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No. 6/23/2018-DGTR
Government of India
Department of Commerce
(Directorate General of Trade Remedies)
New Delhi -110001

Dated: 14 August, 2018

INITIATION NOTIFICATION

Subject: Initiation of Anti-Dumping Investigation concerning imports of High Speed Steel of Non Cobalt Grade from Brazil, China and Germany

F. No. 6/23/2018-DGTR: M/s Graphite India Limited (hereinafter also referred to as the Petitioner or Applicant) has 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 " High Speed Steel of Non Cobalt Grade having three elements i.e., Molybdenum, Tungsten and Vanadium, out of which combination of Tungsten and Molybdenum should be between 4% - 11.5% and Vanadium 3.5% maximum. Carbon should be between 0.7 % - 1.3% and Chromium between 3.5% - 4.6%" (hereinafter also referred to as the subject goods or PUC) from Brazil, China and Germany (hereinafter also referred to as the subject countries).

Product under consideration

1. The product under consideration for the purpose of present investigation is "High Speed Steel of Non Cobalt Grade having three elements i.e., Molybdenum, Tungsten and Vanadium, out of which combination of Tungsten and Molybdenum should be between 4% - 11.5% and Vanadium 3.5% maximum. Carbon should be between 0.7 % - 1.3% and Chromium between 3.5% - 4.6%".
2. The subject good is used for making High Speed Steel Cutting Tools. The subject products are classified under Chapter Heading 72 "Iron and Steel" of the Customs

Tariff Act. The classification at the 8-digit level is majorly under 72281010 and 72281090. However, goods are coming under other heads of 7228 also. It is clarified that the HS codes are only indicative and the product description shall prevail in all circumstances.

Like Article

3. The petitioner has submitted that subject goods produced by the petitioner company and the subject goods imported from the subject countries are like articles. There is no known difference between the subject goods exported from subject countries and that produced by the petitioner. Subject goods produced by the domestic industry and imported from subject countries are comparable in terms of essential product characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Consumers can use and are using the two interchangeably. The two are technically and commercially substitutable, and hence, should be treated as 'like article' under the Rules. Therefore, for the purpose of the present investigation, the subject goods produced by the applicant in India are being treated as 'Like Article' within the meaning of the Rule 2 (d) to the subject goods being imported from the subject countries.

Domestic Industry & Standing

4. The Application has been filed by M/s Graphite India Limited., as domestic industry of the product under consideration. According to the Petitioner, they are the major producers of the subject goods in India accounting for 83% of the total production in India. The petitioner has certified that there are no imports of the product under consideration by the petitioner or any of its related party from the subject countries. Since the petitioner account for entire the major proportion of the total production of the product under consideration in India, the petitioner satisfies the standing and constitutes Domestic Industry within the meaning of the Rule 2 (b).

Country involved

5. The present investigation is in respect of alleged dumping of the product under consideration from Brazil, China and Germany (subject countries).

Normal Value

6. The applicant has claimed the normal value based on price prevailing in the subject countries. The Authority after considering the supporting evidences for the domestic sales has considered it appropriate to correlate the same with constructed normal value which have been constructed as per its consistent norms / methodology of cost of production in India, duly adjusted with selling, general and administrative expenses and reasonable profit.

Export Price

7. The applicant has computed the export price on the basis of data published by DGCI&S, Kolkata. Price adjustments have been claimed on account of commission, ocean freight, port expenses, inland freight, marine insurance, credit cost and bank charges and VAT in case of China as per the consistent norms adopted.

Dumping Margin

8. The normal value and the export price have been compared at ex-factory level, which prima facie show significant dumping margin in respect of the subject goods from the subject countries. There is sufficient prima facie evidence that the normal value of the subject goods in the subject countries are higher than the ex-factory export price, indicating, prima facie, that the subject goods are being dumped into the Indian market by the exporters from the subject countries.

Injury and Causal Link

9. The applicant has claimed that domestic industry has suffered material injury from dumped imports. The demand for the product under consideration has increased over the injury period and subject imports have increased in absolute terms. The imports are undercutting the domestic prices and have suppressed/depressed the domestic prices which have led to financial losses and negative return on capital employed. Therefore, there is prima facie evidence of injury to the domestic industry caused by dumped imports from subject countries to justify initiation of an anti-dumping investigation.

Period of Investigation (POI)

10. The period of investigation for the purpose of present investigation is from 1st April 2017 to 31st March 2018 (12 months). However, the injury investigation

period will cover the data of previous three years, i.e. April 2014 to March-2015, April 2015 to March 2016, April 2016 to March-2017 and POI.

Submission of Information

11. The exporters in the subject countries, their government through their Embassy in India, 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 Authority at the following address:

**The Designated Authority
Directorate General of Trade Remedies
Department of Commerce,
Jeevan Tara Building, 4th Floor
5, Parliament Street
New Delhi -110001**

12. 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. 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.

Time Limit

13. Any information relating to the present investigation 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 publication of this Notification. 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.
14. 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 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.

Submission of information on confidential basis

15. 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.
16. 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.
17. 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. The 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.
18. 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.
19. 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.

20. 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.
21. 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.

Inspection of Public File

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

Non-cooperation

23. 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.

Sunil Kumar
Designated Authority