

MINISTRY OF COMMERCE

NOTIFICATION

New Delhi, the 16th May, 1995.

Subject: Initiation of anti-dumping investigation concerning the import of Dead Burnt Magnesite (DBM) from the People's Republic of China

F. No. 7/2/94-ADD. - The Magnesite Association of India has filed a petition alleging dumping of Dead Burnt Magnesite (DBM) from the People's Republic of China as per the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995.

2. Domestic Industry

The Petition has been filed by the Magnesite Association of India, E-1, Maharani Bagh, New Delhi. The petitioner have averred that there are 20 producers of DBM in India, 16 of them are members of that MAI and account for about 71 per cent of the total production of DBM in India and are supporting the petition. They, therefore, satisfy the standing as domestic industry under the above said rules.

3. Product Involved

Dead Burnt Magnesite (DBM) is a naturally occurring magnesium carbonate. It can have Mgo content ranging from 80 per cent to 99 per cent. The Dead Burnt Magnesite under consideration involves Mgo content ranging from 85 per cent to 92 per cent. Dead Burnt Magnesite is mainly used in the refractory industry to make formed and unformed refractories which are then used in the Steel making and Cement industries.

4. Dumping

The petitioner have alleged that at least 19,228 MT of Dead Burnt Magnesite (Mgo content less than 92 per cent) has come from China during 1993-94 at a weighted average c.i.f. price of US \$ 81.46 MT. China being a Non-Market Economy (NME), the petitioners have suggested that either Turkey be considered as a reference country as was done by the EEC. They have stated that the domestic price in Turkey was US \$ 213 per MT based on invoice from a producer in Turkey. Alternatively, they have urged the Authority to consider the Fair Selling Price of the product in India based on the Indian cost of production (Rs. 5800 per MT) treating India as a surrogate country.

There is prima-facie evidence of dumping as the Chinese FOB prices are below the Home Market Prices derived from both the above alternatives.

5. Injury

1. The quantum of imports from all countries shows a decline from 85,532 MT in 1992-93 to 72,503 MT in 1993-94. However, the imports from PRC have increased from 17,955 MT to 40,325 MT which is significant both in terms of absolute volume and relative to consumption/production.
2. The Chinese prices have also shown a steep reduction from an average of Rs. 5833 per MT in 1992-93 to Rs. 4487 per MT in 1993-94.
3. Production of domestic industry in 1993-94 fell sharply from 93,834 MT in 1992-93 to 52,614 MT in 1993-94. Sales also fell from 85,826 to 62,185. Inventory has come down from 50,064 MT to 40,068 MT. This reduction has to be viewed in the light of the drastic fall in production in 1993-94. Employment has also fallen from a peak of 5687 in 1990-91 to 4456 in 1993-94.
4. The total consumption fell from 171,358 MT in 1992-93 to 134,688 MT in 1993-94, a fall of 21.4 per cent. The share of the domestic industry fell from 85,826 MT to 62,185 MT, a fall of 27.5 per cent. Thus, the domestic industry has lost market share.
5. The average sales realisation through improved marginally from Rs. 5144 per MT to 5358 per MT, the overall profit ability worsened from a loss of Rs. 254.26 lakhs to a loss of Rs. 1395.90 lakhs.
6. Despite a steep increase in the cost of production (weighted average) from Rs. 5285 to Rs. 6902, the domestic industry was not able to raise its prices as the landed price of the imports from China was less than Rs. 4,000 per MT. Thus, there was both price suppression and price depression.
7. Thus, prima-facie there is adequate evidence that domestic industry has suffered material injury.
8. The margin of dumping and the volume of imports from People's Republic of China are above the "de-minimis" limits laid down in para (iii) of Annexure II of the said Rules.

6. Initiation of Anti- dumping Investigation

I am, therefore, initiating an investigation into the existence, degree and effect of the alleged dumping of Dead Burnt Magnesite originating from the People's Republic of China.

7. Time Limit and Address for making submission

The exporters in the People's Republic of China and importers known to the concerned are being addressed separately to make their views known in the form and manner prescribed so as to reach me by 26th June, 1995 at the following address:

Dr. Y.V. Reddy,
Designated Authority and Additional Secretary,
Ministry of Commerce.
Room No. 243,
Udyog Bhavan,
New Delhi- 110011
Fax No. 0091-11-3011837
INDIA

Other interested parties are advised to make their submissions relevant to the investigation in the prescribed form and within the time limit at the above address.

The interested parties are also advised to make known the Designated Authority if they wish to present information orally.

Y.V. REDDY,
Designated Authority and Addl. Secy.