

MINISTRY OF COMMERCE

INITIATION NOTIFICATION

New Delhi, the 4th November, 1997

Subject: Initiation of anti dumping investigation concerning import of fused magnesia from China PR.

No. 18/1/97-ADD: - M/s. Birla Periclase has filed a petition 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 before the Designated Authority (hereinafter referred to as the Authority) alleging dumping of fused magnesia from the People's Republic of China (referred to as China PR hereinafter) and requested for anti dumping investigations and levy of anti dumping duties.

1. **Standing:** The petitioner has claimed that it is the only producer of the like goods in India and, therefore, satisfies the standing to file the petition, on behalf of the domestic industry.

2. **Product Involved:** The product involved in the investigation is fused magnesia originating in or exported from China PR.

Fused magnesia is classed under custom sub-heading no. 251990 of the Customs Tariff Act (25199001 and 25199003 as per ITC). The classification is, however, indicative only and is in no way binding on the scope of the present investigations.

3. **Country (ies) involved:** The country involved in the present investigation is China PR.

4. **Like Goods:** The petitioner has claimed that there is no producer of fused magnesia in India. The petitioner has stated that it is setting up a plant for production of sea water magnesia, which is at an advanced stage of completion. The petitioner has argued that sea water magnesia to be produced by it is a substitute for fused magnesia being imported from China PR and the two have characteristics closely resembling each other. Sea water magnesia to be produced by the petitioner should be treated as like article to the fused magnesia being imported from China PR within the meaning of the Rules.

5. **Dumping and Dumping Margin:**

- a. Normal value: The petitioner has claimed normal value 'based on cost of production of fused magnesium in China PR, constructed on the basis of information available with it. The petitioner has stated that the cost of production has been constructed after visiting China PR.
- b. Export price: The petitioner has claimed C&F export price as Rs. 11214 pmt (1994-95), Rs. 12727 pmt (1995-96) and Rs. 12687 pmt (1996-97) on the basis of detailed statement of imports compiled from port records. Export price on the basis of d6ta compiled by the Directorate General of Commercial Intelligence & Statistics (DGCIS), Calcutta is Rs. 9418 (1994-95), 10475 (1995-96) and 11842 (Apr.-Aug., 1996) pmt.

The petitioner has claimed adjustments on account of ocean freight, inland freight, port charges, export duty, bank charges, difference in sales tax, commission and other export charges in the export price on the basis of visits to China and other information available with it.

- c. There is sufficient prima facie evidence with regard to the normal value of fused magnesia in China PR and the prices at which goods have been exported from China PR. There is sufficient evidence that the normal value of fused magnesia in China PR is significantly higher than the export price, indicating, prime facie, that the goods are being dumped by the exporters from China PR.

6. **Injury**: The petitioner has alleged that imports of fused magnesia in India have increased in absolute terms. The petitioner has claimed that it is setting up a plant at Visakhapatnam for manufacture of sea water magnesia, which is scheduled to be commissioned shortly. The petitioner has claimed that the imports of fused magnesia resulted into material retardation to its establishment and the imports further pose a threat of material injury. There is sufficient prime facie evidence that the imports of the product under consideration would cause injury.

7. **Initiation of Anti-Dumping Investigation**: The Designated Authority, therefore, initiates anti-dumping investigations into the existence, degree and effect of alleged dumping of the subject goods originating in or exported from the said country.

8. **Period of investigation**: The period of investigation for the purpose of the present investigations is 1st April, 1996 to 30th June, 1997 (15 months).

9. **Submission of Information**: The exporters in China PR and the importers in India known to be concerned are being addressed separately to submit relevant information in the form and manner prescribed and make their views known to Shri Dipak Chatterjee, Designated Authority, Ministry of Commerce, 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.

10. **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 letter addressed to them separately.

11. **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.

12. 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.

DIPAK CHATTERJEE,
Designated Authority