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GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
(DIRECTORATE GENERAL OF ANTI-DUMPING & ALLIED DUTIES)

New Delhi, the November 20, 2007

Initiation Notification

Subject: Initiation of antidumping investigation involving import of Digital Versatile Discs- Recordable (DVD-R) from China PR, Hong Kong, and Taiwan.

Initiation

NO. 14/17/2007-DGAD : WHEREAS Optical Disc Manufacturers Welfare Association (ODMWA), New Delhi (herein after referred to as the Applicant) has filed an application before the Designated Authority (hereinafter referred to as this 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 as Rules), alleging dumping of Digital Versatile Discs Recordable (DVD-R) (herein after referred to as subject goods), originating in or exported from the China PR, Hong Kong, and Taiwan (herein after referred to as subject countries) and requested for initiation of Anti Dumping investigations for levy of anti dumping duties on the subject goods.

AND WHEREAS, the Authority finds that sufficient prima facie evidence of dumping of the subject goods from the subject countries, 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 any alleged dumping and to recommend the amount of antidumping duty, which if levied would be adequate to remove the injury to the domestic industry.

Product under consideration

2. The product under consideration in the present petition is Digital Versatile Disc Recordable of all kinds. Such product may include DVD-R, DVD+R, DVD-RW and DVD+RW. Such discs may be single sided i.e. recordable on one side and dummy on the other side, and double sided i.e. recordable on both the sides. Such discs are made of polycarbonate plastic material. The polycarbonate disc contains a spiral groove to guide the laser beam for writing and reading information. The disc is coated with the spiral groove with a very thin layer of

vegetable based organic dye and subsequently with a thin reflecting layer of silver, a silver alloy or gold.

The petitioner has stated that import of the subject products is being made under Chapter 8523 of the Customs Classification with the following subheading:

85232920,85232950,85232970,85234040,85234050,85234060;8523408085234090,85238090,85235290,85238050,85239010,85239040,85239050 and 85239090.

However, the above said is only indicative and is in no way binding on the scope of the investigation.

Such product is used for storing data digitally and has wide usage.

Domestic industry and Standing

3. The application has been filed by Optical Disc Manufacturers Welfare Association, New Delhi, (ODMWA) comprising of three producers of the subject goods in India M/s. Moser Baer, M/s. Euro Multi-vision and M/s. Computer Skill. M/s. Moser Baer is the main producer. M/s. Moser Baer has provided the required facts and figures for processing of the petition. The domestic industry is producing subject goods more than the required minimum as provided under the rules. The petitioner, therefore, accounts for complete production of subject goods in India and constitutes domestic industry within the meaning of the Rules.

Like article

4. The petitioner has submitted that globally all DVD-R comply with the specification given in the orange book which contains international standards. The DVD-R produced by the petitioner company and the dumped imports from the subject countries have similar physical and technical characteristics, functions and uses. There is no significant difference between the DVD-R produced by the petitioner and those imported from the subject countries. All such DVDs are technically and commercially substitutable with the consumers using them interchangeably. The products produced by the domestic industry and imported from subject Countries/territories being identical in all essential characteristics are treated as like article within the meaning of the term as per the Rules.

Normal value

5. The petitioner has claimed that India is an appropriate surrogate country for dumping of Chinese products and hence has requested for giving non-market economy status to its producers. The petitioner has further submitted that India is

an appropriate market economy country for determination of normal value in China PR.

Regarding Hong Kong and Taiwan, the petitioner has submitted that they have made efforts to get price lists of the exporters or manufacturers or price evidence for their exports to other countries or any other information from the public sources. However, they have not been able to get an authentic, adequate and accurate evidence of actual transaction wise price at which the subject goods are being sold in the domestic markets of the subject countries or being exported by them to other countries. Since there is no known difference in the technology adopted by the DI and manufacturers of the subject countries, there is no significant difference in the cost structure of the Indian produces and the foreign producers. The scale of operations of the two is also comparable. Therefore, the petitioner has adopted constructive value approach for determination of the normal value taking average rate of imports of poly carbonates into India from the respective countries.

Countries involved:

6. The petitioner has claimed that the subject goods are being exported to the Indian markets at dumped prices by the exporters from China PR, Hong Kong and Taiwan.

Period of Investigation:

7. The petitioner has given information for the period of investigation i.e. 1st April 2006 to 30th June 2007 (15 months) and has also made available facts and figures pertaining to 2003-04, 2004-05 and 2005-06 for enabling the Designated Authority to make comparisons. The period of investigation is within six months prior to the date of proposed initiation.

Export price:

8. The petitioner has worked out export of the subject goods on the basis of data compiled by M/s. Impex Statistics Services, Mumbai after claiming adjustments of landing charges, ocean freight, marine insurance, inland transportation, port expenses and bank commission.

Dumping margin:

9. On the basis of positive evidence placed by the applicants before the Authority it appears that the Normal Values of the subject goods in the subject countries are significantly higher than the net export prices to India, indicating prima-facie that the subject goods are being dumped in the Indian market by

exporters from the subject countries. The dumping margins are estimated to be positive and above *de minimis*.

Injury and causal link:

10. Petitioners have furnished information on volume and value of dumped imports from the subject countries and various parameters relating to injury to the domestic industry, on account of the product under consideration. Parameters, such as increase in volume of imports in absolute terms, unutilized installed capacity, price suppression and depression, price undercutting, piling up of inventories, position of losses, negative return on investment etc. prima-facie indicate that the dumped imports of the subject goods from the subject countries have cumulatively injured the Domestic Industry.

Submission of information:

11. The exporters in the subject Countries/territories, their governments through their embassies/ representatives in India, the importers and users in India known to be concerned and the domestic industry are requested to submit relevant information in the form and manner prescribed and to make their views known to the:

Government of India
Ministry of Commerce and Industry
Department of Commerce
Directorate General of Anti-Dumping and Allied Duties
Room No. 240, Udyog Bhavan,
New Delhi-110107.

Any other interested party may also make its submissions relevant to the investigation in the prescribed form and manner within the time limit set out below.

Time limit:

12. 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 (40) 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 (40) forty days from the date of the letter addressed to them.

Submission of information on Non-confidential basis:

13. In terms of Rule 6(7), of the Rules 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 summary, a statement of reason thereof is required to be provided. 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.

Inspection of public file:

14. Any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties in terms of Rule 6 (7).

(R. Gopalan)
Designated Authority