

MINISTRY OF COMMERCE AND INDUSTRY
(Department of Commerce)
Directorate General of Anti Dumping & Allied Duties

INITIATION NOTIFICATION

New Delhi, the 27th June, 2005

Subject : Initiation of anti dumping investigation concerning imports of all Fully Drawn or Fully Oriented Yarn / Spin Draw Yarn / Flat Yarn of Polyester from Indonesia, Republic of Korea, Malaysia and Chinese-Taipei.

No.14/3/2005-DGAD – M/s Central India Polyesters Ltd., M/s Century Enka Ltd., M/s Garden Silk Mills Ltd., M/s Nova Petrochemicals Ltd., M/s Recron Synthetics Ltd. and M/s Welspun Syntex Ltd. have filed an application in accordance with the Customs Tariff Act, 1975 as amended in 1995 and Customs Tariff (Identification, Assessment and Collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 before the Designated Authority (hereinafter referred to as the Authority) alleging dumping of Fully Drawn or Fully Oriented Yarn / Spin Draw Yarn / Flat Yarn of Polyester from Indonesia, Republic of Korea, Malaysia and Chinese-Taipei and requested for Anti Dumping investigations and levy of anti dumping duties.

PRODUCT UNDER CONSIDERATION

2. The product involved in the present investigation is All Fully Drawn or Fully Oriented Yarn / Spin Draw Yarn / Flat Yarn of Polyester (non-textured and non-POY) and other yarns conforming to the tariff description of customs heading 5402.43 (hereinafter also referred to as subject goods). The Customs classification is indicative only and is in no way binding on the scope of the present investigation. The above-mentioned product in commercial market parlance is generally known as 'Fully Drawn Yarn'. The subject goods are used for manufacture of apparel / household textiles, and other industrial textiles. Technical specifications of the subject goods are defined in terms of their deniers, tenacities, lustres, colours (like semi dull, bright, super bright, full dull, Dope dyed), cross section and shrinkage.

LIKE ARTICLE

3. The applicants have claimed that the subject goods, which are being dumped into India, are identical to the goods produced by the domestic industry. There are no

differences either in the technical specifications, quality, functions or end-uses of the dumped imports and the domestically produced subject goods. There is no difference in the dumped goods and the product under consideration manufactured by the petitioners. The two are technically and commercially substitutable and hence should be treated as 'like articles' under the Anti Dumping Rules. Therefore, for the purpose of the present investigation, the subject goods produced by the applicants in India are being treated as 'Domestic Like Article' to the subject goods being imported from the subject countries.

DOMESTIC INDUSTRY

4. The application has been filed by the Association of Synthetic Fibre Industries, New Delhi along with the following producers of subject goods in India:

- i. M/s Central India Polyesters Ltd., Nagpur, Maharashtra.
- ii. M/s Century Enka Ltd., Raigad, Maharashtra.
- iii. M/s Garden Silk Mills Ltd., Surat, Gujarat.
- iv. M/s Nova Petrochemicals Ltd., Ahmedabad, Gujarat.
- v. M/s Recron Synthetics Ltd., Allahabad, Uttar Pradesh.
- vi. M/s Welspun Syntex Ltd., Thane, Maharashtra.

The collective production of the aforesaid producers constitutes a major proportion of the total domestic production of the domestic like article. The Authority determines that aforesaid applicants satisfy the criteria of standing to file the application on behalf of the domestic industry in terms of Rule 5(3)(a) and represent the domestic industry within the meaning of Rule 2 (b) of the Rules supra.

COUNTRIES INVOLVED

5. The countries involved in the present investigation are Indonesia, Republic of Korea, Malaysia and Chinese-Taipei hereinafter also referred to as the subject countries.

NORMAL VALUE

6. Applicants have not been able to get evidence of prices of subject goods in the domestic market of subject countries and in the absence thereof have constructed the normal value in the subject countries. Raw material costs have been taken on the basis of prices given in the PCI published data. Reasonable estimate of the conversion cost, selling, general, administrative expenses and profit has been made while arriving the constructed normal value. The Authority notes that there is

sufficient evidence of the normal value claimed for the subject goods from subject countries.

EXPORT PRICE

7. The export price has been based on DGCI&S data. The adjustments have been claimed on account of ocean freight, marine insurance, sales commission and port handling charges to arrive at the Export Price at ex-factory level. There is sufficient evidence of the export price claimed for the subject goods from the subject countries.

DUMPING MARGIN

8. 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.

INJURY AND CAUSAL LINK

9. The applicants have furnished information on various parameters relating to injury. Parameters such as significant increase in imports of subject goods in absolute terms as well as in relation to the demand of goods in India, loss of market share of the domestic industry, losses incurred by domestic industry in sale of subject goods, significant price undercutting, prima facie indicate that the domestic industry has suffered material injury on account of dumping. The prima facie evidence shows causal link between the dumped imports of the subject goods and injury caused to the domestic industry.

INITIATION OF ANTI-DUMPING INVESTIGATIONS

10. 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.

PERIOD OF INVESTIGATION (POI)

11. The period of investigation for the purpose of present investigation is 1st January 2004 to 31st December 2004.

SUBMISSION OF INFORMATION

12. 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, Department of Commerce, Ministry of Commerce & Industry, Government of India, Udyog Bhavan, New Delhi-110011. Any other interested party may also make its submissions relevant to the investigation in the prescribed form and manner within the time limit set out below.

TIME LIMIT

13. 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

14. 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 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.

(Christy L. Fernandez)
Designated Authority