

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

Dated the 12th January , 2010

Initiation Notification

Subject: Initiation of anti-dumping investigation concerning imports of seamlesstubes, pipes & hollow profiles of iron, alloy or non-alloy steel (other than cast iron), whether hot finished or cold drawn or cold rolled, of an external diameter not exceeding 273 mm or 10", originating in or exported from China PR.

No. 14 /55/2009-DGAD- Whereas M/s ISMT Ltd., Pune. (hereinafter referred to as the applicant) has filed an application before the Designated Authority (hereinafter referred to as the Authority), in accordance with the Customs Tariff Act, 1975 as amended in 1995 and thereafter (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 (hereinafter referred to as the Rules), alleging dumping of seamless tubes, pipes & hollow profiles of iron, alloy or non-alloy steel (other than cast iron), whether hot finished or cold drawn or cold rolled, of an external diameter not exceeding 273 mm or 10", (hereinafter referred to as subject goods), originating in or exported from China PR, (hereinafter referred to as subject country) and requested for initiation of Anti-Dumping investigation for levy of anti dumping duty on import of the subject goods. The application is supported by M/s Maharastra Seamless Ltd. and Jindal Saw Ltd.

2. AND WHEREAS, the Authority finds sufficient *prima facie* evidence of dumping of the subject goods from the subject country and injury to the domestic industry and causal link between the dumping and injury exists, the Authority hereby initiates an investigation into the 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 of anti-dumping duty which, if levied, would be adequate to remove the injury to the domestic industry.

PRODUCT UNDER CONSIDERATION

3. The product under consideration in the present investigation is seamless tubes, pipes & hollow profiles of iron, alloy or non-alloy steel (other than cast iron), whether hot finished or cold drawn or cold rolled, of an external diameter not exceeding 273 mm or 10", The product under consideration includes boiler & line pipes used in hydrocarbon industry and casing & tubing of a kind used in drilling for oil and gas exploration.

4. Seamless tubes are used where strength, resistance to corrosion, microstructure and product life is very crucial. Casing/tubing are used in extraction of Crude Oil and Gas from sea as well as from earth. Line pipes are used in hydrocarbon and processing industry. Boiler pipes are used in Boilers, Heat Exchangers, Super Heaters and Condensers, and in mechanical, structural and general engineering industry, Railways etc.

5. Seamless Pipes and Tubes are classified under Customs sub-heading No. 73.04 of Chapter 73 of the Customs Tariff Act, 1975. The classification is however, indicative only and in no way binding on the scope of the present investigations.

Domestic Industry and Standing

6. The application has been filed by M/s. ISMT Limited, Pune and supported by M/s. Maharashtra Seamless Limited and M/s. Jindal Saw Limited. M/s Bharat Heavy Electrical Limited (BHEL) and M/s Remi Metals Ltd. are the other known producers of the product under consideration in India. It is noted that M/s Bharat Heavy Electrical Limited (BHEL) and M/s Jindal Saw Limited have imported the product under consideration from the subject country in the period of investigation. BHEL has substantially consumed the product captively and has even purchased the same from other Indian Producers. The Authority has considered BHEL as ineligible domestic industry. However, the volume of imports made by M/s Jindal Saw Limited are however quite low and in view of that the Authority has considered M/s Jindal Saw as eligible domestic industry. It is noted that (a) production of the applicant constitutes a major proportion in Indian production; (b) domestic producers expressly supporting the application account for more than 50 percent of production of the like product produced by the domestic industry; and (c) the application has been made by or on behalf of the domestic industry. The Authority after examining the information on record determines that the applicant (with or without exclusion of M/s Jindal Saw Limited constitutes domestic Industry within the meaning of the Rule 2 and the application satisfies the criteria of standing in terms of Rule 5 of the Rules supra. **Country**

Involved

7. The country involved in the present investigation is China PR.

Like Article

8. The applicant has claimed that there are no known significant differences in subject goods produced by the domestic industry and exported from China PR. Both products have comparable characteristics in terms of parameters such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification, etc. The goods produced by the domestic industry are comparable to the goods imported from China PR in terms of essential product properties. The domestic product is technically and commercially substitutable to the imported product. Therefore, for the purpose of present investigation, subject goods produced by the applicant are being treated as “Like Article” to the subject goods imported from China PR within the meaning of the Rules.

Normal Value

9. 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 the provisions of Para 7 and 8 of Annexure-I of the Rules. The applicant has submitted that normal value could not be determined on the basis of price or constructed value in a market economy third country for the reason that the relevant information is not available to them. Further, they claimed that price from market economy third country to other countries, including India, cannot be relied upon for the reasons (a) the relevant information is not publicly available, (b) summary customs information cannot be relied upon for the reason that the product under consideration does not have dedicated customs classification, (c) the investigations being conducted by other investigating authorities (Europe, USA and Canada) clearly establishes that the Chinese producers are resorting to dumping in major global markets and thus export price from other countries would also be suppressed. The applicant has therefore, claimed normal value based on cost of production in India, including selling, general & administration expenses and reasonable profit. The applicant has further provided address of a few producers of the subject goods in USA and submitted that the Designated Authority may seek cooperation from the producers in USA during the course of the proposed investigation. Authority hereby invites comments from all interested parties in accordance with Para 7 and 8 of Annexure I to the Rules.

Export Price

10. Export price of the subject goods from the subject country has been determined by considering transaction wise import data collected from the DGCI&S. Price

adjustments have been made on account of ocean freight, inland freight, marine insurance, commission, and port expenses in the exporting country to arrive at ex-factory export price.

Dumping Margin

11. Normal value and export price have been compared at ex-factory level in respect of the subject country. There is sufficient evidence that the normal value of the subject goods in China PR, so arrived is significantly higher than the ex-factory export price indicating, *prima facie*, that the subject goods are being dumped by exporters from subject country into the Indian market and the dumping margin is estimated to be above *de minimis*.

Injury and Causal Link

12. The applicant has furnished information on various parameters relating to material injury. Analysis of the information shows that imports have increased in absolute terms as also in relation to production & consumption in India. Imports of the product under consideration are significantly undercutting the domestic prices and the effect of such imports was to prevent price increases which otherwise would have occurred to a significant degree. On the basis of the information provided with regard to various economic parameters relating to the domestic industry, it is seen that the performance of the domestic industry materially deteriorated, *inter-alia*, and collectively & cumulatively in terms of production, capacity utilization, domestic sales values & volume, profits, return on investments, cash flow, inventories and market share. In addition to material injury, the applicant has claimed threat of material injury on the grounds of significant difference in the domestic and imported product price, ability of the subject exporters to ship significantly higher volumes, current investigations being conducted by other countries. There is sufficient evidence that the injury to the domestic industry has been caused by dumped imports from China PR to justify initiation of an anti-dumping investigation in terms of the Rules.

Initiation of Antidumping Investigation

13. 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 Country.

Period Of Investigation

14. The Period of Investigation for the purpose of the present investigation is 1st April 2008 – 30th June 2009 (15 months). The injury investigation period will, however, cover the period 2005-06, 2006-07, 2007-08 and the POI.

Submission of Information

15. The known exporters in the subject Country, their Government through the Embassy in India, the importers in India known to be concerned with this investigation 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 Designated Authority at the following address:

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

16. 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 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.

Time Limit

17. 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 40 Days (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 40 Days(forty days)from the date of the letter addressed to them separately. If no information is received within the prescribed time limit or the submitted information is incomplete, the Designated Authority may record it's findings on the basis of the facts available on record in accordance with the Rules. It may be noted that no request, whatsoever, shall be entertained for extension in the prescribed time limit.

Submission of Information

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

Inspection of Public File

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

(P.K.Chaudhery)
Designated Authority