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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  
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Dated the 23rd May, 2008

**Initiation Notification  
(Mid-term Review)**

**Subject : Initiation of Mid-term Review regarding anti dumping duty imposed on imports of Viscose Filament yarn originating in or exported from china PR.**

**No. 15/8/2007-DGAD** – Whereas having regard to the Customs Tariff Act, 1975 as amended in 1995 and the Customs Tariff (Identification, Assessment and Collection of Duty or Additional Duty on dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as AD Rules), vide Notification Number 14/23/2004-DGAD dated 4<sup>th</sup> April, 2006, the Designated Authority (herein after referred to as the Authority) notified its final findings recommending definitive anti dumping duty on import of viscose filament yarn (hereinafter referred to as subject goods) originating in or exported from China PR (hereinafter referred to as subject country).

And Whereas definitive anti dumping duty was imposed on the subject goods vide Customs Notification No.45/2006-Customs dated 24th May, 2006.

**2. Product Under Consideration**

The product involved in the original investigation is Viscose Rayon Filament yarn upto 150 deniers (and+-4% permissible variation thereof) including monofilament yarn of less than 67 decitex also known as viscose filament yarn or VFY, Rayon Filament Yarn, Art Silk Yarn, Cellulose Yarn or Rayon Yarn and includes all yarns made of 100% viscose yarns such as dyed yarn, flat yarn, microfilament microyarn, twisted yarn with the exclusion of embroidered yarn), doubled/multiple ply yarn etc of VFY unless specifically excluded in this paragraph (also referred to as subject goods in final finding Notification). However, the subject goods do not include sewing thread, fur yarn, fire retardant yarn, engineered yarn, embroidered yarn and air texturised yarn.

Viscose rayon filament yarn is a regenerated cellulosic yarn which is produced from natural renewable resources i.e. wood pulp. Different types of VFY are produced from the similar production technology, manufacturing process, raw materials, plant & equipment and perform the same general purpose. Even though the product has been grouped into types according to technology (CSY/PSY), denier, luster, color, twisting, doubling, these different types contain the same basic characteristic of VFY as there is a great amount of substitutability between different types of VFY. The subject goods are classified with Customs subhead 54033100, 54033200, 54033300, 54034110, 54034120, 54034130, 54034140, 54034150, 54034160, 54034170, 54034180 and 54034190 though they have been reported to have been imported within other chapter heads also (like Chapter 55). Customs classifications are indicative only and in no way binding on the scope of these investigations.

The petitioners have now requested to include embroidered viscose filament yarn under the purview of subject goods as stated in grounds for review below.

### **3. Initiation**

The Customs Tariff (Amendment) Act 1995 and the AD Rules made there under require the Authority to review from time to time the need for continuance of anti dumping duty. The Designated Authority considers that the mid-term review of the anti dumping duty recommended would be appropriate at this stage under the provision of Rule 23 of AD Rules and Section 9A (5) of the Customs Tariff (Amendment) Act, 1995 as amended. In terms of the above provision, Association of Man-made fibre Industry of India, Mumbai on behalf of DI filed an application substantiating the need for mid-term review of the anti dumping duty imposed on the subject goods originating in or exported from subject country.

### **4. Countries involved**

The country involved in the present investigations is China PR.

### **5. Grounds for Review**

The applicant has claimed that the circumstance have changed substantially requiring a review of anti dumping measures in force. The reasons given by the applicants are –

(i) Substantial increase in the cost of production - The cost of production has been increased substantially on account of raw materials like, wood pulp. There

has been increase in prices of other inputs as well. (ii) There has also been intensified dumping from subject country and import of Viscose Filament Yarn at low prices. It was observed that import price has not increased in proportion to increase in the cost of production in 2007-08 when compared with 2006-07. Further, it has been claimed by Domestic Industry that as one uniform benchmark was given in the original findings for all types of Viscose Filament Yarn, whereas the data provided by the applicant shows significant difference in the cost and price for different deniers. Thus, the petitioner has requested for separate benchmark for different deniers. (iii) Further, with the appreciation of Rupee, the benchmark expressed in US\$ need to be reviewed. (iv) The request has also been made to include embroidery yarn in Product Under Consideration as the Domestic Industry is now offering the same in the domestic market and the imports have also been shifted to/increased for this type during the POI.

## **6. Procedure**

Having regard to the information provided by the applicant indicating changed circumstances necessitating a review of the measure in force, the Designated authority now considers that a mid-term review of the final findings notified vide No.14/23/2004-DGAD dated 4th April, 2006 and the Definitive anti dumping duty imposed by Customs Notification dated 24th May, 2006 is appropriate in view of the changed circumstances, in terms of the provision of Section 9(A) of Customs Tariff (Amendment) Act 1995 read with Rule 23 supra. The review covers all aspects of Notification No.14/23/2004-DGAD dated 4.4.2006.

## **7. Period of Investigation**

The Period of Investigation (POI) for the purpose of the present mid-term review is 1st April 2007 to 31st March 2008 (12 months). However, injury analysis shall cover the years 2004-05, 2005-06, 2006-07 & POI.

## **8. Submission of Information**

The exporters in subject country, their government through their Embassy in India/representatives, the importers and users in India known to be concerned 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:

**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.**

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:

### **9. Time Limit**

Any information relating to the present review 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 letter of this review notification. If no information is received within the prescribed time limit or the information received is incomplete, the Designated Authority may record its findings on the basis of the facts available on record in accordance with the AD Rules.

### **10. Inspection of Public File**

In terms of Rules 6(7), any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties. 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**