

MINISTRY OF COMMERCE

NOTIFICATION

New Delhi, the 20th March, 1998

Subject: Anti-Dumping Investigation concerning imports of Metallurgical Coke from China – Preliminary Findings.

8/2/97-ADD- Having regard to the Customs Tariff Act, 1975 as amended in 1995 and the Customs Tariff (Identification Assessment and Collection of Anti-dumping Duty on Dumped Articles –Articles and for Determination of Injury) Rules, 1995-thereof;

A. PROCEDURE

The procedure described below has below ha been followed with regard to the investigation:

- i. The Designated Authority (hereinafter also referred to as Authority), under the above Rules, received a written application from M/s. Industries Ltd. (referred to as BLA hereinafter) on behalf of the domestic industry, alleging dumping of Metallurgical Coke (also referred to as coke and metcoke) originating in or exported from China;
- ii. The application was supported by M/s. Industries and Commerce Association, Dhanbad as co-petitioner (referred to ICA hereinafter);
- iii. Preliminary scrutiny of the application filed by BLA revealed certain deficiencies, which were subsequently rectified by the petitioner. The petition was, therefore, considered as properly documented;
- iv. The Authority, on the basis of sufficient evidence submitted by the petitioner decided to initiate the investigations against imports of Metallurgical Coke from China. The Authority notified the Embassy of China about the receipt of dumping allegation before proceeding to initiate the investigation in accordance with sub-rule 5(5) of the Rules;
- v. The Authority issues a public notice dated 28th August, 1997, published in the Gazette of India, Extraordinary initiation anti dumping investigations concerning imports of Metallurgical Coke, classified under custom heading 27.04 of Schedule 1 of the Customs Tariff Act, 1975 originating in or exported from China (referred to as the subject country hereinafter);
- vi. The Authority forwarded a copy of the public notice to all the known exporter (whose details were made available by the petitioners) and industry

- associations and gave them an opportunity to make their views known in writing in accordance with the rule 6(2);
- vii. The Authority forwarded a copy of the public notice to all known importers of Metallurgical Coke in India and advised them to make their views known in writing forty days from the date of the letter;
 - viii. Request was made to the Central Board of Excise and Customs (CBEC) to arrange details of imports of Metallurgical Coke made in India during the past three years, including the period of investigation. No information was, however, received from CBEC.
 - ix. The Authority provided a copy of the petition of the known exporters and the Embassy of the subject country in accordance with rules 6(3) supra. A copy of the petition was also provided to other interested parties, wherever requested;
 - x. The Authority sent a questionnaire, to elicit relevant information, to the following known exporters, in accordance with the rule 6(4);
 - Shanghai Pacific Chemical (Group) Co. Ltd., (hereinafter referred to as Shanghai Pacific)
 - China National Coal Industry Imp & Exp Corpn. (hereinafter referred to as China National)
 - China Iron & Steel Industry & Trade Group Corpn. (hereinafter referred to as China Iron)

A number of parties requested for extension of time, which was allowed by the Authority by two weeks.

The following exporters furnished information:

- Shanghai Pacific
 - China National
 - China Metallurgical IM/Exp Hebei
 - Shan xi coal Import Export Group Co.
 - Ningxia Xiacheng Import and Export Corpn.
 - China North Ind. Corpn.
 - China National Mineral Import and Export Corpn.
- xii. Embassy of the subject country in New Delhi was informed about the initiation of the investigation in accordance with rule 6(2) with a request to advise the exporters/producers from their country to respond to the questionnaire within the prescribed time. A copy of the letter, petition and questionnaire sent to the exporters was also sent to the Embassy, along with a list of known exporters/producers.

xii. A questionnaire was sent to the following known importers of Metallurgical Coke in India calling for necessary information in accordance with rule 6(4)

- Southern Iron and Steel Co., Coimbatore
- Bharat Aluminium Co. Ltd., New Delhi
- Satharverhana Ispat Ltd., Hyderabad
- Kirloskar Ferrous Industry, Pune
- Unimetal Ispat Ltd., Secunderabad
- Malvika Steel Ltd., Sultanpur
- Assam Carbon Products Ltd., Guwahati
- Indo Matsugita Ltd., Madras
- Indo Matsushita Ltd., Secunderabad
- Lanco Industries Ltd., Secunderabad
- Ramco Industries Ltd., Rajapalayam
- Tisco Ltd., Bombay
- Vishveswariah Iron and Steel, Bhadravati
- Unimetal Alloys Ltd.

A number of parties requested for extension of time, which also was allowed by the Authority by two weeks, Response to the questionnaire was filed by the following:

- Sesa Industries, Goa
- Visvesvaraya Iron and Steel Ltd., Bhadravati
- Kirloskar Ferrrous Industries Ltd., Karnataka
- Sathavahara Ispat Ltd., Hyderabad
- Usha Ispat Ltd., New Delhi
- Malvika Steel Ltd., Sultanpur
- Unimetal Ispat Ltd., Secunderabad
- Electrosteel Casting Ltd., Calcutta
- Nagpur Alloys Industries Ltd., Nagpur
- Usha martin Industries Ltd., Calcutta
- Southern Iron and Steel Co. Ltd., Coimbatore

xiii. Additional information regarding injury was sought from the petitioners, which was also furnished;

xiv. The Authority conducted on-the-spot investigation at the premises of the petitioner

xv. The Authority kept available non-confidential version of the evidence presented by various interested parties in the form of a public file maintained by the Authority and kept open for inspection by the interested parties;

xvi. Cost investigations were also conducted to work out optimum cost of production and cost make and sell the subject goods in India on the basis of

- Generally Accepted Accounting Principles (GAAP) and the information furnished by the petitioners so as to ascertain if anti-dumping duty lower than dumping margin would be sufficient to remove injury to the domestic industry.
- xvii. **** in this notification represents information furnished by an interested party on confidential basis and so considered by the Authority under the Rules;
- xviii. Investigation was carried out for the period starting from 1st April, 1996 to 31st March, 1997

B. PETITIONERS' VIEWS

2. The Petitioner has raised the following major issues in its petition and subsequent submission.

- i. Two qualities of metallurgical Coke are produced in India i.e. that from imported coking coal or from India coking coal. The coal of Indian origin has a higher ash content as compared to that of Australian origin. The Indian coal is superior, to that made from coal of Indian origin.
- ii. In the Indian economy both the qualities of coke have an important role of play. The high volume of coke required by the domestic industry is met by coke made from Indian coal while the users who have a stricter quality requirement use the coke from imported coal.
- iii. Anti Dumping duty on Chinese coke be imposed at the earliest equivalent to the margin of dumping of Chinese coke with retrospective effect.

C. VIEWS OF EXPORTERS, IMPORTERS AND OTHER INTERESTED PARTIES:

3. The views expressed by the exporters, importers and other interested parties are briefly ad under:

- i. The coke being produced by Indian manufacturers do not have the optimal combination of quality characteristics required for mini blast furnace operations, in particular their performance on strength, size and ash content are lower than those of Chinese coke which would lead to incurring a higher coke consumption resulting in increased cost of production.
- ii. Global prices prevailing for pig iron at present are in the range of US\$ 135 to 145 FOB. Cost of coke in pig iron not being more than 40%, it would be erroneous to assume the cif cost of US\$ 200 for coke when the export price of pig iron is only US\$ 145 FOB at the maximum. The mini blast furnaces set up in iron and steel industry are already facing depressed market condition and finding it difficult to match the prevailing market price, even when coke is

- being procured from Chinese sources at better quality and better prices. If the industry has to go for purchase of India coke, the situation will get further aggravated, which may lead to closure of many of the units.
- iii. Manufacturing of pig iron is a continuous process industry and as such the plant has to be operated continuously without any interruption. Any unplanned interruption and stoppage results in damages of plant and machinery, quality deterioration, production damage and financial losses. To ensure this and to maintain buffer stock, metcoke is imported in bulk since the same with required specification is not available in bulk in domestic market. The coal being imported is of high quality and the technology of plants are designed keeping in view the availability of good quality coke. Any deterioration in quality parameter will create damage to plant and the quality of end product gets deteriorated.
 - iv. The domestic coke has been tried in production exclusively by itself and also as a mix with imported coke. However such trials have yielded in unsatisfactory results. The domestic coke industry has claimed that the product under consideration is technically and commercially substitutable to the imported metcoke. Therefore it lacks the specification of imported coke and there is an element of uncertainty as to quality domestic coke.
 - v. The petitioner has estimated the value of coke on certain assumptions. However, the assumptions are not realistic and therefore the cost of coke submitted by petitioner is incorrect. The cost of coal has been estimated in the assumption that the coal is being imported into China from Australia/ New Zealand at the rate of US\$ 71.50 PMT. However, the coal imported into China constitutes less than 0.5% of the coke production of China. Thus the coal imported by China is insignificant and, therefore, it is absolutely incorrect to take imported coal price for calculating the price of Chinese coke. If the cost of coke is correctly calculated, it comes out to be US\$ 67 PMT instead of US\$ 205 PMT as claimed by petitioner.
 - vi. The increase in import of coke from China is not due to dumping out due to growth of pig iron sector and consequently demands of metcoke. The suitable metcoke is not available in domestic market and therefore it is to be imported.
 - vii. The domestic pig iron industry who are consumers of metcoke are incurring losses even while operating at 90% of installed capacity whereas petitioner is operating only at 46% of installed capacity and still making profits. The domestic metcoke producers are charging higher prices for their products.
 - viii. The pig iron industry is located at far away places from the petitioner plant. The transportation cost is more than Rs. 1200/-PMT if procured from domestic market which the pig iron industry cannot afford. Moreover, the transportation itself is a bottleneck. Since pig iron industry is a continuous industry, any non-replenishment of stocks in time will result into financial losses.

- ix. The petitioner has claimed that their production capacity is 25% of the domestic production. On the basis of these calculations, the entire installed capacity in the country would be 4 lac tonnes which is nowhere near to the actual demand of coke in India, As such the import of coke is a must.
- x. The technology employed by the petitioner is outdated. Therefore the quality of coke produced by them do not have consistency and is sub-standard and inferior when compared to the requirement of pig iron industry.
- xi. The solution to the problem lies in imposing dual rate of custom duty instead of Anti-dumping duty. The import of coke to pig iron industry should be allowed concessional rate of duty @ 25% while to others it should be @ 80%. Such dual rate of duty were prevailing in 1994-95. Due to higher rate of duties (under dual rate of custom duty system), the non-pig iron industry will be compelled to procure the coal from domestic coke industry due to higher rate of custom duty. In this way the domestic coke producers can be supported.
- xii. There is no technical items as “Metallurgical Coke”. The coke can be classified as
 - Black Furnace Coke
 - Foundry Coke
 - Coke for Gas Making
 - Coke for Ferro Alloy Industry

The coke required by pig iron industry is Black furnace coke which is of higher quality and not available indigenously in the required quantity. Due to non-availability of desired quality and quantity of Blast furnace coke suitable for pig iron industry in domestic market, there is no alternative but to import.

- xiii. There is no injury to the domestic market as their share has not gone down. Their output has been steady or slightly improving.

D. EXAMINATION OF THE ISSUES RAISED

4. The submissions made by the exporters, importers, petitioners and other interested parties have been examined, considered and have been dealt at appropriate places in this notification.

E. PRODUCT UNDER CONSIDERATION

5. The product considered in this report for the purpose of the present, investigation is Metallurgical Coke (also referred to as metcoke)

6. Metallurgical Coke is produced by destructive distillation of Metallurgical (coking coal) in the absence of oxygen at high temperature generally ranging around 1000 degree centigrade without burning the coal. The Metallurgical Coke produced is mainly carbon alongwith some mineral and residual volatile material. The metcoke is used as a primary fuel in industries where a uniform and high temperature is required in kilns or furnaces.

7. Metallurgical Coke is classified under the Chapter 27 (under sub-heading 27.04). The custom classification, manufacturing process and usage of the product indicated herein are however, indicative only and are in no way binding on the scope of the product under consideration.

F. LIKE ARTICLES

8. Rule 2(d) specifies that “like article” means an article which is identical or alike in all respects to the article under investigation, or in the absence of such an article, another article having characteristics closely resembling those of the article under investigation. The metcoke produced by the domestic industry are substitutable by the metcoke imported from China- both commercially and technically. Therefore the metcoke produced by the domestic industry is a like article to the product under consideration i.e. metcoke exported to India originating in or exported from China.

G. DOMESTIC INDUSTRIES

9. Petitions have been filed by M/s. BLA Industries Ltd., Bombay as a petitioner and is supported by M/s. Industries and Commerce Association as co-petitioner.

10. M/s. Southern Fuel Ltd. is another Indian producer of the alleged dumped goods supporting this petition.

11. There are following other producers of the subject goods in the last two years and the current year.

- i. Wellman Incandescent Ltd.
- ii. Usha Udyog Ltd.

Usha Udyog Ltd., is a group concern of Malvika Steel Ltd., Who are importer of Metallurgical Coke from China. The Authority notes that the Steel Authority of India Ltd., is producing metcoke for captive consumption and is also and importer through its subsidiary company. The same is the case with TISO. Therefore they are deemed not to form a part of domestic industry as per rule 2(b) of Anti-Dumping Rules 1995.

H. DUMPING

12. Under Section 9A(1) (c), normal value in relation to an article means:

- i. The comparable price, in the ordinary course of trade, for the like article when meant for consumption in the exporting country or territory as determined in accordance with the rules made under sub-section (6); or
- ii. When there are no sales of the like article in the ordinary course of trade in the domestic market of the exporting country or territory, or when because of the particular market situation or low volume of the sale in the domestic market of the exporting country or territory, such sales do not permit a proper comparison, the normal value shall be either-
 - a. Comparable representative price of the like article when exported from the exporting country or territory or an appropriate third country as determined in accordance with the rules made under sub-section (6); or
 - b. the cost of production of the said article in the country of origin along with reasonable addition for administrative, selling and general costs, and for profits, as determined in accordance with the rules made under sub-section 6;

Provided that in the case of import of the article from a country other than the country of origin and where the article has been merely transshipped through the country of export or such article is not produced in the country of export or there is no comparable price in the country of export, the normal value shall be determined with reference to its price in the country of origin.

13. The Authority sent questionnaires to the exporters from the subject countries in terms of the section cited above. The claims made by the exporters with regard to normal value and export price are as under.

14. (i) Exporter- China National Coal Industry (Imp/Exp) Corpn.

The Exporter has stated that there is no domestic market for their product and they are not exporting this grade of metcoke to third countries, They have also indicated that they are not providing any other financial assistance to their customers and the payments are usually by an irrevocable letter of credit on sight payment terms. Hence no interest cost is incurred.

They have claimed the price adjustments on account of inland freight & handling charges and loading cost in the export price in India.

However, no evidence in support of decoctions has been furnished. They have claimed that prevailing domestic price is US\$ *** (net invoice price excluding sales tax of 17%).

(ii) Exporter- China Metallurgical Im/Ex Henai

It has been stated that their export sales are to traders. Their domestic sale are of manufacturer who supplied the export cargo to India. The manufacturer is Shiiziaznnang. They have also state that they are not selling this grade of coke to other countries.

They have claimed the price adjustment on account of discount (penalty for quality deviation effected in invoice), commission, inland freight and handling charges in the export price to India.

They have shown the domestic price as *** (equivalent to US\$ ***). They have not claimed any deduction to arrive at the ex-factory price as they have stated that:

(a) Domestic customer take delivery at the factory gate and bear all further expenses.

(b) List price is only base price. Taxes and other additions are extra.

However no evidence has been submitted in respect of deductions claimed.

(iii) Exporter- Shanxi Coal Import export Group Corpn.

They have claimed the price adjustments on account of freight, storage, handling charges, loading costs, SGS inspection charges and ocean freight from China to India in the export price to India.

They have not submitted the details of domestic price structure. Hence their export price and domestic price cannot be compared.

No clear evidence/evidence in respect of deduction claims have been submitted.

(iv) Exporter-Ningxia Xiacheng Import & Export Corpn.

They have stated that they are not importing coal from Australia and also not exported metcoke to any other county.

They have claimed the price adjustments on account of discount (penalty for quality deviation), inland freight and loading cost in the export price to India.

They have further stated that the domestic sales are of manufacturer who supplies the export cargo to them for exports to India. The manufacturer is Tenxjin (second coke Plant). They have shown the prevailing domestic price as US\$ *** PMT. No further charge has been deducted as they have claimed that delivery of coke is taken by the customer at the factory price and therefore no deduction is required to be made at the ex-factory price. No evidence has been submitted to substantiate the above.

(v) Exporter – China North Industrial Corpn.

They have claimed the price adjustments on account of discount, inland freight storage, loading costs, SGS inspection charges and ocean freight in the export price to India.

They have not submitted the domestic price structure within China

(vi) Exporter- M/s. Shanghai Pacific Chemical Group

They have indicated that they do not sell this grade of coke to other countries. They have claimed price adjustment on account of storage charges in the export price to India.

It is also stated that prices are net of commission and ocean freight. Moreover the factory is near the port and therefore there is no inland freight.

They have claimed the following price adjustment to arrive at the equivalent domestic price.

Less Price ***

Less Taxes @ ***

Equivalent to ***

They have further indicated that customer taken the delivery on ex-factory basis and no expenditure is incurred separately on account of packing. Storage and handling in the case of domestic sales.

However no evidence/clear evidence has been submitted.

(vii) Exporter- China National Mineral Import & Export Corpn.

They have indicated that neither they nor their manufacturer M/s. Gang Yang Coking Plant have domestic sales within China. They have further indicated that though they

are exporting to other countries but names of such countries are not indicated. They have claimed the price adjustment on account of inland freight, storage (warehouse), handling (loading from warehouse to berth) and SGS inspection charges in the export price to India.

No evidence in support of deduction has been submitted.

They have stated that they are not selling the product in domestic market and hence no data has been submitted.

The summary of export price (at ex-factory level) and domestic price prevailing in China as claimed by the above mentioned exporters in their responses are as under:-

Name of the exporter	Export Price	Normal Value
Shanghai Pacific	***	***
China National		
China Metallurgical IM/EXO Hebei		
Shan xi Coal Import and Export Corpn.		
China North Ind. Corpn.		
China National Mineral Import and Export Corpn.		

15. Examination of the claims of the exporters by the Authority:

The Authority while examining the information submitted by the exporters observes that the exporters have not furnished adequate information on normal value and export price. It appears that the goods have been sold by the exporters who do not produce the goods. However, it is not clear whether the claims made pertain to the exporters to the producers. With regard to the export price, it is not clear whether the same is the price at which goods have been sold by the producers. For determination of dumping, the normal value of the producers cannot be compared with the export price of the exporter. The Authority is thus prevented from determination of export price of the producers.

With regard to normal value, the Authority observes that the information furnished is sketchy and insufficient. It is not clear from the information furnished by the exporters whether the same pertains to some producers or to the exporter themselves. The exporters have been furnished information on cost of production, which apparently pertains to the producers. However, no authorization or authentication of the information has been furnished by the producers in general no evidence have been submitted in support of price adjustments in export price and domestic price.

Therefore, the Authority is not in a position to allow the deduction as claimed.

Whether few supporting documents in support of deductions are submitted, they are in

Chinese language and are not accompanied with an English translation. In the absence of evidence to justify the calculation, no logical conclusion about the price structure for exports to India and in the domestic sales could be drawn.

In view of insufficient information/evidence, as detailed above, the Authority could not accept the price structure as submitted by the exporters and is constrained to ignore the data submitted by the aforesaid exporters.

16. The rules relating to comparison provides as follows:

“While arriving at margin of dumping, the Designated Authority shall make a fair comparison between the export price and the normal value. The comparison shall be made at the same level of trade, normally at ex-works level, and respect of sales made at as nearly possible the same time. Due allowance shall be made in each case on its merits for differences which affect price comparatively, including differences in conditions and terms of sales, taxation, levels of trade, quantities, physical characteristics and any other differences which are demonstrated to affect price comparability.

17. For the authority took into account the information furnished by the exporter, importers and petitioner. The principles of deciding the normal value in relation to article has already been specified in paragraph 12 also.

As also stated in paragraph 15 above, due to insufficient evidence, the normal price could not be established on the basis of information supplied by exporter. Similarly no relevant information has been submitted for export of such goods to third countries. Therefore, the normal value has been determined as per Sec 9A 9(i) (c) (ii) be whereby the normal value means:

“The cost of production of the said article in the country of origin alongwith reasonable addition for administrative selling and general cost and for profits as determined in accordance with the rules made under the Section 6”

18. The comparison shows the following normal value, export price and dumping margin.

Dumping margin as a % of Export Price : 118.53

I. INJURY

19. Under Rule 11 supra, Annexure-II, when a finding of injury is arrived at, such finding shall involve determination of the injury to the domestic industry, “taking into

account all relevant facts including the volume of dumped imports, their effect on price in the domestic market for like articles and the consequent effect of such imports on domestic producers of such article...” In considering the effect of the dumped imports on prices, it is considered necessary to examine whether there has been a significant price undercutting by the dumped imports as compared with the price of the like article in India, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred to a significant degree.

20. Annexure II (iii) under rule 11 supra further provides that in case where imports of a product from more than one country are being simultaneously subjected to Anti Dumping investigation, the designated authority will cumulatively assess the effect of such imports, only when it determines that the margin of dumping established in relation to the imports from each country is more than two percent expressed as percentage of export price and the volume of the imports from each country is more than three percent of the imports of the like article or where the export of the individual countries is less than three percent, the imports cumulatively account for more than seven percent of the import of like article, and cumulative assessment of the effect of imports is appropriate in light of the conditions of competition between the imported article and the like domestic articles.

The Authority notes that the margin of dumping and quantum of import from subject country are more than the limits prescribed above. Cumulative assessment of the effects of import is appropriate since the export price from the subject country were directly competing with the prices offered by the domestic industry in the Indian market.

For the examination of the impact of imports on the domestic industry in India, the Authority has considered such further indices having a bearing on the state of the industry as production capacity utilization, sales quantum, stock, profitability, net sales realisation, the magnitude of margin of dumping etc. in accordance with Annexure II (iv) of the rules supra.

21. Volume and market share of dumped imports.

The volume of dumped Chinese coke in absolute terms has increased rapidly. The following tables will illustrate this.

Year	Tonnes
1992-93	87569
1993-94	79452
1994-95	562451

1995-96	964936
1996-97	741100

From the above it is observed that the import of Chinese coke into Indian market has increase form 79452 tonnes in 93-94 to 741100 tonnes, showing an increase of 834%. Even though there is a decline in the year 1996-97 over the previous year, the Authority observed that there is a decline in the overall market also.

22. Economic indications affecting domestic industry

(a) The following table gives a summary of market share of domestic producers as against that of dumped Chinese goods.

Year	96-97	95-96	94-95	93-94
Total market of met coke in India (tonnes)	1724868	1890144	1319186	856538
Production by domestic producer (tonnes)	720295	712641	651121	680588
Market share of domestic producer	41.76%	37.70%	49.36%	79.46%
Imports from China	741100	964936	562451	79452
Market share of imports from China	42.97%	51.05%	42.64%	9.28%
Imports from countries other than China (Tonnes)	263473	212567	105614	96498
Market share of other countries	15.27%	11.25%	8.05%	11.27%

Thus it is observed that the share of domestic industry has decreased from 79% in 1993-94 to 41% in 1996-97, whereas the market share of Chinese coke has increased from 9.28% in 1993-94 to 43% in 1996-97. The domestic industry is represented that coke industry is missing the opportunities to increase its production and is not being allowed the opportunity to grow and further establish itself. However, it is observed that the market share as well as imports from China have declined during 1996-97 over the previous financial year 95-96, the trend over the years show a significant and continuous increase. It may also be noted that during 1996-97, the overall demand also declined over the previous year.

(b) Profitable of Domestic Industry:

It is observed that there is decline in gross contributions of petitioner which as under:

Year	Cost of sales Rs. PMT	Selling price Rs. PMT	Contribution
1994-95	***	***	***
1995-96	***	***	***
1996-97	***	***	***

It is also observed that in last quarter Ja-97 the petitioner has reduced their selling price to Rs. ***PMT whereas the cost of production is Rs. ***. Thus they are

incurring a loss of Rs. *** PMT. It is also observed that the price level of the members of industries and Commerce Association ((co-petitioner) has been suppressed due to dumping.

(c) Increase in closing stock:

There is a increase in closing stock of metcoke in the domestic industry as under:-

Year Stock of coke (Tonnes)

1993-95	2226
1994-95	10047
1995-96	36666

Thus there is substantial increase in closing stock of subject goods.

(d) Domestic Industry capacity utilization:

It is observed that the capacity utilization of the industry is declining when is summarized as under:

Year Capacity utilization

1993-94	61.11%
1994-95	51.45%
1995-96	51.83%
1996-97	46.83%

It is also observed that petitioner has shut down is 1/3 capacity with effect from April 97 and some SSI producers have also shot down their plants.

(e) Retrenchments of works : There is a decrease in the number of people employed and industry has started retrenching workers as part of their production capacity is shot down.

23. Conclusion on Injury

The circumstances warrant consideration of injury for imports of Metallurgical coke from China. The import of metcoke has increased in absolute terms from the subject country during the period of investigation.

Export of metcoke from China forced the domestic industry to keep its price of metcoke unremunerative levels and prevented the domestic industry from recovering its fair selling price resulting in decrease in profit/losses.

Various indicators relating to domestic industry such as production capacity utilisation average sales realisation, stock decline in profit/losses cumulatively establish that the domestic industry has suffered material injury.

It is seen that the domestic industry has suffered material injury.

24. Casual Link

In establishing that the material injury to the domestic industry has been caused by the import from the subject country, the authority has considered that exports of met Coke from the subject countries forced the domestic industry to keep its prices to unremunerative levels, and prevent it to recover its fair prices, resulting in decrease in profit/losses.

INDIAN INDUSTRY'S INTEREST & OTHER ISSUES

25. The purpose of anti dumping duties, in general is to eliminate dumping which is causing injury to the domestic industry and to re-establish a situation of open and fair competition in the Indian market, which is in the general interest of the country.

26. It is recognized that the imposition of anti dumping duties might affect the price levels of products manufactured using the subject goods and consequently might have some influence relative competitiveness of these products. However, fair competition on the Indian market, will be reduced by the anti dumping measures, particularly if the levy of the anti dumping duty restricted to an amount necessary to redress the injury to the domestic industry. On the other hand, imposition of anti dumping measures would remove the unfair advantages gained by dumping practices, would prevent the decline of the domestic industry and help maintain availability wider choice to the consumers of metallurgical coke. Imposition of anti dumping measures will not restrict imports from the subject countries in any way, and therefore, would not affect availability of the product to the consumers.

27. To ascertain the extent of Anti-dumping duty necessary to remove the injury to the domestic industry the Authority relied upon reasonable selling price of met-coke in

India for the domestic industry, by considering the optimum cost production at optimum level of capacity utilization for the domestic industry.

LANDED VALUE

28. The landed value of imports from China PR have been determined on the basis of weighted average export price of metcoke from China PR, after adding the prevailing level of customs duties and one percent landing and two percent handling charges.

CONCLUSIONS:

29. The Authority after considering the foregoing. Concludes that:

- a. Metallurgical Coke originating in or exported from China PR has been exported to India below normal value, resulting in dumping;
- b. The Indian industry has suffered material injury
- c. The injury has been caused cumulatively by the imports from the subject country.

30. It is considered necessary to impose anti dumping duty, provisionally, pending final determination on all imports of metallurgical coke originating in or exported from the subject country, pending investigations.

31. It was considered whether a duty lower than the dumping margin would be sufficient to remove the injury. Landed prices of the imports, for the purpose, was compared with the fair selling price of the domestic industry, determined for the period of investigations. Whether the difference was less than the dumping margin, a duty lower than the dumping margin is recommended. Accordingly, the Authority recommends that provisional anti dumping duties @ Rs. 1800/- (Rs. One thousand eight hundred only) per MT be imposed, from the date of notification to be issued in this regard by the Central Government, on all imports of metallurgical coke originating in or exported from China PR falling under Chapter 27 of the Customs Tariff pending final determination.

32. Exporters, importers, petitioners and other interested parties known to be concerned are being addressed separately by the Authority, who may make known their views, within forty days from the date of the dispatch of the letter. Any other interested party may also make known its views within forty days from the date of publication of these findings.

RATHI VINAY JHA,
Designated Authority

