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

Dated the 13th June, 2008

INITIATION NOTIFICATION

Subject: Initiation of Anti-Dumping investigations concerning imports of Power Steering Gear System originating in or exported from China PR.

No.14/13/2007-DGAD, M/s Rane TRW Steering System Ltd., Chennai and M/s ZF Steering Gear(India) Ltd., Pune have filed an application before the Designated Authority (herein after referred to as the Authority) 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(herein after referred to as Rules) for initiation of anti dumping investigation concerning alleged dumping of Power Steering Gear System (hereinafter referred to as subject goods) originating in or exported from China PR (hereinafter referred to as subject country).

AND WHEREAS, the Authority finds that sufficient prima facie evidence of dumping of subject goods by the subject country, injury to the domestic industry and causal links between the dumping and injury exist, the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of the Rules 5 of the said Rules, to determine the existence, degree and effect of alleged dumping and to recommend the amount of antidumping duty, which if levied would be adequate to remove the injury to the domestic industry.

Domestic Industry

2. Application has been filed by M/s Rane TRW Steering System Ltd., Chennai and M/s ZF Steering Gear(India) Ltd., Pune through TPM Consultants, New Delhi on behalf of the domestic industry. As per the evidence available applicants have the standing to file the case for anti dumping investigation on behalf of domestic industry as per Rule 2(b) and Rule 5(3)(a) of Anti Dumping Rules.

Product under consideration

3. The product under consideration is Power Steering Gear System for medium and heavy Commercial vehicles whether or not assembled, complete or incomplete and certain parts thereof, namely, Power Steering Gear, Power Steering Pump and any combination thereof. The medium commercial vehicle is one which is having weight carrying capacity in the range from 12 to 16 ton, while heavy commercial vehicle is one which is having weight carrying capacity in the range from 16 to 40 ton.

4. The product under consideration is classified under Customs Tariff Chapter 87 (Gear) at sub-heading 87089400 and Chapter 84 (Pump) at sub-heading No.84138190. The Custom classification is indicative only and not binding on the scope of investigation.

Like Articles

5. Petitioner has claimed that there is no significant difference in power steering gear system produced by the domestic industry and power steering gear system exported from China. According to the petitioner, power steering gear system produced by the Indian industry and imported from China are comparable in terms of characteristics such as physical & chemical/mechanical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable and consumers have used the two interchangeably. Therefore, for the purpose of investigation the Power Steering Gear System produced by the applicant is being treated as like articles of Power Steering Gear System imported from subject country within the meaning of the Anti Dumping Rules.

Countries involved

6. The country involved in the present investigation is China PR.

Normal value

7. The applicant have proposed that China being a Non Market Economy the normal value is to be determined in terms of Para 7 of Annex-I of Anti Dumping Rules. The applicants have stated that they have not been able to procure the prices in the Market Economy, Third Country price, from such third country to others. Accordingly, the applicants have proposed that Normal Value in respect of China may be determined on the basis of prices in India after deducting the Customs duty applicable for POI.

Export Price

8. The applicants have worked out export price based on the data compiled by IBIS. The net export price has also been estimated by the applicant based on the CIF price and adopting various elements of adjustments towards ocean freight, commission, etc. to arrive at net export price at ex-factory level.

Dumping margin

9. There are sufficient evidences that the normal value of the subject goods in subject country are significantly higher than their net export price prima-facie indicating that the subject goods are being dumped by the exporters from the subject country.

Injury and Causal Link

10. The applicant has furnished evidence regarding the injury having taken place as a result of the alleged dumping in the form of fall in their market share because of increased volume of dumped imports, price undercutting, lost sales and decline in return on capital employed for the domestic industries. There is sufficient prima-facie evidence of the material injury being suffered by the applicants caused by dumped imports from subject country.

Period of investigation

11. The period of investigation for the purpose of present investigation is 1st January 2007 to 31st December, 2007. The injury investigation period will however cover the periods April 2004–March 2005, April 2005-March 2006, April 2006-March 2007 and the Period of Investigation (POI).

Submission of information

12. The exporters in the subject country and their Government through their Embassy in India, importers and users in India known to be concerned and the 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,
Ministry of Commerce & Industry,
Department of Commerce
Room No.240, Udyog Bhavan,
New Delhi-110107.**

Time limit

13. Any 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.

Submission of Information on Non-Confidential basis

14. In terms of Rule 7, the interested parties are required to submit non-confidential summary of any confidential information provided to the Authority and if in the opinion of the party providing such information, such information is not susceptible to summarization, a statement of reason thereof, is required to be provided.

INSPECTION OF PUBLIC FILE

15. In terms of rule 6(7) any interested party may inspect the public file containing non-confidential versions of the evidence submitted by other interested parties.

16. 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 Governments as deemed fit.

(R. Gopalan)
The Designated Authority