

To be published in part I Section 1 of the Gazette of India, Extraordinary

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
DEPARTMENT OF COMMERCE

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NOTIFICATION

FINAL FINDINGS

New Delhi: the 31<sup>st</sup> October, 2000.

Subject: Mid-Term Review of Anti Dumping Duty concerning imports of Low Carbon Ferro Chrome (LCFC) from Russia and Kazakhstan-Final Findings.

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44/1/99/DGAD -- Having regard to the Customs Tariff Act 1975 as amended in 1995 and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, thereof:

A. PROCEDURE

1. The Procedure described below has been followed:
  - i) The Designated Authority (hereinafter also referred to as the Authority) issued a public notice vide Notification No.44/1/99-DGAD dated the 5<sup>th</sup> November, 1999, initiating review of definitive Anti-Dumping Duty recommended on imports of Low Carbon Ferro Chrome originating in or exported from Russia and Kazakhstan ( hereinafter also referred to as subject country)vide Notification No. 47/ADD/94 dated the 3<sup>rd</sup> December 1996 and definitive Anti-Dumping Duty imposed by the Central Government vide Notification No. 7 & 8 dated the 24<sup>th</sup> January, 1997.
  - ii) The investigations concluded by the Authority vide Notification No. 47/ADD/94 dated the 3<sup>rd</sup> December 1996 have been referred to as "the previous investigation".
  - iii) The Public notice dated 5<sup>th</sup> November, 1999 was published in the Gazette of India, Extraordinary, initiating review of Anti-Dumping Duty concerning imports of Low Carbon Ferro Chrome, classified under Customs sub-heading No.7202.49 of Schedule I of the Customs Tariff Act, 1975.
  - iv) The Authority forwarded a copy of the public notice to all the known Exporters and industry Associations (whose details were made available by M/s. Ferro Alloys Corporation Limited, Domestic Industry in the previous investigation) and gave them an opportunity to make their views known in writing in accordance with the Rule 6(4)

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- v) The Authority forwarded a copy of the public notice to all the known importers and consumers of Low Carbon Ferro Chrome in India (whose details were made available by M/s. Ferro Alloys Corporation Limited, Domestic Industry in the previous investigation) and provided them an opportunity to make their views known in writing within forty days from the date of issue of letter.
- vi) Request was made to the Central Board of Excise and Customs (CBEC) to arrange details of imports of Low Carbon Ferro Chrome in India during the past three years, including the period of review.
- vii) The Authority sent a questionnaire, to the following manufacturers/known exporters of Low Carbon Ferro Chrome in the subject country, in accordance with the Rule 6(4):-
- M/s. Rutmet Inc., Ontario, Canada.
  - M/s. Syncret B.V., Totterdam, The Netherlands.
  - M/s. Norcalloys L.P., New York.
  - M/s. Narcalloys SA, Luxembourg.
  - M/s. Derek Raphals & Co. Ltd., London, N 2 3RA.
  - M/s. Sudamin Trading, Waterloo (Belgique).
  - M/s. Otto Wolff, Dusseldorf, Germany.
  - M/s. Soclete Anonyme Des Minerals, Luxembourg.
- viii) The Embassy of Russia and Kazakhstan in New Delhi was informed about the initiation of the review in accordance with rule 6(2) with a request to advise the exporters/producers from their countries to respond to the questionnaire within the prescribed time. A copy of the letter and questionnaire sent to the exporters was also sent to these Embassies, alongwith a list of known exporters/producers. None of the exporters/producers, however, filed any response.
- ix) A questionnaire was sent to the following importers and/or consumers of Low Carbon Ferro Chrome in India calling for necessary information in accordance with rule 6(4):-
- M/s. Anita International, New Delhi.
  - M/s. Omparkash Rakesh Kumar, Delhi.
  - M/s. Shiva Alloys Pvt. Ltd., Delhi.
  - M/s. Steel Strips Ltd., Chandigarh.
  - M/s. Chivas International, New Delhi.
  - M/s. Lowwear Alloys Products Pvt. Ltd., New Delhi.
  - M/s. Unique Alloys Pvt. Ltd., New Delhi.
  - M/s. Kumar Steels, Jagadhari.
  - M/s. Singhania Chemicals, Ludhiana.
  - M/s. Allied Holdings Pvt. Ltd., New Delhi.

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- M/s. Uttar Pradesh Steels, Uttar Pradesh.
  - M/s. Balaji Industrial Products Ltd., Jaipur.
  - M/s. Kathuria & Sons, New Delhi.
  - M/s. Uphaar International, New Delhi.
  - M/s. Sahu Refrigeration Industries Pvt. Ltd., New Delhi.
  - M/s. Metallic Alloys, Delhi.
- x) A questionnaire was sent to M/s. Ferro Alloys Corporation Limited calling for necessary information. M/s. Ferro Alloys Corporation Limited filed its response.
- xi) The Authority held a public hearing on 8.8.2000 to hear the views orally, which was attended by M/s. Ferro Alloys Corporation Limited, M/s. Bilt Chemicals Ltd. M/s. HIN Ferromet, Delhi and M/s. VISA Energy Resources Ltd., New Delhi. In accordance with Rule 6 (6) the parties who attended the public hearing were requested to file written submissions of the views expressed orally. Written submissions have been received only from M/s. Ferro Alloys Corporation Limited and M/s. HIN Ferromet, Delhi.
- xii) The Authority kept available non-confidential version of the evidence presented by various interested parties in the form of a public file maintained and kept open for inspection by any interested party upon request.
- xiii) Investigation was carried out for the period 1<sup>st</sup> April, 1998 to 31<sup>st</sup> March, 1999.
- xiv) \*\*\*\* in this notification represents information furnished by the petitioner on confidential basis and so considered by the Authority under the Rules.
- xv) In accordance with Rule 16 of the Rules supra, the essential facts/basis considered for these findings were disclosed to all known interested parties and comments received, if any, on the same have also been duly considered in these findings.

**B. PRODUCT UNDER CONSIDERATION, DOMESTIC INDUSTRY AND LIKE ARTICLES:**

2. The Final Findings notified in the previous investigation with regard to the product under consideration, Export Price and Like Articles remain unchanged.

**C. DUMPING:**

**3. NORMAL VALUE:**

- (i) The Authority sent exporters questionnaire to known exporters of Low Carbon Ferro Chrome for the purpose of determination of Normal Value in accordance with Section 9A(1)c. However, none of the exporters responded to the

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Authority. The Authority, therefore, holds that the exporters from the subject countries have not co-operated with the Authority as envisaged under the Rules. The Authority also holds that the primary responsibility to establish Normal Value of Low Carbon Ferro Chrome in Russia and Kazakhstan rests with the exporters/producers, who have failed to co-operate with the Authority.

- (ii) The Authority also sent importers questionnaire to known Importers of Low Carbon Ferro Chrome. However, none of the Importers responded to the Authority. Accordingly, the Authority holds that Importers of Low Carbon Ferro Chrome have not co-operated with the Authority and have not furnished any information.
- (iii) M/s Ferro Alloys Corporation Ltd., the Domestic Industry in response to the questionnaire have claimed that the subject countries are Non Market Economies (NME), accordingly obtaining any cost particulars in respect of them is a very difficult rather impossible task. In the initial Anti Dumping investigations Zimbabwe was accepted as surrogate country and the Constructed Normal Value for Russia and Kazakhstan was estimated on the basis of cost of production in Zimbabwe. Since current cost data in respect of Zimbabwe is not available, the Constructed Normal Value as worked out by them be adopted. M/s Ferro Alloys Corporation Limited has claimed the Constructed Normal Value of Low Carbon Ferro Chrome originating in or exported from Russia and Kazakhstan as Rs. \*\*\*\* per MT.

#### 4. EXPORT PRICE:

- (i) None of the Exporters/Importers responded to the questionnaire forwarded by the Authority. The Domestic Industry also did not furnish any data to work out the Export Price of Low Carbon Ferro Chrome during Period of Investigation (POI).
- (ii) The Domestic Industry has submitted that no exports have taken place both from Russia and Kazakhstan after 1996-97 and accordingly no import details are available in respect of Russia and Kazakhstan for 1997-98 and the POI i.e. 1998-99. In the absence these details it is not possible to estimate the average Export Price of Russia and Kazakhstan material to India during POI.
- (iii) For the present investigation, a request was made to the Central Board of Excise and Customs (CBEC) and Directorate General of Commercial Intelligence and Statistics(DGCI&S), Calcutta to furnish details of imports of Low Carbon Ferro Chrome originating in or exported from Russia and Kazakhstan during the POI. Both CBEC and DGCI&S have intimated that during POI there is no import trade from Russia and Kazakhstan of Low Carbon Ferro Chrome.

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**EXAMINATION BY AUTHORITY:**

After examining the export statistics furnished by DGCIS, CBEC and the claim of the Domestic Industry, the Authority concludes that no exports have taken place of the subject goods from the subject countries to India during the POI i.e. 1998-99. In absence of exports from the subject countries, the Authority has not estimated the average Export Price of subject goods from the subject countries to India during the POI.

**D. DUMPING MARGIN:**  
**5. VIEWS OF DOMESTIC INDUSTRY:**

The Domestic Industry has submitted that the estimates about the Export Price of the subject goods originating from countries alleged to be dumping during POI cannot be made. For estimating the Dumping Margin, quantification of Normal Value as well as the Export Price of the goods alleged to be dumping is essential. However, quantification of Export Price in this case is not possible since no imports have taken place both from Russia and Kazakhstan after 1996-97.

**EXAMINATION BY AUTHORITY:**

Since there is no exports of the subject goods from the subject countries to India during the POI, there is no dumping of the subject goods. As explain above, in absence of Export Price the Authority could not determine the Dumping Margin in pursuance of the principle laid down in Para 6 of the Annexure 1 to the Rules.

**E. OTHER ISSUES:**  
**6. VIEWS OF THE DOMESTIC INDUSTRY:**

In response to the Initiation Notification M/s. Ferro Alloys Corporation Limited, the Domestic Industry has made the following submissions:-

- (i) There is an installed capacity for manufacture of Low Carbon Ferro Chrome at 3,80,000 MTPA in case of Russia and 80,000 MTPA in case of Kazakhstan.
- (ii) After Initiation of Anti Dumping investigations by the Indian Authorities during 1996-97 and levy of final Anti Dumping Duty in Jan., 1997 on imports of Low Carbon Ferro Chrome originating from these countries, the imports of the said commodity have reportedly stopped.
- (iii) Some quantity of Russia and Kazakhstan material is still being dumped into India routing the same through other countries based on forged certificates of origin. Most of these countries do not at all have any production facility for manufacture of Low Carbon Ferro Chrome.

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- (iv) The Statistics reveal that there is no drop at all in the installed Low Carbon Ferro Chrome production capacity in the subject countries.
- (v) Over the years the growth in the Steel Industry particularly in the Stainless Steel and Alloys Steel segment did not keep pace with the projected estimates of the Authorities in the Ministry of Steel and Planning Commission. In context of the above background the Domestic Industry is now burdened with excess installed capacity.
- (vi) Due to re-routing of Low Carbon Ferro Chrome through third country it is not possible for them to have access to any import document or data showing that Low Carbon Ferro Chrome of Russia and Kazakhstan origin are still being imported to the country.
- (vii) If the Anti Dumping Duty already levied on imports of Low Carbon Ferro Chrome from Russia and Kazakhstan is reduced or removed completely at this stage it would open the floodgates for dumping by these two countries jeopardizing the survival of the Domestic Industry.

7. VIEWS OF IMPROTTERS:

M/s. HIN Ferromet, one of the importers, in their written submissions has submitted that:-

- (i) M/s. Ferro Alloys Corporation Limited, Domestic Industry is not producing any Low Carbon Ferro Chrome for over two years. Local consumers are being deprived of the important raw material and left with no other alternative but to import material after paying Anti Dumping Duty making their finished Alloy Steel/Stainless Steel expensive.
- (ii) M/s. Ferro Alloys Corporation Limited have restarted two furnaces out of five. However they are producing High Carbon Ferro Chrome and not Low Carbon Ferro Chrome.
- (iii) Production of Low Carbon Ferro Chrome involves very high power consumption and keeping in view high power tariffs in India it is not possible to produce it economically.
- (iv) In India there are 25 producers of various grades of Ferro Alloys but none is producing Low Carbon Ferro Chrome as the same is economically not feasible.
- (v) By availability of cheaper Low Carbon Ferro Chrome from Russia and Kazakhstan, it should not be interpreted that they are dumping this commodity into India. Their cost of production and power tariff cost (it is one fourth of power tariff in India) is much lower resulting in lower sale prices.

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8. VIEWS OF EMBASSY OF THE REPUBLIC OF KAZAKHSTAN:

Embassy of the Republic of Kazakhstan have submitted that in Kazakhstan Low Carbon Ferro Chrome is produced only in one plant i.e. JSC "Ferrochrom" (Aktyubinsk City) in which within the period of time from June 1993 to December, 1996, the production of Low Carbon Ferro Chrome had been completely stopped and free stock was not available in storage. They also stated that Kazakhstan did not export Low Carbon Ferro Chrome to India during the last 10 years.

EXAMINATION BY AUTHORITY:

The contention of the Domestic Industry that the subject goods of Russian and Kazhaskstan origin is still being dumped into India, routing the same through other countries based on forged certificates of origin, has not been substantiated by the Domestic Industry with any documentary evidence. Accordingly, the same has not been accepted by the Authority. The claim of M/s HIN Ferromet that M/s Ferro Alloys Corporation Limited is not producing any Low Carbon Ferro Chrome for over two years has no bearing on the present investigation as the same does not relate to the Period of Investigation and hence not considered by the Authority.

F. LANDED VALUE:

9. In absence of any imports of subject goods from the subject countries during the POI, the Authority could not determine the Landed Value of the subject goods from the subject countries.

G. INJURY AND CAUSAL LINK:

10. In the absence of imports of the subject goods from the subject countries during the POI, the Authority holds that there is no impact of imports of Low Carbon Ferro Chrome from subject countries on the Domestic Industry in India. In the absense of Imports of subject goods from subject countries the Authority has not considered such indices having a bearing on the state of industry such as production trends, capacity utilisation, sales, stocks, profitability and average sales realization. The Authority accordingly could not establish any injury to the Domestic Industry by the dumped imports during the POI from the subject countries.

11. As explained in Para 10, the Authority could not determined the Landed Value of imports of subject goods from the subject countries during the POI. The Authority has also not determined Non-Injurious Price for the Domestic Industry. Accordingly, no comparison between the Non Injurious Price and the

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Landed Value of imports without considering the Anti Dumping Duty in force could be made. The selling price during POI of Low Carbon Ferro Chrome by M/s. Ferro Alloys Corporation Limited, is not relevant to decide whether the Anti Dumping Duty recommended earlier is required to be continued. It is found that there is no imports from subject countries during the POI and hence no injury margin could be worked out.

- 12. From the indices analyzed above, the Authority is thus led to the conclusion that there is no imports of Low Carbon Ferro Chrome from subject countries and hence no material injury has been caused to the Domestic Industry during the POI. Keeping in view that no imports from the subject countries of the subject goods have taken place during the POI, the Authority is of the opinion that cessation of existing Anti-Dumping Duty on imports of Low Carbon Ferro Chrome from the subject country, is not likely to lead to continuation or recurrence of injury to the Domestic Industry.

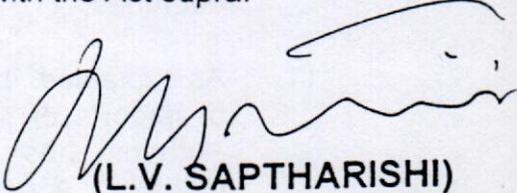
H. **FINAL FINDINGS:**

13 The Authority concludes, after considering the foregoing, that:

- Low Carbon Ferro Chrome originating in or exported from subject countries has not been exported to India during POI. There is no dumping of the subject goods from the subject countries.
- The Domestic Industry has not suffered any material injury from imports of Low Carbon Ferro Chrome from subject country during the POI.
- Cessation of existing Anti-Dumping Duty on imports of Low Carbon Ferro Chrome from the subject countries, is not likely to lead to continuation or recurrence of injury to the Domestic Industry.

14. The Authority, therefore, recommends that the Anti-Dumping Duty imposed on imports of Low Carbon Ferro Chrome originating in or exported from Russia and Kazakhstan, falling under Customs classification 7202.49 of Customs Tariff Act, 1975 be discontinued.

15. An appeal against this order shall lie before the Customs, Excise and Gold(Control) Appellate Tribunal in accordance with the Act supra.

  
 (L.V. SAPTHARISHI)  
**DESIGNATED AUTHORITY**

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