

No.14/7/2004-DGAD
Government of India
Ministry of Commerce & Industry
(Department of Commerce)

New Delhi, the 19th July 2004

INITIATION NOTIFICATION

Subject: Initiation of Anti-dumping Investigations concerning import of Certain Compressors originating in or exported from China PR and Malaysia.

M/s BPL Engineering Ltd, Medak, Andhra Pradesh, has filed a petition before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff (Amendment) Act, 1995 and Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 alleging dumping of Certain Compressors originating in or exported from China and Malaysia and has requested for initiation of anti-dumping investigations and levy of anti-dumping duties.

1. PRODUCT UNDER CONSIDERATION

The product under consideration in the present case is "Low temperature application compressors of a kind used in refrigerating equipment" (also referred to as subject goods hereinafter). The subject goods are classified within Customs subheading 841430 and 84143000 in the Indian Trade Classification based on Harmonized system. Investigations are being initiated with respect to product under consideration irrespective of the classification under which they are being imported. Customs classifications are indicative only and in no way binding on the scope of these investigations.

The petitioner has claimed that specifications of product under consideration are well laid down as Indian standards by BIS and these are derived from the international standards i.e. ISO, DIN, BS, ARI, UL, ASHRAE and CECOMAF. Further, different compressors are also ranked or differentiated based on their cooling capacity defined variously and principally measured in terms of BTU/hr. Based on the cooling capacity the domestic application compressors would normally include compressors with cooling capacity 200-875 BTU/hr which are commonly used for domestic refrigerators.

2. DOMESTIC INDUSTRY STANDING

The petition has been filed by M/s BPL Engineering Ltd, Medak, Andhra Pradesh and is supported by M/s Tecumseh products India Limited, Ballabgarh, Haryana. After receipt of the application, the Authority called for opinion of all the known producers of the subject goods in India to determine their support or opposition to the application filed by the petitioner for imposition of Anti dumping duty on imports originating in or exported from China PR and Malaysia. After examining the details of Indian production and responses from the known producers in India, the Authority notes that the production of the petitioner constitutes a major proportion of the Indian production though the application is also supported by M/s. Tecumseh products India Ltd, Haryana. The Authority after examining the above, determines that the petitioner is a major producer of the subject goods in India accounting for a major proportion of the production of the subject goods in India and therefore the petitioner constitutes a domestic Industry within the meaning of the rule 2(b) read with 2(d) and it satisfies the criteria of standing to file the petition in terms of Rule 5(3) (a) of the Rules supra.

3. COUNTRIES INVOLVED

The countries involved in the present investigation are China PR and Malaysia. (hereinafter also referred to as subject countries).

4. LIKE GOODS

The petitioner has claimed that goods produced by it 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 petitioner and those exported from subject countries. Petitioner claims that the two are technically and commercially substitutable. Therefore, for the purpose of present investigation, the goods produced by the petitioner are being treated as Like Articles of the product imported from the subject countries within the meaning of the Rules, supra.

5. NORMAL VALUE

The Petitioner has claimed the normal value of the subject goods in Malaysia considering the international price of the raw material and the petitioner has constructed the normal value based on estimates of elements of cost of production along with supporting evidence in respect of raw material prices, wages, financing costs, power costs, etc. to arrive at the normal value of subject goods in Malaysia. In case of China PR, the petitioner has claimed that China PR has to be treated as a non-market economy and normal value has to be determined in accordance with the Para 7

and 8 of Annexure I of the Anti Dumping Rules. The authority notes that there is sufficient evidence of the Normal value claimed for the subject goods from China PR and Malaysia.

6. EXPORT PRICE

The Petitioner has claimed the export price of the subject goods from the subject countries based on the import data provided by the IBIS (International Business Information System). It was noted by the Authority that DGCIS data does not give details of the subject goods in terms of different models or specifications as mentioned in the product under consideration above and therefore export price has been taken as per the actual imports made by product under consideration which have been culled out as per the specifications detailed above. 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 the Export Price at ex-factory level. There is sufficient evidence of the export price and the adjustments claimed for the subject goods from subject countries.

7. DUMPING MARGIN

There is, 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 Petitioner has furnished information on various parameters relating to material injury to the domestic industry. Parameters such as increase in the absolute volume of imports from the subject countries, increase in the market share of imports from the subject countries in total imports, decline in the import prices from the subject countries, significant decline in the domestic selling price, significant deterioration in profits, cash flow and return on investment, price undercutting, and price depression prima facie, indicate collectively and cumulatively that the domestic industry has suffered material injury on account of dumping of subject goods from subject countries.

9. INITIATION OF ANTI DUMPING INVESTIGATIONS

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 countries.

10. PERIOD OF INVESTIGATION

The Period of Investigation for the purpose of the present investigation is 1st April 2003 to 31st March 2004 (12 months).

11. SUBMISSION OF INFORMATION

The exporters in the subject countries and the 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, Directorate General of Anti Dumping & Allied Duties, Ministry of Commerce & Industry, Department of Commerce, Government of India, Room No. 243, Udyog Bhavan, New Delhi – 1100 11.

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

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. It may be noted that no request, whatsoever, shall be entertained for extension in the prescribed time limit.

13. INSPECTION OF PUBLIC FILE

In terms of Rule 6(7), any interested party may inspect the public file containing non-confidential version of the evidence/application submitted by other interested parties. 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.

(ABHIJIT SENGUPTA)
DESIGNATED AUTHORITY