

MINISTRY OF COMMERCE

INITIATION NOTIFICATION

New Delhi, the 31st July, 1997

Subject: Initiation of Anti-Dumping investigation concerning import of Magnesium from China

No. 7/1/97-ADD.- M/s. Southern Magnesium and Chemicals Ltd. on behalf of the domestic industry filed a petition in accordance with the Customs Tariff (Amendment) Act, 1995 and Customs Tariff (Identification Assessment and Collection of Anti Dumping on Dumped Articles and for Determination of Injury) Rules, 1995 before the Designated Authority (hereinafter referred to as the Authority) alleging dumping of Magnesium from China and requested for anti dumping investigation and levy of anti dumping duties.

1. **Standing:** The petitioner is the only producer of the subject goods and therefore satisfies the standing of files the petition, on behalf of the domestic industry.

2. **Product Involved:** The Product involved in the present investigation is Magnesium originating in or exported from China PR. Classified under custom heading 8104.11 and 8104.19 of the Customs Tariff Act. The classification is however indicative only in no way binding on the scope of the present investigation.

3. **Like Goods:** The petitioner has alleged that the goods exported from China and being produced by the petitioner is being consumed interchangeably and therefore have characteristics closely resembling each other. Goods produced by the petitioner can, therefore, be treated as like articles to the goods imported from China within the meaning of the Rules.

4. **Dumping and Dumping Margin:**

a. Normal Value: The petitioner claimed normal value based on cost of production of Magnesium in China constructed on the basis of information available. It has been requested that the same be considered as the normal value of the goods in China .

b. Export Price: The petitioner has claimed export price on the basis of data from the Directorate General of Commercial Intelligence & Statistics (DGCIS), Calcutta and Minerals and Metals Review, which indicates that the export price of the goods ranged from Rs. 124 per kg. In April, 1996 to Rs. 81 per kg in Nov., 1996.

c. There is sufficient prima facie evidence that the normal value of Magnesium in China is significantly higher than the price at which it has been exported to India, indicating prima facie that the goods are being dumped by the exporters from China.

5. Injury : The petitioner has alleged that imports of magnesium in India have increased and its capacity utilisation and sales have declined since 1994-95. The petitioner has added capacity by about 50% in the current year, which has according to the petitioner, remained unutilized. Though the petitioner continues to make profits from sales of magnesium, it has alleged that its overall profit has declined.

The imports of magnesium are entering in India at such a price so as to have a significant depressing and /or suppressing effect on the domestic prices of magnesium in India. The various economic indicators relating to domestic industry such as production, sales, market share, profit/loss etc. also collectively and cumulatively, prima facie, indicating that the domestic industry has suffered material injury and the same also pose a threat of material injury.

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

7. Period of Investigation: The period of investigation for the purpose of present investigations is 1st April, 1996 to 31st December, 1996.

8. Submission of information: The exporters in the said countries and 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 Bhawan, New Delhi-110 011. Any other interested party may also make its submission relevant to the investigation in the prescribed form and manner within the time limit set out below.

9. 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.

10. 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