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Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
(Directorate General of Anti-Dumping & Allied Duties)  
Udyog Bhawan, New Delhi  
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Dated the 30th September, 2008

### **INITIATION NOTIFICATION**

**Subject: Initiation of Anti-Dumping investigations concerning imports of Nylon Tyre Cord Fabrics originating in or exported from Belarus.**

No.14/9/2008-DGAD:- Association of Synthetic Fiber Industry on behalf of Domestic Industry filed an application before the Designated Authority (herein after referred to as the Authority) 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 (herein after referred to as Rules) for initiation of anti dumping investigation concerning alleged dumping of Nylon Tyre Cord Fabrics (NTCF) (hereinafter referred to as subject goods) originating in or exported from Belarus (hereinafter referred to as subject country).

AND WHEREAS, the Authority finds that sufficient prima facie evidence of dumping of subject goods by the subject countries, injury to the domestic industry and causal links between the dumping and injury exist, the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of the Rule 5 of the said Rules, to determine the existence, degree and effect of alleged dumping and to recommend the amount of antidumping duty, which if levied would be adequate to remove the injury to the domestic industry.

#### **Domestic Industry**

2. Application has been filed by Association of Synthetic Fibre Industry on behalf of domestic producers M/s SRF Ltd and M/s Century Enka Ltd. These two companies are participating companies of the petitioner Association. M/s NRC Ltd was also producing the subject goods; however, they have suspended production now. As per the evidence available participating companies have the standing to file the case for anti dumping investigation on behalf of domestic industry as per Rule 2(b) and Rule 5(3)(a) of Anti Dumping Rules.

#### **Product under consideration**

3. The product under consideration is Nylon Tyre Cord Fabric (NTCF) which is meant largely for tyre cord. NTCF finds application in different kinds of automotive tyres. Nylon Tyre

Cord Fabrics is produced from Caprolactam. Caprolactam is processed to obtain nylon chips. The chips are processed further to obtain yarn. Yarn is processed further to obtain fabric. NTCF is produced in a number of deniers. NTCF is used for the reinforcement of tyres. The product is sold as “Grey fabric” or “Dipped fabric”. It is eventually consumed only in dipped form. In those cases where the product is purchased in grey form, dipping is done by the purchasers. All types of nylon tyre cord fabrics are within the scope of the product under consideration.

4. The product under consideration is classified under Customs Tariff Chapter 59 at sub-heading 59.02.10.00. The Custom classification is indicative only and not binding on the scope of investigation.

### **Like Articles**

5. The Petitioner has claimed that there is no significant difference between the products manufactured by them and the subject goods imported from the subject country which can have any impact on price, usage, quality etc. The petitioner also claimed that there is no material difference in the production process between the petitioner and exporters from Belarus. The NTCF produced by Indian Industry and the one imported are comparable in terms of characteristics, such as, physical and chemical/mechanical characteristics, manufacturing process & technology. The two are chemically and commercially substitutable and consumers have used the two interchangeably. Therefore, for the purpose of present investigation, the goods produced by the petitioner are to be treated as Like Articles of the product imported from the subject country within the meaning of the Rules.

### **Countries involved**

6. The country involved in the present investigation is Belarus.

### **Normal value**

7. The applicant have proposed that Belarus to be treated as Non Market Economy and the normal value is to be determined in terms of Para 7 of Annex-I of Anti Dumping Rules. As per the information provided by the applicants, it shows that the sole producer/exporter is state-controlled; the Company is, therefore, not entitled to claim Market Economic Treatment. They have suggested Taiwan or Thailand to be considered as an appropriate market economy third country and cost of production of NTCF in Thailand or Taiwan (after addition of reasonable profits) may be considered as normal value. The applicants have stated that as of now, they have not been able to procure the prices in such Market Economy Third Country. Accordingly, the Normal Value has been determined on the basis of cost of production in India, duly adjusted by including selling, general and administrative expenses and profit.

### **Export Price**

8. The applicant has worked out the export prices based on IBIS (International Business Information Service). The prices available are CIF export prices. The net export price has been worked out by the applicant after adopting various elements of adjustments towards ocean

freight, marine insurance, commission, inland transportation, port handling and port charges and difference in payment terms etc. to arrive at net export price at ex-factory level.

### **Dumping margin**

9. Based on the above, the normal value of the subject goods in subject country comes out to significantly higher than the net export price prima-facie indicating that the subject goods are being dumped by the exporters from the subject country.

### **Injury and Causal Link**

10. The applicant has furnished evidence regarding the injury having taken place as a result of the alleged dumping in the form of fall in their market share due to increased volume of dumped imports resulting in price undercutting, lost sales and decline in return on capital employed for the domestic industry. There is sufficient prima-facie evidence of the material injury being suffered by the applicants caused by dumped imports from subject country.

### **Period of investigation**

11. The period of investigation for the purpose of present investigation is from 01st April 2007 to 31st March, 2008. The injury investigation period will however cover the periods April 2004–March 2005, April 2005-March 2006, April 2006-March 2007 and the Period of Investigation (POI).

### **Submission of information**

12. The exporters in the subject country and their Government through their Embassy in India, importers and users in India known to be concerned and the domestic industry are being informed separately to enable them to file all information relevant in the form and manner prescribed. The parties interested to participate in the present investigation may write to:

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

### **Time limit**

13. Any information relating to this investigation should be sent in writing so as to reach the Authority at the above address not later than 40 days from the date of publication of this notification. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record their findings on the basis of the facts available in accordance with the Rules supra.

### **Submission of Information on Non-Confidential basis**

14. In terms of Rule 7, 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.

### **INSPECTION OF PUBLIC FILE**

15. In terms of rule 6(7) any interested party may inspect the public file containing non-confidential versions of the evidence submitted by other interested parties.

16. 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 Governments as deemed fit.

**(R. Gopalan)**  
**Designated Authority**