

Government of India
MINISTRY OF COMMERCE & INDUSTRY
Department of Commerce
Directorate of Anti-Dumping & Allied Duties

New Delhi, the 9th September 2002

INITIATION NOTIFICATION

Sub: Initiation of Anti-dumping investigation concerning imports into India of Non-Brass Metal Flashlights originating in or exported from China PR.

No.14/27/2002-DGAD - M/s Eveready Industries India Limited has filed a petition 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 Non-Brass Metal Flashlights originating in or exported from Peoples' Republic of China (hereinafter referred to as subject country) and requested for initiation of Anti Dumping investigations and levy of anti dumping duties.

2. PRODUCT UNDER CONSIDERATION:

The product under consideration in the present petition is Non-Brass Metal Flashlights (hereinafter referred to as subject goods). Flashlights are a source of lights in case of emergency as well as need in dark places or corners. These are generally known as torches in the market parlance. All metal flashlights except brass flashlights are within the scope of the present investigations. These flashlights are produced, sold and measured in terms of pieces. In case of imports, the material is imported in numbers, pieces or dozens. These flashlights can have two or three cells and these can be small, medium and large sized cells. However, the bulk of the petitioner's production ranges from two small cells, two large cells and three large cells.

Petitioner has claimed that all types of flashlights are classified in Chapter heading 85.13. However, it is seen that flashlights are being imported under the sub-heading 85131001 (Flashlights excluding those which are used for photographic purposes) and as per sub head 85131005 which is meant for torches. The petitioner has requested that the investigations be initiated against the product under consideration irrespective of the classification under which they are being imported. Customs classifications are indicative only and are in no way binding on the scope of the present investigation.

Since for Non-Brass Metal Flashlights, the DGCI&S data does not give the exclusive imports data, the petitioner has relied upon the data of secondary source i.e. from International Business Information Services, Mumbai.

3. DOMESTIC INDUSTRY

The petition has been filed by M/s. Eveready Industries India Limited, Kolkata. West Bengal. The petitioner has stated that the following companies are the producers of flashlights in India:

1. M/s. Eveready Industries India Ltd., Kolkata
2. M/s. Shervani also known as Geep, Allahabad
3. Others. (In small scale)

The petitioner has claimed that they account for almost 77.41% of the total Indian production in terms of number of pieces of the subject goods. Prima facie the petitioners satisfy the criteria of standing to file the petition on behalf of the Domestic Industry in terms of Rule 5(3) (a) of the Rules supra.

4. COUNTRIES INVOLVED:

The country involved in the present investigation is China PR.

5. LIKE ARTICLE:

The petitioner has claimed that the goods produced by them are like articles to the goods originating in or exported from the subject country in terms of their features such as physical characteristics, manufacturing process, technology, specifications and tariff classification of the goods. Therefore, for the purpose of the present investigation, the goods produced by the petitioners are being treated as 'like articles' of the product imported from the subject country within the meaning of the Rules supra.

6. NORMAL VALUE:

The Authority notes that the petitioner has claimed normal value of subject goods in PR China on the basis of constructed cost of production with appropriate adjustments treating China as non-market economy. The Authority proposes to examine the claim of the petitioner in the light of Para 7 and 8 of the Annexure II of the Anti-Dumping rules, as amended. The Authority has prima facie considered the normal value of

subject goods in PR China on the basis of constructed cost of production as made available by the petitioner.

7. EXPORT PRICE:

The petitioner has claimed the export price from the subject country based on the secondary data sources, i.e. M/s International Business Information Service, Mumbai whose data is based on the Customs Daily List. From the data of secondary source, the petitioners have sorted the data on the basis of description and clubbed the transactions for the product under consideration. 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

8. DUMPING MARGIN

There is prima facie evidence that Normal Value of the subject goods in the subject country is significantly higher than the ex-factory export price indicating, prima facie, that the subject goods are being dumped by exporters from the subject country

9. INJURY AND CAUSAL LINK

Various parameters relating to injury such as significant increase in imports from the subject country in absolute terms as well as in relation to total imports from all countries, decline in production, capacity utilization and domestic sales of flashlights, price undercutting, increase in the closing stock, and losses to the domestic industry due to non-realization of fair and reasonable price from the sale of the subject goods, prima facie, indicate collectively and cumulatively that the Domestic Industry has suffered material injury on account of dumping.

10. 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 country.

11. PERIOD OF INVESTIGATION

The Period of Investigation for the purpose of the present investigation is 1st July 2001 to 31st March 2002. (9 months)

12. 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.

13. 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.

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. 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.

L.V. SAPTHARISHI
DESIGNATED AUTHORITY