

No.14/44/2002-DGAD
Government of India
Ministry of Commerce & Industry
(Department of Commerce)

New Delhi, the 24th December 2002

INITIATION NOTIFICATION

Subject: Initiation of Anti-dumping Investigations concerning import of Copper Clad Laminates originating in or exported from Peoples' Republic of China, Taiwan, Hong Kong, South Korea, Singapore, Philippines & Thailand.

M/s Gujarat Perstorp Electronics Limited, Gujarat, 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 Copper Clad Laminates originating in or exported from China PR, Hong Kong, Taiwan, South Korea, Singapore, Philippines & Thailand and have requested for initiation of anti-dumping investigations and levy of anti-dumping duties.

1.PRODUCT UNDER CONSIDERATION

The product under investigation in the present case is Copper Clad Laminates which could either be made from glass fabric or paper or a combination of the two, coated single side or double side depending upon whether copper foil is on one side of the laminate or both sides, with varying thickness of copper foil and number of prepegs used (hence forth referred to as subject goods). Copper clad laminates are laminates of paper or glass fabric of a kind used to make printed circuit boards. A Laminate is a multiple layer of paper or glass fabric which has been joined/fixed together using a resin. A foil of copper is laminated on the top of the sheet to provide current carrying capability to the laminate. Depending upon the type of fabric, number of prepegs used and thickness of copper foil, a number of different types of copper clad laminates can be made to suit specific end requirement. The prepegs is generally of glass epoxy, paper phenolic or composite. Different types of laminates differ significantly in terms of their associated costs and prices. Copper clad laminates is a basic material for manufacture of Printed Circuit Boards which in turn is a major input in Consumer, Entertainment, Industrial, Telecommunications, Computer, Defence & Aerospace Electronic Hardware. The product is covered under Customs heading 74.10 of the

schedule I of the Customs tariff Act. 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 investigations

2. DOMESTIC INDUSTRY STANDING

The petition has been filed by M/s Gujarat Perstorp Electronics Limited, Gujarat. The petitioner has claimed that they are the only sole producer of subject goods in India at present. The Authority observes that the petitioner accounts for entire domestic production for the subject goods in India during POI. The petitioner has claimed that other producers have stopped production due to dumping of imported goods. M/s. PCS Industries, Pune and M/s. Bakelite Hylam Ltd, Secunderabad, who have ceased to be producers during POI have supported the petition and confirmed the petitioner's claim. The petitioner and the other said companies supporting the petition account for a major proportion of total domestic production of subject goods and, therefore, prima facie, the petitioner 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, Hong Kong, Taiwan, South Korea, Singapore, Philippines & Thailand (hereinafter 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 China PR, Hong Kong, Taiwan, South Korea, Singapore, and Philippines & Thailand. 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 country within the meaning of the Rules, supra.

5. NORMAL VALUE

The Authority notes that the petitioner has claimed normal value of subject goods in China PR on the basis of constructed cost of production with appropriate adjustments treating China as non-market economy. The Authority proposes to examine the claim

of the petitioner in the light of Para 7 and 8 of the Annexure I of the Anti-Dumping rules, as amended. The Authority has prima facie considered the normal value of subject goods in PR China on the basis of constructed cost of production after addition of selling, general and administrative expenses along with reasonable profit as made available by petitioners. The Petitioner has also claimed Normal Value in respect of other countries mentioned in the petition i.e. Hong Kong, Taiwan, South Korea, Singapore, Philippines & Thailand on the basis of constructed cost of production. The Authority has prima facie considered the normal value of the subject goods in Hong Kong, Taiwan, South Korea, Singapore, and Philippines & Thailand on the basis of constructed cost of production after addition of selling, general and administrative expenses along with reasonable profit as made available by petitioner.

6. EXPORT PRICE

The Petitioner has determined the export price from the subject countries based on the secondary data sources, i.e. M/s International Business Information Service, Mumbai and China Import Data 2001 and 2002 whose data is based on the Customs Daily List. From the data of secondary source, the petitioner has sorted the data on the basis of description and clubbed the transactions for the product under consideration.

Adjustments have been claimed on account of ocean freight, marine insurance, inland transportation in the country of exports, port handling and port charges to arrive at the Export Price at ex-factory level.

7. DUMPING MARGIN

There is, prima facie, evidence that 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

Petitioner has furnished information on various parameters relating to injury. Parameters such as increase in volume of imports from subject countries, decline in the sales and capacity utilization of domestic Industry, continuous financial losses, low return on investment, increased inventory, price undercutting and price suppression, prima facie, indicate collectively and cumulatively that the domestic industry has suffered material injury on account of dumping.

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 country.

10. PERIOD OF INVESTIGATION

The Period of Investigation for the purpose of the present investigation is 1st January 2002 to 30th September 2002.

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, Udyog Bhavan, New Delhi-11 00 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 submitted by other interested parties. In case where an interest 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.

(L.V. SATHARISHI)
ADDITIONAL SECRETARY