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GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
(DIRECTORATE GENERAL OF ANTI-DUMPING & ALLIED DUTIES)
4th Floor, Jeevan Tara Building, Parliament Street

NOTIFICATION

New Delhi, the 1st February. 2016

Initiation

Subject: Initiation of anti-dumping investigations concerning import of meant certain Castings for Wind Operated Electricity Generators/Windmills originating in or exported from the People's Republic of China.

F.NO. 14/28/2013-DGAD: WHEREAS M/s Larsen & Toubro Limited, (hereinafter referred to as the Applicant or Petitioner) has filed an application before the Designated Authority (hereinafter referred to as Authority), in accordance with the Customs Tariff Act, 1975 as amended in 1995 (hereinafter 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 referred to as Rules), alleging dumping of certain castings meant for wind operated electricity generators/windmills (herein after referred to as subject goods), originating in or exported from the People's Republic of China (hereinafter referred to as subject country) and requested for initiation of an Anti Dumping investigations for determination of degree and extent of dumping and injury and levy of anti dumping duties on the subject goods from the subject country.

2. AND WHEREAS, the Authority finds that sufficient *prima facie* evidence of dumping of the subject goods from the subject country; injury to the domestic industry; and causal link 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 Rule 5 of the said Rules, to determine the existence, degree and effect of alleged dumping, if any, and to recommend the amount of antidumping duties, which if levied would be adequate to remove injury to the domestic industry.

A. Product under consideration

3. The product under consideration in this investigation is “Castings for wind-operated electricity generators also known as castings for windmills or wind turbines, whether or not machined, in raw, finished or sub-assembled form, or as a part of a sub-assembly, or as a part of an equipment/component, meant for wind-operated electricity generators”.
4. A Windmill requires a number of casting parts, including the Hub, Rotohub, Rotor Nabe, Main Frame, Base Frame, Main Foundation, Nacelle, Nacelle Frame, Nacelle Foundation, Bearing Housing, Bearing Support, Hollow Shaft, Main Axle, Rotor Shaft, Rotor Coupling, Axle Pin, Main Shaft, Lateral Suspender, Pitch Stop, Stator, Generator castings, Part of Generators, Rotor, Torque Arm support, etc. These castings are used in the wind turbines along with some other non-casting parts and components like blades, etc. which leads to the generation of electricity. All such castings, whether or not machined, in raw, finished or sub-assembled form, or as a part of a sub-assembly, or as a part of an equipment/component, meant for wind-operated electricity generators are covered in the present investigation.

B. Like article

5. Petitioners have claimed that there is no known difference in subject goods produced by the Indian industry and subject goods imported into India from the subject country. The castings are used by the manufactures of the wind generators/windmills in India and are model/design specific. However, the castings manufactured by the Indian producers and imported to India from the subject country are comparable in terms of characteristics such as physical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods for the matching models/designs of the generators. The two are technically and commercially substitutable. The consumers are using the two interchangeably. Therefore, for the purpose of present investigation, the goods produced by the petitioner are being treated as like articles of the product imported from the subject country within the meaning of the Rules, 2(d) of the Rules.
6. It is noted that these castings are manufactured in various sizes and designs depending upon the models/types/designs of the generators/windmills for which they are required to be used. Therefore, for the purpose of like to like

comparison for dumping and injury determination different types of castings shall be treated as different product types and comparisons shall be on like to like basis to the extent possible. For the above purpose the Authority shall notify appropriate Product Code Numbers (PCNs) of the product types.

7. It has been submitted that the product is primarily sold in pieces/nos. The prices of these castings depend upon the design, size, weight, and processing involved in a particular casting. Two castings of the same nature like HUB of two different windmills may not be the same in terms of associated weight, design, machining and process involved. Hence, the two may differ significantly in terms of cost and price. However, for the purpose of like to like comparison at PCN level the weight criteria, i.e., Price /MT, shall be considered.

C. Customs Classification

8. The product under consideration is classified under Customs sub-heading No. 8503 under the Customs Tariff Act, 1975. However, the above classification is indicative only and is no way binding on the scope of this investigation.

D. Domestic industry and Standing

9. The present application has been filed by M/s Larsen & Toubro Limited (hereinafter referred to as petitioner or applicant) on behalf of the domestic producers of the product under consideration in India. The applicant has provided relevant information to file this application seeking imposition of anti dumping duty.
10. On the basis of the estimated capacities and production volumes of other domestic producers, the applicant commands a major proportion of the production of the subject goods in India. Therefore, the Authority holds that for the purpose of this investigation the applicant commands the standing in terms of Rule 5(3) and constitutes the domestic industry in terms of Rule 2(b) of the AD Rules.

E. Country Involved

11. The country involved in the present investigation is People's Republic of China, hereinafter also referred to as the subject country.

F. Estimates of Dumping Margin

12. The domestic industry has submitted that China being a non-market economy Normal value cannot be determined based on the selling price of the subject goods in the domestic market in China. The domestic industry has further submitted that because of the very nature of the product, in the absence of detailed complete and exhaustive verifiable information on costs and domestic sales prices from a producer in market economy third country normal value cannot be determined on the basis of price or constructed value in a market economy third country. Therefore, normal value in the subject country has been estimated for each product types/PCN, based on constructed cost of production plus reasonable profit, taking into account the manufacturing costs in India duly adjusted for the exporting country, as prima facie evidence for the purpose of initiation of the investigation. The producers/exporters in the subject country may however, rebut this presumption of non-market economy condition with evidence as per the prescribed questionnaire, for grant of market economy treatment.
13. The export prices of individual product types/PCNs from the subject country have been estimated on the basis of import data submitted by the petitioners from private sources after adjusting the same for freight and insurance etc. to arrive at the net export prices at ex-factory level.
14. As per the positive evidence placed by the applicants before the Authority the Normal Values of the subject goods in the subject country 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 country. The dumping margins so estimated, are positive and above *de minimis*.

G. Injury and causal link

15. The petitioners have alleged that dumped imports of the subject goods from the subject country are injuring the domestic industry due to the volume and price effects of dumped imports. The applicant has furnished information on volume and value of dumped imports from the subject country and various parameters establishing injury to the domestic industry, on account of import of the product under consideration. These parameters prima-facie indicate that the domestic industry has suffered material injury due to dumped imports of the subject goods from the subject country.

H. Initiation of anti-dumping investigations

16. In view of sufficient evidence of dumping, injury and causal links submitted by the domestic industry as above, the Designated Authority, in terms of the Rules supra, hereby initiates an anti-dumping investigation to examine the existence, degree of alleged dumping of the subject goods originating in or exported from the subject country and impacts on the domestic industry.

I. Procedure:

a) Period of investigation (POI)

17. Though the domestic industry has provided all information for the period April 2014-March 2015 for investigation in its application the Authority considers it necessary to examine the data for period closer to the initiation and accordingly, for the purpose of this investigation the period of investigation (POI) shall be April 2014- Sept 2015 and the domestic industry is hereby called upon to provide additional data for the extended Period as above. The injury investigation period will however, cover the period 2011-12, 2012-13, 2013-14 and April 2014- Sept 2015 (POI).

b) Submission of information

18. The exporters in the subject country; the Government of the People's Republic of China, through its Embassy in India; the importers and users of the subject goods in India; and the domestic industry are requested 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 and Allied Duties
Ministry of Commerce and Industry
Government of India
4th Floor, Jeevan Tara Building, Parliament Street,
New Delhi- 110001.**

19. 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.

c) Time limit

20. All interested parties, whose addresses are available, would be advised through a letter to offer their comments in writing so as to reach the Authority at the address mentioned above not later than forty days (40 Days) from the date of issuance of such letter. Any other interested party, whose address is not available, may also submit comments/ information within 40 days from date of publication of this notification. The information must be submitted in hard copies as well as soft copies. 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 AD Rules.

d) Submission of information on confidential basis

21. The parties making any submission (including Appendices/Annexure attached thereto), before the authority including questionnaire response, are required to file the same in two separate sets, in case "confidentiality" is claimed on any part thereof:-

(a) One set marked as Confidential (with title, number of pages, index, etc.), and

(b) The other set marked as Non-Confidential (with title, number of pages, index, etc.).

22. The "confidential" or "non-confidential" submissions must be clearly marked as "confidential" or "non-confidential" 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. 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 version shall contain all information which is by nature confidential and/or other information which the supplier of such information claims as confidential. For information which are 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 can not be disclosed.

24. 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) and 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.
25. 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 unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information. 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 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.

e) Inspection of Public File

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

f) 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 to it and make such recommendations to the Central Government as deemed fit.

A. K. Bhalla
Designated Authority