

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

Dated the 19th May, 2010

Initiation Notification

Subject: Initiation of anti-dumping investigation concerning imports of Sewing Machine Needles, originating in or exported from China PR

No. 14/10 /2010-DGAD Whereas M/s. Altek Beissel Needles Limited – Kelambakkam, Kanchi (herein after 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 (herein after 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 (herein after referred to as the Rules), alleging dumping of Sewing Machine Needles originating in or exported from China PR (herein after referred to as “subject country”) and requested for initiation of Anti Dumping investigations for levy of anti dumping duties on the subject goods.

2. And whereas, the Authority finds sufficient prima facie evidence of dumping of the subject goods from China PR and injury to the domestic industry and causal link between the dumping and injury, 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 investigations is Sewing Machine Needles. The scope of the product under consideration includes sewing machine needles meant for both household and industrial purposes. Under each of the two groups of Sewing machine needles, there are various sizes, and point style (normal, ball point, leather point etc.) There are many types of needles, which are used for sewing woven, knit garment, leather, embroidery etc. The different needles are known by “Systems”. Within each System, there are many sizes of needles. For each size there could be many point styles.

Like Article

4. The applicant has claimed that there are no known differences in subject goods produced by the petitioner and exported from China PR. Both products have comparable characteristics in terms of parameters such as physical characteristics, manufacturing process & technology, functions & uses, product specifications 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 goods offered by the domestic industry are like article to the goods imported from China PR.

Domestic Industry and Standing

5. The petition has been filed by M/s Altek Beissel Needles Limited. There are three more producers of the product under consideration in India. M/s. TVS Sewing Needles Limited has suspended operations, allegedly as a result of continued dumping. The other two producers, M/s. Schmetz India Private Ltd and M/s. Groz Beckert Asia Private Ltd. are: -

- a) 100% subsidiaries of their parent company in Germany,
- b) export their entire production to their parent company, and,
- c) import all needles from their respective German parent companies for re-sale in India.

6. Therefore, according to the information provided in the petition, the production of Altek Beissel Needles Limited constitutes 100% of Indian production during the period of investigation. Thus, the applicant constitutes “domestic industry” for the purpose of the present investigations. Further, the applicant has 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.

Country Involved

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

Normal value

8. The petitioner 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 of Annexure-I of the AD Rules. The Authority at the stage of initiation has considered

the cost of production in India duly adjusted for selling, general and administrative cost and profit as the basis of normal value. Individual Chinese exporters may rebut this presumption and the authority shall examine the market economy claims of individual exporters in terms of the relevant Rules.

Export Price

9. Export price of the subject goods from the subject country has been determined on the basis of

- (a) Transaction-wise import data collected from Secondary Sources (IBIS),
- (b) Summary imports information from DGCI&S and
- (c) Information published by the China Customs.

10. In case of DGCI&S and IBIS, adjustments have been made on account of ocean freight, marine insurance, inland freight, etc. in the exporting country to arrive at ex-factory export price. The applicant has claimed export price based on China customs data without any adjustments. There is sufficient prima facie evidence with regard to export price claimed by the applicant.

Dumping Margin

11. Normal value and export price have been compared at ex-factory level, which shows significant dumping margin in respect of the subject country. There is sufficient evidence that the normal value of the subject goods in China is significantly higher than the ex-factory export price indicating, prima facie, that the subject goods are being dumped by exporters from China into the Indian market.

Injury and Causal Link

12. The applicant has furnished information on various parameters relating to material injury. Analysis of the information shows that imports from subject country have increased in the period of investigation in absolute term as also in relation to production and consumption in India. Various economic parameters like the loss in market share, significant decline in the profitability of the domestic industry, significant deterioration in return on investment and cash profit, prima facie, indicate collectively and cumulatively that the domestic industry has suffered material injury on account of dumped imports of subject goods from China PR.

Initiation of Antidumping Investigations

13. The Designated Authority, in view of the foregoing paragraphs, finds that sufficient prima facie evidence of dumping of the subject goods from the China PR, 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 Rule 5 of the said Rules, to determine the existence, degree and effect of any alleged dumping and to recommend the amount of antidumping duty which, if levied, would be adequate to remove the injury to the domestic industry.

Period of Investigation (POI)

14. The Period of Investigation for the purpose of the present investigation is January 2009 – December 2009 (12 months). The injury investigation period will, however, cover the period 2006-07, 2007-08, 2008-09 and the POI.

Submission of Information

15. The known exporters in the subject country, the Government through their Embassy, 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. 243, Udyog Bhavan,
New Delhi – 110007.

16. 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.

17. 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

18. 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.

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)
The Designated Authority