriateness of the European Union which, as mentioned in the Para 5 of this initiation notification, envisaged as a market economy country for the purpose of establishing normal value in respect of the China PR. These comments must be submitted within four weeks from the date of publication of this notification.

13. INSPECTION OF PUBLIC FILE

In terms of Rule 6 (7), Designated Authority maintains a public file. Any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties.

14. NON-COOPERATION

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 Designated Authority may record findings on the basis of facts available and make such recommendations to the Central Government as deemed fit.

15. 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.

(R.GOPALAN)
Designated Authority