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File No.14/34/2016-DGAD (Case No. – OI/08/2017)

Government of India

Department of Commerce

Ministry of Commerce & Industry

(Directorate General of Anti-Dumping & Allied Duties)

New Delhi - 110001

Dated: 17th February, 2017

INITIATION NOTIFICATION

Subject: Initiation of Anti-Dumping Investigation concerning imports of “Veneered Engineered Wooden Flooring” originating in or exported from China, Malaysia, Indonesia and European Union.

F.No.14/34/2016-DGAD(Case No. – OI/08/2017): Whereas, M/sGreenlam Industries Limited (hereinafter referred to as “the applicant”) has filed an application before the Designated Authority (hereinafter also referred to as “the Authority”) in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter also referred to as “the Act”) and Customs Tariff(Identification, Assessment and Collection of Anti-Dumping Duty on Dumped articles and for Determination of injury) Rules, 1995 as amended from time to time (hereinafter also referred to as “the Rules”) for imposition of anti-dumping duty on imports of Veneered Engineered Wooden Flooring (also referred to as “the Subject goods”). The Countries concerned are China, Malaysia, Indonesia and European Union. The above mentioned countries are also referred to as “the Subject Countries”.

A. Product allegedly being dumped and like Article

2. The applicant have alleged that the imports of "Veneered Engineered Wooden Flooring" specifically excluding following kind of floorings from the countries named in the present notification are entering the Indian market at dumped prices and such imports are causing injury to the like product domestic industry.
 - a) laminated flooring,
 - b) flooring not made of wood,
 - c) flooring not having veneered top layer ,
 - d) solid wood flooring

d) solid wood flooring

3. The above mentioned product has been referred as "Veneered Engineered Wooden Flooring" or product under consideration in the present notification. Veneered Engineered Wooden Flooring typically has three layers of wood viz "Top Layer", "Middle Layer" and "Bottom Layer". Top Layer is real wood which gives attractive look (owing to its wooden texture) and additional strength to overall construction. It can be made of onestrip of wood, twostrips of wood or threestrips of Wood. Middle Layer is real wood, which forms core of the overall construction. It can be made of either "solid wood" or "fibre board". Bottom Layer is real wood which provides support to the overall construction.
4. Veneered engineered wooden flooring is a real wood product. The top layer of wood called the veneer ranges from 0.5 mm to 6 mm thickness. Overall board thickness ranges from 8 mm to 25 mm. Due to its multiply structure the engineered wooden flooring is more suitable than solid wood and is less susceptible to shrinking and expanding with changes in temperature and humidity.
5. The above product is normally produced and sold in certain standard sizes and specifications. It can, however, be produced in different sizes to meet the requirements of customer. Different product types can be categorized on the basis of sizes and specifications.
6. The product under consideration is classified under Chapter 44 of the Customs Tariff Act. The customs classification above is indicative only and in no way binding on the scope of the product under consideration in this investigation.
7. The applicant has claimed that there is no known difference between the subject goods exported from the subject countries and that produced by the domestic industry. Subject goods produced by the domestic industry and imported from the subject countries are comparable in terms of essential product characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Consumers use the two interchangeably. The applicant has further claimed that the two are technically and commercially substitutable and, hence, should be treated as 'like article' under the Rules. For the purpose of the present investigation, the Authority has treated the subject goods produced by the domestic industry in India as 'Like Article' to the subject goods being imported from the subject country.

B. Domestic Industry & Standing

8. The application has been filed by M/s Greenlam Industries Limited (referred to as "the Domestic Industry" or "the applicant" in the present notification). There are no other producers of the subject goods in India. The applicant is not related to the exporters or importers of the alleged dumped article. The applicant has imported insignificant volume of subject goods from Sweden (EU), a non-subject country, which are negligible in terms of demand/consumption in India, total imports into India, capacity set up by the applicant and its total production during the period of investigation and the details of the same have been provided with the application. The facts of the case clearly establish that applicant should be considered eligible domestic industry within the meaning of Rule 2(b).
9. The applicant, commanding 100% of the total production of the eligible domestic production, constitute the domestic industry within the meaning of the term as defined in Rule 2(b) for the purpose of present investigation. They also account for a major proportion of the domestic production of the subject goods and therefore, command the standing to file the application in terms of Rule 5(3) of the Rules. Therefore, the application is deemed to have been made by and on behalf of the domestic industry.

C. Countries to be investigated

10. The present investigation is in respect of alleged dumped imports of Veneered Engineered Wooden Flooring from China PR, Malaysia, Indonesia and European Union (referred to as "the subject countries"). The volume of imports from these countries is above the de-minimis limit prescribed. Apart from the above countries, volume of imports from Lithuania is also above de-minimis limits. However, these imports are at significantly higher prices.

D. Evidence of Dumping

11. The applicant has submitted that in the absence of availability of reliable information in the public domain on domestic prices of the subject goods in the subject countries the normal values in the subject countries have been estimated on the basis of estimates of cost of production, taking into account prevailing prices of raw materials and utilities in those countries, conversion costs of the domestic industry, and duly adjusted to include selling, general & administration expenses, and a reasonable profit.
12. The applicant has claimed ex-factory export price on the basis of transaction wise import data procured from International Business Information Services (IBIS), a secondary source, for the period of investigation and after

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due adjustments on account of ocean freight, marine insurance, port expenses, inland freight, bank charges and VAT adjustment (only for China PR).

13. The normal values and export prices determined show that there is sufficient prima facie evidence that the subject goods are being exported from the subject countries to India at a price significantly higher than normal value and the dumping margins are above de-minimis.

E. Evidence of Injury and Causal Link

14. The applicant has claimed that domestic industry has suffered material injury from dumped imports as shown by various parameters such as significant increase in imports in absolute terms, price depression, price underselling and consequent adverse impact on inventories, profitability, return on capital employed, and cash flow of the domestic industry. The applicant has also claimed that dumping of the product under consideration is materially retarding the establishment of the domestic industry. The production, sales, capacity utilization and market share of the domestic industry is quite low considering the demand for the product in the Country and considering that the domestic industry commenced commercial production sometime back. There is sufficient prima facie evidence of 'injury' being suffered by the domestic industry caused by alleged dumped imports from the subject countries to justify initiation of an antidumping investigation.

F. Initiation of the Investigation

15. Having regard to the above Rules, the Authority finds sufficient prima facie evidence of dumping of the subject goods, originating in or exported from the subject countries; injury to the domestic industry and causal link between the alleged dumping and injury, to justify initiation of an anti-dumping investigation 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. Accordingly, the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of Para 5 of the Rules.

G. Period of Investigation (POI)

16. The period of investigation for the purpose of present investigation is from October 2015- September 2016. However, the injury investigation period covers the data of previous three years, i.e. 2013-14, 2014-15, 2015-16 and the period of investigation.

H. Submission of information

17. The known exporters in the subject countries, the Government of the subject countries through their embassies in India, the importers and users in India known to be concerned with the product are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Authority at the following address, so as to enable the Authority make appropriate determinations in a timely manner:

The Designated Authority,
Directorate General of Anti-Dumping & Allied Duties,
Department of Commerce
4th Floor, Jeevan Tara Building, 5 Parliament Street, New Delhi -110001
dgad.india@gov.in

18. Any other interested party may also make its submissions relevant to the investigation in the prescribed form and manner (downloadable from the website of the Authority at www.dgtr.gov.in) within the time limit set out below.

I. Time limit

19. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant matter within 2 weeks from the date of this notification and file their questionnaire responses and offer their comments to the domestic industry's application within forty days (40 days) from the date of publication of this Notification. The information must be submitted in hard copies as well as soft copies.
20. The exporters/importers and other interested parties, being notified individually may file their responses within forty days (40 days) from the date of the letter of intimation to be addressed to them separately.
21. Any information relating to the present investigation and any request for hearing should be sent in writing so as to reach the Authority at the address mentioned above not later than forty days (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 its findings on the basis of the facts available on record in accordance with the Anti-dumping Rules.
22. It may be noted that if no information is received from an interested party within the prescribed time limit, or the information received is incomplete, the Authority may record its findings on the basis of the facts available on record, in accordance with the Rules.

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J. Submission of Information on Non-Confidential basis

23. The parties making any submission (including Appendices/Annexure attached thereto), before the authority, including questionnaire response on confidential basis, are required to file a non-confidential version of the submissions made, which will be made available to all other interested parties to make their comments. Soft copies of both the versions are required to be submitted, along with the hard copies, in two (2) sets of each.
24. The "confidential" or "non-confidential" submissions must be clearly marked so at the top of each page. Any submission made without such marking shall be treated as non-confidential by the Authority and the Authority shall be at liberty to allow the other interested parties to inspect such submissions.
25. The confidential version may contain all information which are by nature confidential and/or other information which the supplier of such information claims as business proprietary information, disclosure of which will adversely affect the commercial interests of the supplier of such information. For information which is claimed to be confidential by nature or the information on which confidentiality is claimed because of other reasons, the supplier of the information is required to provide a good cause statement along with the supplied information as to why such information cannot be disclosed.
26. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out. In case indexation is not feasible, the information may be summarized, depending upon the information on which confidentiality is claimed. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the substance of the information furnished on confidential basis. However, in exceptional circumstances, party submitting the confidential information may indicate that such information is not susceptible to summary, and a statement of reasons why summarization is not possible, must be provided to the satisfaction of the Authority. Any submission made without a meaningful non-confidential version thereof or without a good cause statement on the confidentiality claim shall not be taken on record by the Authority.
27. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied that the request for confidentiality is not warranted, or if the supplier of the information is either not willing to make the information public, or to authorize its disclosure in generalized or summary form, it may disregard such information. The Authority, on being satisfied and accepting the need for

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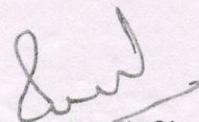
confidentiality of the information provided, shall not disclose it to any party without specific authorization of the party providing such information.

K. Inspection of Public File

28. 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 to the investigation.

L. Non-cooperation

29. In case, any interested party refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the Authority may declare such interested party as non-cooperative and record its findings on the basis of the facts available to it and make such recommendations to the Central Government as deemed fit.



Dr. Inderjit Singh
Additional Secretary & Designated
Authority