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F. No. 7/01/2023-DGTR
Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Trade Remedies)
4th Floor, Jeevan Tara Building, 5, Parliament Street, New Delhi – 110001

Dated: 21st February, 2023

INITIATION NOTIFICATION

(Case No. AD(AC)-01/2023)

Subject: Initiation of Anti-Circumvention Investigation concerning alleged circumvention via Malaysia of anti-dumping duty imposed on imports of “Fishing Net” originating in or exported from China PR.

1. F. No. 7/01/2023-DGTR: M/s Indian Fishnet Manufacturers Association (IFMA) (hereinafter referred to as the ‘applicant’ or ‘applicant association’) has filed an application before the Designated Authority (hereinafter referred to as the “Authority”) on behalf of the domestic industry, in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter 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 referred to as the “Rules”), contending that these anti-dumping duties imposed on the imports of “Fishing Net” (hereinafter referred to as “subject goods” or “product under consideration” or “PUC”), originating in or exported from China PR (hereinafter referred to as the “subject country”) are being circumvented by way of fishing net exported from Malaysia (hereinafter also referred to as “Product under Investigation” or “PUI”).
2. The applicant has alleged that the existing anti-dumping duty on the subject goods is being circumvented by producers in China by making export to India through Malaysia and there has been a change in pattern of trade since imposition of duties, and such change is also undermining the effect of remedial measures.

A. Background

3. The original investigation concerning the imports of ‘fishing net’ from China PR and Bangladesh was initiated by the Authority vide Notification No. 14/44/2016-DGAD, dated 31st March 2017. The final findings notification was issued by the Authority on the subject countries vide Notification No. 14/44/2016-DGAD, dated 05th March 2018, recommending therein the imposition of definitive anti-dumping duty. On the basis of this recommendation made by the Authority in the final findings, definitive anti-dumping duty was imposed by the Central Government vide Customs Notification No. 20/2018-Customs (ADD), dated 10th

April 2018. Further, the Central Government vide Customs Notification No. 01/2023-Customs (ADD) dated 06th January 2023 extended the existing duties imposed on China PR till 09th July 2023.

B. Produce Under Consideration

4. The product under consideration in the present petition is “fishing net”. The product under consideration defined in the original investigation was as under:

“7. The product under consideration in the present investigation is “fishnet” or “fishing net”.

8. fishing nets are devices made from fibers woven in a grid-like structure. fishing nets are usually meshes formed by knotting a relatively thin thread. Due to the technical characteristics of nylon, nylon fishnet constitutes more than 65-70% of the total fishnet consumption world over. Present petition includes nylon fishing nets only – whether 100% or blended. In case of blended, scope includes fishing nets containing 50% or more nylon by weight.

9. The product does not have dedicated customs classification. The product is being imported under HS code 560811 10 as per the data made available to us by DGCI&S. However, customs classification is indicative only and in no way it is binding upon the product scope.

10. The PUC can further be classified into monofilament yarn net and multifilament yarn net. Monofilament net is produced using monofilament yarn, in case of multifilament net, multifilament yarn is used, and the yarn is first twisted. Thereafter, even though the production process is the same and involves netting with weft & warp knotting, heat stretching, dyeing, aging, normalizing, inspection, and packing; the use of monofilament net and multifilament net is in totally different areas in fishing. Monofilament nets are largely used for inland/river/lake fishing and the catches are better due to its transparency as compared to multifilament net. The life of net is however maximum of 6 months and the net cannot be repaired once damaged. Multifilament nets, on the contrary, are used for coastal/deep sea fishing to catch large fish. Life of multifilament nets is in the region of 2 to 2.5 years and the nets can be repaired when damaged.

11. As regards HDPE fishing nets and agriculture nets, it is noted that the present investigation is against dumping of nylon fishing nets – whether 100% or blended nets containing 50% or more nylon by weight. All other kinds of fishing nets or other nets are outside the scope of the present investigation.”

5. The product under consideration is classified under Chapter 56 of the Customs Tariff Act, 1975 under the subheading 56081110. The customs classification is indicative only and in no way binding on the scope of the subject investigation.

C. Product under Investigation [PUI]

6. The product under investigation which are allegedly circumventing the anti-dumping duty in force on imports of product under consideration from China PR is “fishing net” exported from Malaysia also referred to as “Product under Investigation” or “PUI”. PUI is classified under

subheading 56081110 of the Customs Tariff Act. However, customs classifications are indicative only and in no way binding on the scope of the investigations.

D. Domestic Industry

7. The application has been filed by M/s Indian Fishnet Manufacturers Association (IFMA), the association of domestic producers on behalf of the members of the applicant association. The entire industry is highly fragmented and consists of a large number of domestic producers. The requisite information in terms of production, selling price for filing the application has been provided by 11 domestic producers, namely:

- i. Vasantham Industrial Centre
- ii. Baliga
- iii. Sreema Filaments Private Limited
- iv. E.T. Perumal Fishnet
- v. B & B Nets
- vi. Kassim Nets
- vii. Swastik Filaments Private Limited
- viii. Global Fishnet works
- ix. Vee Fishnets
- x. Indo Fishnets
- xi. Jasnets

The above-mentioned domestic producers who have provided the requisite information for the present application constitute domestic industry. On the basis of information available on record, the Authority is satisfied that the application has been made 'by or on behalf of the domestic industry' in terms of the Anti-dumping Rules.

E. Existing Measures being Circumvented

8. The existing anti-dumping measures were recommended on imports of subject goods from China PR and Bangladesh by the Designated Authority vide Notification No. 14/44/2016-DGAD, dated 05th March 2018 and anti-dumping duties were imposed by the Ministry of Finance vide Customs Notification No. 20/2018-Customs (ADD), dated 10th April 2018. The existing measure on PUC was extended for China PR by the Ministry of Finance vide Notification No. 01/2023-Customs (ADD) dated 06th January 2023 and is in force till 09th July 2023.

F. Grounds of Alleged Circumvention

9. The application for anti-circumvention investigation has been filed seeking extension of existing anti-dumping duty levied on PUC vide Notification No. 20/2018-Customs (ADD), dated 10th April 2018 to PUI from Malaysia allegedly circumventing the existing anti-dumping duty. The applicant has furnished reasons/evidence for seeking anti-circumvention investigation which, *inter alia*, includes:

- a. Change in pattern of trade whereby imports from China PR have declined and imports from Malaysia have increased significantly after the imposition of anti-dumping duties on China PR.

- b. The request contains sufficient *prima facie* evidence that the prices of the product under investigation are dumped.
 - c. The imports of PUI are undercutting the prices of the domestic industry.
10. The Authority on the basis of *prima facie* evidence provided by the applicant notes that there is a change in pattern of trade wherein imports of PUI from Malaysia have increased significantly since the imposition of anti-dumping duties on China PR without any sufficient cause or economic justification thereby undermining the remedial effects of the existing anti-dumping measure imposed on imports of PUC from China PR.

G. Initiation

11. On the basis of the application filed by the applicant contending circumvention of existing anti-dumping measure imposed on imports of PUC from China PR by imports of PUI from Malaysia and having satisfied itself on the change in pattern of trade undermining the remedial effect of the existing AD measure, the Authority hereby initiates an anti-circumvention investigation in accordance with Section 9A (1A) of the Act and Rules 25 & 26 of the Rules to consider extension of existing anti-dumping duty on imports of PUC imported from China PR to the PUI imported from Malaysia from the date of initiation of this investigation in accordance with Rule 27 (3) of the Rules.
12. The Authority recommends provisional assessment on all imports of the PUI, i.e., fishing nets from Malaysia till the completion of this review.

H. Period of Investigation (POI)

13. The period of investigation (POI) for the present investigation as 1st October, 2021– 30th September 2022 (12 Months). The injury investigation period will cover the preceding years 2019 – 20, 2020 – 21, 2021 – 22 and the POI.

I. Circumventing country

14. The country involved in the anti- circumvention investigation is Malaysia (circumventing country).

J. Submission of information

15. In view of the special circumstances arising out of COVID-19 pandemic, all communication should be sent to the Designated Authority via email at email addresses adg13-dgtr@gov.in, adv11-dgtr@gov.in, jd13-dgtr@gov.in, and dd15-dgtr@gov.in. It should be ensured that the narrative part of the submission is in searchable PDF/MS Word format and data files are in MS Excel format.
16. The known producers/exporters, their government through Embassies in India, importers and users in India known to be concerned with the subject goods and the domestic industry are being informed separately to enable them to file all relevant information in the form and manner prescribed within the time-limit set out below.
17. Any other interested party may also make its submissions relevant to the investigation in the form and manner prescribed within the time-limit set out below.

18. Any party making any confidential submission before the Authority is required to make a non-confidential version of the same available to the other parties.
19. Interested parties are directed to regularly visit the website of DGTR (<https://dgtr.gov.in/>) to stay apprised with further developments in the subject investigation and remain informed regarding notices that may be issued from time to time regarding questionnaire formats, notice of oral hearing, corrigendum, amendment notifications, and other such information. This will ensure that all interested parties to the subject investigation remain well aware of the progress and information pertaining to the subject investigation.

K. Time-Limit

20. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses dd15-dgtr@gov.in, and jd13-dgtr@gov.in with a copy to adg13-dgtr@gov.in and adv11-dgtr@gov.in, within 30 days from the date of receipt of the notice as per Rule 6(4) of the Anti-Dumping Rules. 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 Rules.
21. All the interested parties are hereby advised to intimate their interest (including the nature of interest) in the instant matter and file their questionnaire responses within the above time limit.

L. Submission of information on confidential basis

22. Any party making any confidential submission or providing information on confidential basis before the Authority, is required to simultaneously submit a non-confidential version of the same in terms of Rule 7(2) of the Rules and the Trade Notices issued in this regard. Failure to adhere to the above may lead to rejection of the response/submissions.
23. The parties making any submission (including appendices/annexures attached thereto), before the Authority including questionnaire response, are required to file Confidential and Non-Confidential versions separately.
24. 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.
25. 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 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) 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, the 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. The interested parties can offer their comments on the confidentiality claimed within seven (7) days of receiving the non-confidential version of the document.

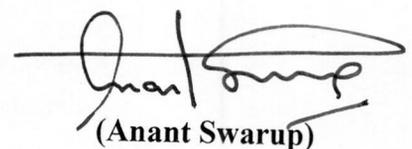
27. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied that the request for confidentiality is not warranted or if the supplier of the information is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, it may disregard such information.
28. Any submission made without a meaningful non-confidential version thereof or without good cause statement on the confidentiality claim shall not be taken on record by the Authority. 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.

M. Inspection of Public File

29. A list of the interested parties will be uploaded on DGTR's website along with the request therein to all of them to email the non-confidential version of their submission to all interested parties since the public file will not be accessible physically due to the ongoing global pandemic.

N. Non-cooperation

30. 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 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.



(Anant Swarup)

Designated Authority