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**File No. 14/49/2016-DGAD
Government of India
Department of Commerce
(Directorate General of Anti-Dumping & Allied Duties)
New Delhi -110001**

Dated: 2nd February, 2017

INITIATION NOTIFICATION

Case No. OI/04/2017

Subject: Initiation of Anti-Dumping Investigation concerning imports of Polyester Staple Fibre from China PR, Indonesia, Malaysia and Thailand.

F.No.14/49/2016-DGAD: Whereas, M/s Alok Industry Ltd., M/s Indo Rama Synthetics (India) Ltd. and M/s The Bombay Dyeing & Mfg. Co. Ltd., (hereinafter also referred to as ‘petitioners’ or ‘applicants’) have 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 the 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 “Non-dyed Polyester Staple Fibre (PSF) ranging from 0.6 to 6 Deniers (excluding recycled PSF and specialty fibres namely, Cationic Dyeable, Fire/Flame Retardant, Low Melt and Bi-component Fibres)” from China PR, Indonesia, Malaysia and Thailand.

A. Product allegedly being dumped and like Article

2. The petitioners have alleged imports of “Non-dyed Polyester Staple Fibre (PSF) ranging from 0.6 to 6 Deniers (excluding recycled PSF and specialty fibres namely, Cationic Dyeable, Fire/Flame Retardant, Low Melt and Bi-component Fibres)” from the countries named above are entering the Indian market at dumped prices and such imports are causing injury to the like product domestic industry.

3. The above products are manufactured in various specifications defined in terms of their deniers, strength, lustres (like semi dull, bright, semi bright, full dull etc.), colour, cross section and cut length or staple length. The subject goods are predominantly used to spin yarn of 100% PSF or in blends with natural, artificial

and/or synthetic staple fibres for manufacture of textiles, sewing thread, other industrial textiles, non-woven applications, etc.

4. The applicants have further submitted that the applicants produce the above goods in India and there is no known difference between the subject goods exported from subject countries and that produced by the petitioners. The goods are comparable in terms of essential product characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications. Consumers use the domestic and imported goods interchangeably. The products are technically and commercially substitutable and therefore, 'like article' as per the meaning of the term under the Rules

B. Domestic Industry & Standing

5. The Application has been jointly filed by M/s Alok Industry Ltd., M/s Indo Rama Synthetics (India) Ltd. and M/s The Bombay Dyeing & Mfg. Co. Ltd., accounting for about 43% of total domestic production of the subject goods. Apart from the aforesaid producers there is one more producer of the subject goods in India, namely M/s Reliance Industries Ltd.(RIL), which accounts for the remaining 57% of total domestic production. It has been brought to the notice of the Authority that Reliance Industries Limited has a related producer in Malaysia, namely M/s Recron Malaysia Sdn Bhd., who is an exporter of the subject goods and has exported the subject goods to India during the proposed period of investigation. Therefore, RIL is not qualified to be included within the scope of the 'domestic industry' as defined in Rule 2(b) of the Rules.

6. In view of the above information and the Rule position, the Authority *prima facie* holds that RIL is not eligible to be considered as a part of the eligible domestic industry in terms of Rule 2(b) of the Rules. Therefore, the applicants, 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 injury 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

7. The present investigation is in respect of alleged dumped imports of the product under consideration from China PR, Indonesia, Malaysia and Thailand. (hereinafter also referred to as the subject countries). The volume of imports from these countries are above the *de minimis* limit prescribed. Apart from the above countries, there are above *de minimis* imports from Korea RP and Taiwan.

However, these imports are significantly higher prices. Therefore, these countries have not been included in the scope of this investigation.

D. Evidence of Dumping

8. The petitioners have 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 cost of production, taking into account prevailing prices of raw materials and utilities in those countries, conversion costs of the most efficient domestic industry, and duly adjusted selling, general & administration expenses, plus a reasonable profit.

9. Net ex-works export prices of the subject goods exported from the subject countries have been estimated on the basis of import data obtained from International Business Information Services (IBIS) for the proposed period of investigation after due adjustments toward ocean freight and marine insurance; port expenses, inland freight, commission and bank charges; and VAT adjustments, wherever applicable on facts available basis.

10. The above estimation of the Normal Values and Export Prices indicates that there is sufficient *prima facie* evidence that the subject goods are being exported from the subject countries to India at significantly dumped prices and the dumping margins are above *de-minimis*.

E. Evidence of Injury and Causal Link

11. The applicants have claimed that they have suffered material injury because of cumulative volume and price impacts of the dumped imports from the subject countries. Information provided by the petitioners indicates that there has been significant rise in the volume of dumped imports during the period under examination and in spite of moderate growth in demand and availability of capacity in the country, the production and capacity utilization of the domestic industry has remained low. The price realization also continues to be significantly below the cost of sales, apparently because of the volume and price effects of dumped imports leading to significant financial losses, in spite of improvement in productivity and sales. Therefore, *prima facie* it appears that the applicant domestic industry is suffering material injury in terms of negative profits and negative return on investments due to the volume and price effects of the dumped imports from the subject countries.

F. Initiation of the Investigation

12. **And Whereas**, 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.

i. Product under investigation

13. The product under consideration (hereinafter also referred to as 'subject goods) in this investigation is defined as follows:

“Non-dyed Polyester Staple Fibre (PSF) ranging from 0.6 to 6 Deniers (excluding recycled PSF and specialty fibres namely, Cationic Dyeable, Fire/Flame Retardant, Low Melt and Bi-component Fibres)”.

14. Non-dyed Polyester Staple Fibre (PSF) is manufactured in various specifications defined in terms of their deniers, strength/tenacity, lustres (like semi dull, bright, semi bright, full dull etc.), colour, cross section and cut length or staple lengths. The investigation shall cover all such product types, except the exclusive exclusions indicated above.

15. The subject goods are classified under chapter 55032000 - “Man Made Staple Fibres of Synthetic Staple Fibres, Not Carded, Combed or Otherwise Processed for Spinning of Polyesters”. The custom classification above is indicative only and in no way binding on the scope of the product under consideration in this investigation.

ii. Period of Investigation (POI)

16. The period of investigation for the purpose of this investigation shall be from 1st April 2015 to 30th September, 2016 (18 months). However, the injury investigation period will cover the data of previous three years, i.e. April 2012 to March 2013, April 2013 to March 2014, April 2014 to March 2015, and POI.

iii. Submission of Information

17. The known producers/exporters in the subject countries, their governments through their Embassies in India, the known importers and users in India, and the

domestic industry 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,
Jeevan Tara Building, 4th Floor,
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.

iv. 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. 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.

v. Submission of information on confidential basis

22. 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 will also be required to be submitted, along with the hard copies, in two (2) sets of each.

23. 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.

24. 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 interest 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.

25. 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

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

vi. Inspection of Public File

27. In terms of Rule 6(7) of the AD Rules, any interested party may inspect the public file containing non-confidential version of the evidence submitted by all interested parties to the investigation.

vii. Non-cooperation

28. 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 with it and make such recommendations to the Central Government as it deems fit.

Inder Jit Singh
Additional Secretary & Designated Authority