

**F. No. 14/25/2008-DGAD**  
Government Of India  
Ministry Of Commerce & Industry  
Department of Commerce  
Directorate General Of Anti-Dumping & Allied Duties  
Udyog Bhavan, New Delhi

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Dated: the 18<sup>th</sup> May, 2009

### **Initiation Notification**

**Subject: Initiation of Anti Dumping Investigations concerning imports of Circular Weaving Machines having six or more shuttles for weaving PP/HDPE Fabrics of a width exceeding 30 cms. originating in or exported from China PR.**

**F.No.14/25/2008-DGAD** – Whereas M/s. Lohia Starlinger Ltd., Kanpur (hereinafter referred to as applicant) has filed an application before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff (Amendment) Act, 1995 as amended from time (hereinafter referred to as the Act) and Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 as amended from time (hereinafter referred to as the AD Rules) alleging dumping of Circular Weaving Machines having six or more shuttles for weaving PP/HDPE Fabrics of a width exceeding 30 cm. (hereinafter referred to as the subject goods) originating in or exported from China PR (hereinafter referred to as subject country) and have requested for initiation of Anti-Dumping Investigations and levy of Anti-Dumping Duties.

2. AND WHEREAS, the Authority finds that sufficient *prima facie* evidence of dumping of the subject goods from the subject country, injury and threat of material injury (hereinafter referred as injury) to the domestic industry and causal link 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 Rules 5 of the said Rules, to determine the existence, degree and effect of any alleged dumping and to recommend the amount of anti dumping duty which, if levied, would be adequate to remove the injury to the domestic industry.

### **Product under consideration and Like Article:**

3. The product under consideration is Circular Weaving Machines having six or more shuttles for weaving PP/HDPE Fabrics of a width exceeding 30 cms. originating in or exported from China PR. The Circular Weaving Machines comprises of a central portion having shuttles for inserting the weft and a creel for inserting the warp. PP/HDPE tapes are used as weft and warp. The circular PP/HDPE cloth woven goes from the take up to the cloth winder. The circular woven fabrics are widely used in packaging applications such as packaging of cement, fertilizers, chemicals, plastic granules etc. and for covering fabrics such as tarpaulin etc.

4. The product under consideration Is classified under Chapter 84 of the Custom Tariff Act, 1975 under sub-heading no.8446 - Weaving Machines (looms) and cleared under heading Numbers 8446.21/ 8446.21.90 (other)/8446.29 (other) &8446.29.00 (other).

5. The applicant has clarified that there is no significant difference in Circular Weaving Machines having six or more shuttles for weaving PP/HDPE Fabrics of a width exceeding 30 cms. produced by the domestic industry and exported from China PR. Circular Weaving Machines having six or more shuttles for weaving PP/HDPE Fabrics of a width exceeding 30 cms. produced by the Indian industry and imported from China PR are comparable in terms of characteristics such as manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The subject goods produced by the petitioners are like articles imported from China PR in accordance with the Anti Dumping Rules. The Customs and ITC HS classification is, however, indicative only and in no way binding on the scope of the present investigation.

6. The applicant has claimed that goods produced by them are like articles to the subject goods originating in or exported from China PR. There is no significant difference in the subject goods produced by the applicant and those exported from subject country and the two are technically and commercially substitutable. For the purpose of present investigation, the goods produced by the domestic industry are being treated as Like Article to the subject goods imported from the subject country in accordance with the AD Rules for the purpose of this investigation.

#### **Domestic Industry and Standing:**

7. The application has been filed by M/s. Lohia Starlinger Ltd., Kanpur on behalf of the domestic industry. As per evidence available on record, production of M/s. Lohia Starlinger Ltd., Kanpur accounts for a major proportion of the domestic production and their production is more than 50% of Indian production.

8. As per evidence available, the Authority has determined that the application satisfies the requirements of Rule 2(b) and Rule 5(3) of Anti Dumping Rules. Further, M/s. Lohia Starlinger Ltd., Kanpur is being treated as Domestic Industry within the meaning of Rule 2(b).

**Countries involved:**

9 The Country involved in the present investigation is People's Republic of China (also referred to as China PR).

**Normal Value:**

10. The applicant has claimed that China PR should be treated as Non-Market Economy and therefore the Normal Value should be determined in accordance with Para 7 and 8 of Annexure-I of the AD Rules. The applicant has stated that the major Chinese producer/exporter, M/s. Star Linger Plastics Machinery (Taicang) Co. Ltd. is a wholly owned subsidiary of M/s. Star Linger and Co. G.mb.H Austria and accordingly Austria is an appropriate third country considering the fact that M/s. Star Linger is the technology supplier to the Chinese producers and has claimed normal value for China PR taking into consideration the export prices from Austria to Indonesia duly adjusted on account of inland freight, ocean freight, marine insurance and port expenses. The interested parties may offer their comments on the request of the applicant for using export prices from Austria to Indonesia for determination of normal value for China PR. In addition, the applicant has claimed Normal Value in China PR on the basis of constructed cost of production, including selling, general and administration expenses and profits.

11. There is sufficient evidence with regard to Normal Value to justify initiation of an anti dumping investigation in terms of the AD Rules.

**Export Price:**

12. It has been stated that the DGCI&S data does not give the description of the product and therefore information has been taken from secondary sources namely Infordrive India Pvt. Ltd. that gives import details with description for every transaction. Based on the descriptions, the product under consideration has been identified and the export prices have been claimed on the basis of the said data. Price adjustments have been claimed on account of ocean freight, marine insurance, inland transportation, port handling and port charges etc. to arrive at the net export price.

13. There is sufficient evidence with regard to export price to justify initiation of an anti dumping investigation in terms of the AD Rules.

**Dumping Margin:**

14. There is *prima facie*, sufficient evidence that the normal value of the subject goods in the subject country is significantly higher than the net export price indicating, *prima facie*, that the subject goods are being dumped by the exporters/producers from the subject country.

**Injury and Causal Link**

15. The applicant has furnished information on various parameters relating to material injury and threat of material injury to the domestic industry. Considering the parameters relating to cumulative assessment of injury, the Authority proposes to determine injury to the domestic industry from the subject country. Parameters such as increase in volume of imports from the subject country, increase in the market share of imports from the subject country in total imports, significant decline in the selling price, significant deterioration in profits, cash flow and return on investment, price undercutting and price suppression/price depression *prima facie* indicate that the domestic industry has suffered material injury on account of dumping of subject goods from the subject country. Factors such as significant increase in imports volumes of subject goods from subject country in absolute terms and in relation to total imports, significant price undercutting from subject country have been claimed in support of their claim of threat of material injury on account of dumped imports and the Authority may consider the imports data for the post Period of Investigation causing injury to the domestic industry.

16. There is sufficient evidence with regard to 'injury' to the domestic industry and the causal link, to justify initiation of an anti-dumping investigation in terms of the AD Rules.

**Period of Investigation (POI):**

17. The Period of Investigation (POI) for the purpose of present investigation is 1st April, 2008 to 31st December, 2008 (9 months). The injury investigation period will however, cover the periods 2005-06 2006-07, 2007-08 and the Period of Investigation (POI). In view of the claim that the dumping of the subject goods and consequent injury to the domestic industry intensified in April-December, 2008, the Authority considers it appropriate to adopt nine months as the Period of Investigation.

**Submission of information:**

18. The known exporters in the subject country, their Government through their Embassy in India, the known importers and known users in India to be concerned and

the domestic industry are being addressed separately to submit their 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 Bhavan,  
New Delhi-110011

19. Any other interested party may also make its submissions relevant to the investigation in the prescribed form and manner within a time limit set out below.

**Submission of information on Non-Confidential basis:**

20. 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.

21. 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.

**Time limit**

22. Any information relating to this investigation 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 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.

**Inspection of public file**

23. 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.

**Use of facts available:**

24. 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)  
The Designated Authority