

No.14/24/2003-DGAD
Government of India
Ministry of Commerce & Industry
(Department of Commerce)

New Delhi, the 9th June 2004

INITIATION NOTIFICATION

Subject: Initiation of Anti-dumping Investigations concerning import of Narrow Woven fabrics originating in or exported from China and Chinese Taipei.

M/s Sky Industries Limited, Mumbai, has filed a petition before the Designated Authority (hereinafter referred to as the Authority) 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 alleging dumping of Narrow Woven Fabrics originating in or exported from China, Chinese Taipei and Hong Kong and has requested for initiation of anti-dumping investigations and levy of anti-dumping duties.

1. PRODUCT UNDER CONSIDERATION

The product under investigation in the present case is Narrow Woven Fabric having pile weave, made up of man made fibres, used as fastening tape (henceforth referred to also as subject goods). In market parlance, the subject goods are known by various synonyms such as 'hook and look tape fasteners', 'velcro tapes', 'fastening tapes', 'fasteners' etc. Regardless of the nomenclature used, the product under consideration is narrow woven fabric having pile weave. The subject goods are produced in various sizes depending upon specific end use and these are described in terms of peel strength, sheer strength and light fastness. Narrow Woven Fabrics has been defined under the Customs Tariff Act as follows

“Narrow Woven Fabrics means a) woven fabrics of a width not exceeding 30 centimeters whether woven as such or cut from wider pieces, provided with selvages (woven, gummed or otherwise made) on both edges; b) Tubular woven fabrics of a flattened width not exceeding 30 centimeters and c) bias binding with folded edges, of a width when unfolded not exceeding 30 centimeters.”

The Authority notes from the above definition that the product under consideration is a narrow woven fabric, as described earlier, which is below 30 centimetres in width. The wide woven fabrics as classified under the various customs classification under

chapter 54 are not included in the scope of the investigation. Hook and loop fasteners are generally made from man made fibres (yarns), nylon (nylon 6 and nylon 6.6), polyester etc. The subject goods is a combination of two separate woven tapes, one called the hook tape and other a loop tape, which when placed in contact with other displays excellent fastening properties. The subject goods offers hundreds of potential closure systems (fastening applications) for a wide range of applications. Major uses of subject goods are in industries such as garment industry, leather garments/furnishings, surgical and orthopedic apparatus, shoes and footwear manufacturing, luggage/bag manufacturers, toys, plastic goods, automobile upholstery and various other industry segments. The subject goods are classified under chapter 58 under sub heading No.5806.1000. The petitioner has claimed that there are a number of types (sizes) in which the subject goods are produced and sold and these are differentiated in terms of width and length of the fabric. The sizes typically vary between 12 mm to 125 mm of width and length in which the product is commercially produced and sold is 25 meters though it can be produced in any length depending upon the customer's requirement. In the petition, the petitioner has, therefore, converted entire data in terms of equivalent of 1 meter length and 25 mm of width and weight of the same has been taken as 8.0 grams. The Authority proposes to consider weight of the product as the unit of measurement for the purpose of present investigation.

Investigations are being initiated with respect to product under consideration irrespective of the classification under which they are being imported. Customs classifications are indicative only and in no way binding on the scope of investigations.

2. DOMESTIC INDUSTRY STANDING

The petition has been filed by M/s Sky Industries Limited, Mumbai. As per the letter received from M/s. Narrow Elastic Manufacturers Association of India, there are three major producers apart from the petitioner who manufacture the subject goods in India. These are M/s. Siddartha Filaments Private Limited, Surat, Siddartha Magic Tapes Private Limited, Gujarat and Magic Fasteners Private Limited, Rohtak, Haryana. After examining the details of Indian production, it is seen that the production of the petitioner constitutes a major proportion of the Indian production though the petition is supported by M/s. Magic Fasteners and Siddartha Magic Tapes. The Authority after examining the above, determines that the petitioner is a major producer of subject goods in India accounting for a major proportion of the production of the subject goods in India and therefore the petitioner constitutes a domestic Industry within the meaning of the rule 2(b) and it satisfies the criteria of standing to file the petition in terms of Rule 5(3)(a) of the Rules supra.

3. COUNTRIES INVOLVED

The Authority after preliminary examination has determined that imports from Hong Kong are de-minimus in volume terms and are therefore excluded from investigations. The countries involved in the present investigation are China PR and Chinese Taipei (hereinafter also referred to as subject countries).

4. LIKE GOODS

The petitioner has claimed that goods produced by it are like articles to the goods originating in or exported from subject countries. There is no significant difference in the subject goods produced by the petitioner and those exported from subject countries. Petitioner claims that the two are technically and commercially substitutable. Therefore, for the purpose of present investigation, the goods produced by the petitioner are being treated as Like Articles of the product imported from the subject countries within the meaning of the Rules, supra.

5. NORMAL VALUE

The petitioner has claimed the normal value of subject goods in Taiwan as per a copy of quotation given by one of Taiwanese Company for their exports to USA. Though the prices given in the quotation is CIF, it has been adjusted to arrive at ex-factory prices. In addition, the petitioner has also constructed normal value based on estimates of cost of production along with the supporting evidences in respect of raw material prices, wages, financing costs, power costs, etc. to arrive at the normal value of subject goods in Taiwan. In case of China PR, the petitioner has claimed that China PR has to be treated as a non-market economy and normal value has to be determined in accordance with the para 7 of Annexure I. The authority notes that there is sufficient evidence of normal value claimed for the subject goods from China PR and Chinese Taipei.

6. EXPORT PRICE

The Petitioner has claimed the export price of subject goods from the subject countries based on the import data provided by the DGCIS and evidence of actual imports made by the various importers. Adjustments have been claimed on account of ocean freight, marine insurance, inland transportation in the country of exports, port handling and port charges to arrive at the Export Price at ex-factory level. There is sufficient evidence of export price and the adjustments claimed for the subject goods from subject countries.

7. DUMPING MARGIN

There is, prima facie, evidence that 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.

8. INJURY AND CAUSAL LINK

Petitioner has furnished information on various parameters relating to material injury to the domestic industry. Parameters such as increase in volume of imports from subject countries, decline in the import prices, increase in the market share of imports from subject countries, decline in the market share of the domestic industry, decline in the domestic selling price, low return in investment, price undercutting, price depression and price suppression, prima facie, indicate collectively and cumulatively that the domestic industry has suffered material injury on account of dumping of subject goods from subject countries.

9. INITIATION OF ANTI DUMPING INVESTIGATIONS

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.

10. PERIOD OF INVESTIGATION

The Period of Investigation for the purpose of the present investigation is 1st January 2003 to 31st December 2003 (12 months).

11. SUBMISSION OF INFORMATION

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, Ministry of Commerce & Industry, Department of Commerce, Government of India, Udyog Bhavan, New Delhi – 11 00 11.

As per Rule 6(5) of Rule supra, the Designated Authority is also providing opportunity to the industrial users of the article under investigation, and to representative consumer organizations who can furnish information which is relevant to the investigation regarding dumping, injury and causality. Any other interested party may also make its submissions relevant to the investigation within the time limit set out below.

12. 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 the letter addressed to them separately. It may be noted that no request, whatsoever, shall be entertained for extension in the prescribed time limit.

13. 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. In case where an interest 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.

(A. SENGUPTA)
DESIGNATED AUTHORITY