

No.67/1/2000-DGAD

Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Anti Dumping & Allied Duties
Udyog Bhawan, New Delhi-110011

INITIATION NOTIFICATION

the 12th January, 2001

Subject: Initiation of anti-dumping investigation concerning import of lead acid batteries originating in or exported from Japan, Korea, China and Bangladesh

67/1/2000-DGAD- M/s. Exide Industries Limited and M/s. Amara Raja Batteries Limited have filed a petition for initiation of anti dumping investigation concerning the import of lead acid batteries from Japan, Republic of Korea, People's Republic of China and Bangladesh (hereinafter referred to as subject countries) in accordance with Rule 5(1) of 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 M/s. Exide Industries Limited and M/s. Amara Raja Batteries Limited on behalf of the domestic industry. The petitioners have averred that there are five more producers of the product in the organized sector in India who incidentally are also importing lead acid batteries from subject countries. Also, there are a number of small producers in the un-organised sector.

Though M/s. Amara Raja Batteries Ltd., have made import of certain models of lead acid batteries from the subject countries which they themselves are not manufacturing, the volume and value of import is quite insignificant as compared with the annual production and sales of the subject goods by them. Therefore, the Authority has decided to ignore the imports made by M/s. Amara Raja Batteries Ltd., and include them in the definition of domestic industry for the purpose of filing the petition. On the basis of the evidence available, the petitioners account for more than fifty percent of the production of domestic industry and have the standing to file the petition on behalf of domestic industry.

3. Product under consideration: The product under consideration is "lead acid batteries". This falls within Chapter 85 of the Custom Tariff Act under the sub-heading 8507. The Custom classification is indicative only and not binding on the scope of investigation. It has been stated by the domestic industry that lead acid batteries have also been cleared by the Custom Authorities under sub-heading 8504 and 8506 as well. Batteries are accumulator of current/power which is discharged over a period of time. They are used in vehicles and also for various industrial uses, such as for back up power for UPS applications, control rooms, power stations, telecommunications etc.

It has been stated by the domestic industry that the statistics in the case of lead acid batteries are compiled in terms of number of units. But denoting the volume in terms of number of units may be misleading because different models have different power capacity and value. Apart from denoting the product in terms of units and value, it will be useful to have the information on the product in terms of lead content as there is a direct correlation between power and lead content of the battery which also gets reflected in terms of value or price. The direct correlation between the lead content in the battery and its associated costs and prices is also quite significant. It will, therefore, be meaningful to assess the volume, value as well as lead content of the product for the purpose of calculation and comparison of various parameters.

4. Countries involved: The petitioners have provided evidence of dumping of the product under consideration from subject countries and have requested for initiation of investigation against these countries.

5. Like Article: The petitioners have claimed that the goods produced by them are 'like article' to the goods originating in or exported from the subject countries. Therefore, for the purpose of investigation, the goods produced by the petitioners are being treated as 'like articles' of lead acid batteries (hereinafter referred to as subject goods) imported from the subject countries within the meaning of the Rules.

6. Normal Value: The petitioners have claimed normal value based on the constructed cost of production as well as on the basis of evidence regarding domestic prices in some of the subject countries of the subject goods. Sufficient *prima facie* evidence has been presented to the Designated Authority with regard to the normal value of subject goods in subject countries.

7. Export Price: The export price has been claimed on the basis of the data obtained from Director General Commercial Intelligence & Statistics, Calcutta and compiled from secondary sources. Price adjustments have been claimed on account of landing charges, ocean freight, marine insurance, commission, port handling etc., to arrive at

net export price. There is sufficient evidence of export price and the adjustments claimed for the subject goods from subject countries.

8. Dumping Margin: There is sufficient prima facie evidence that the normal value of the subject goods in the subject countries is significantly higher than the net export price indicating *prima facie* that the subject goods are being dumped by the exporters from the subject countries.

9. Injury and Causal Link: The petitioner has furnished evidence regarding the injury having taken place as a result of the allegedly dumped imports in the form of fall in their market share, price undercutting and lost contracts for the domestic industry. In addition to the material injury already inflicted on the domestic industry, the allegedly dumped imports are also threatening to cause more damage which will intensify the material injury already being suffered by them.

10 . Initiation of Anti Dumping Investigation: 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.

11. The period of investigation for the purpose of present investigations is 1st January 2001 to 30th September 2001 (9 months).

12. Submission of Information: The exporters and importers known to be concerned and domestic industry are being informed separately to enable them to file all information relevant in the form and manner prescribed. Any other party interested to participate in the present investigation may write to:

The Designated Authority
(Directorate General of Anti-Dumping & Allied Duties)
Government of India
Ministry of Commerce & Industry
Udyog Bhavan
New Delhi-110011

13. Time Limit: All information relating to this investigation should be sent in writing so as to reach the Authority at the above address not later than 40 days from the date of publication of this notification. If no information is received within the prescribed time limit or the information received is incomplete, the Authority may record their findings on the basis of the facts available on record in accordance with the Rules supra.

14. 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.

15. 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.

L.V. Saptharishi
Designated Authority