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Government of India
Department of Commerce
Ministry of Commerce & Industry
(Directorate General of Anti Dumping & Allied Duties)
4th Floor, Jeevan Tara Building, Parliament Street

Dated the 15 June 2017

INITIATION NOTIFICATION

Case No. O.I-19/2017

Subject: Initiation of Anti-Dumping Duty Investigation Concerning Imports of “High Tenacity Polyester Yarn” Originating in or Exported from China PR.

F.No.6/12/2017-DGAD: M/s SRF Limited & Reliance Industries Limited (hereinafter referred to as ‘petitioners’ or ‘applicants’) have filed an application (also referred to as petition) along with relevant information before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Customs Tariff Act, 1975 as amended from time to time (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 the AD Rules) for initiation of anti dumping investigation concerning imports of ‘High Tenacity Polyester Yarn’ (hereinafter referred to as the subject goods) originating in or exported from China PR (hereinafter also referred to as the subject country).

2. AND WHEREAS, the Authority finds that sufficient *prima facie* evidence of dumping of the subject goods originating in or exported from the subject country, ‘injury’ to the domestic industry and causal link between the dumping and ‘injury’ exists to justify initiation of an anti dumping investigation. The Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of the Rules 5 of the AD Rules, to determine the existence, degree and effect of any alleged dumping and to recommend the amount of antidumping duty, which if levied, would be adequate to remove the ‘injury’ to the domestic industry.

A. Product under consideration and like article

3. The product under consideration in the present petition is “High tenacity Polyester yarn” also known as polyester industrial yarn (PIY) or industrial yarn (IDY) in market parlance. High Tenacity Industrial Grade yarn has various grades depending on end application requirement such as Regular Adhesive Activated (AA), Regular Adhesive Non activated (NON AA), High

modulus Low Shrinkage adhesive activated (HMLSAA), High modulus Low Shrinkage non adhesive activated (HMLS NAA), Low Shrinkage (LS), Super Low Shrinkage (SLS), Ultra Low Shrinkage (ULS), Dope Dyed Yarn.

4. The subject goods are used for manufacture of Tyre cord fabric, Seat belt webbing, Geo Grid, Geo Strip, Slings, Ropes, Single Cord, Coated fabric, Conveyor Belt fabric, Rubberized Hose, Fire Hose, Automotive Hose, etc. Product under consideration is classified under Chapter 54 of the Customs Tariff Act, 1975, under customs sub-heading 5402.2090.
5. The customs classification is indicative only and in no way it is binding upon the product scope.

B. Domestic Industry & Standing

6. The application has been filed by M/s SRF Limited and M/s Reliance Industries Limited in India. Apart from the applicants there is one other known domestic producer, namely, Fairdeal Jumbo Packaging Pvt. Ltd. The production by the applicants constitutes 'a major proportion' of Indian production of the like product. Further, one of the applicants, i.e., M/s SRF Limited has imported the subject goods from the subject country, however it has been submitted that the imports have largely been made under advance license scheme to supplement different product lines. M/s Reliance Industries Ltd. has not imported the subject goods. Further, applicants are not related to any importer or exporter of the subject goods. In the past, eligibility of an applicant producer who has imported the subject goods has been considered based on the quantum, nature and circumstances regarding imports made by the applicant. In this case also, keeping in view these aspects, the Authority holds that the applicants constitute eligible domestic industry in terms of Rule 2 (b) and satisfies the criteria of standing also in terms of Rule 5 (3) of the Rules supra.

C. Like Article

7. The applicants have claimed that there is no known difference in product produced by the applicants and exported from the subject country. Both products have comparable characteristics in terms of parameters such as physical & chemical characteristics, functions & uses, product specifications, pricing, distribution & marketing and tariff classification, etc. The two are technically and commercially substitutable and hence should be treated as 'like article' under the Rules.

D. Countries involved

8. China PR is the only country involved in the present investigation.

E. Normal value

9. The applicants have claimed that China PR should be treated as a non-market economy and has determined normal value in accordance with Para 7 and 8 of Annexure I of the Rules. In view of the non-market economy presumption and subject to rebuttal of the same by the responding exporters, normal value of the subject goods in China PR has been estimated in terms of Para 7 of Annexure I to the Rules. The applicants have determined the normal value based on cost of production in India, by taking the international price of the major raw materials duly adjusted with selling, general and administrative expenses.

F. Export Price

10. The export price has been claimed by the applicants as the weighted average import price from the subject country based on the transaction-wise import data from DGCIS. Price adjustments have been claimed on account of ocean freight, marine insurance, commission, inland freight expenses, port expenses, bank charges to arrive at the net export price.

G. Dumping Margin

11. The normal value has been compared with the export price at ex-factory level. There is sufficient prima facie evidence that the normal value of the subject goods in the subject country is higher than the ex-factory export price, indicating, that the subject goods are being dumped into the Indian market by the exporters from the subject country. The dumping margins are estimated to be above *de minimis*.

H. Evidence of Injury and Causal Link

12. Information furnished by the applicants has been considered for assessment of injury to the domestic industry. The applicants have furnished evidence regarding the injury having taken place as a result of the alleged dumping in the form of increased volume of dumped imports in absolute terms and in relation to production and consumption, price undercutting, price underselling and consequent significant adverse impact on profitability, return on capital employed, cash flow, performance on account of capacity utilization, sales and market share of the domestic industry. There is sufficient prima facie evidence of 'material injury' being suffered by the domestic industry caused by alleged dumped imports from the subject country to justify initiation of an anti-dumping investigation.

I. Initiation of investigation

13. The authority finds sufficient prima facie evidence of dumping of subject goods, originating in or exported from the subject country; injury to the domestic industry and causal link between alleged dumping and injury, to justify initiation of anti-dumping investigation to determine the existence, degree and effect of alleged dumping and to recommend the amount of anti dumping duty, which if levied, would be adequate to remove the 'injury' to the domestic industry. Accordingly, the authority hereby initiates an investigation into the alleged dumping and consequent injury to the domestic industry in terms of Para 5 of the Rules.

J. Period of investigation (POI)

14. The period of investigation proposed by the applicants is October 2015 – September 2016, however, the Authority has taken the period of investigation as April 2016-March 2017. The injury investigation period shall cover the periods 2013-14, 2014-15, 2015-16 and the period of investigation.

K. Submission of Information

15. The known exporters in the subject country, the Government of the subject country through their embassy in India, the importers and users in India known to be concerned with the product 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 Anti-Dumping & Allied Duties,
Ministry of Commerce & Industry,
Department of Commerce
4th Floor, Jeevan Tara Building,
5 Parliament Street,
New Delhi -110001.
Dgad.india@gov.in

16. Any other interested party may also make its submissions relevant to the investigation in the prescribed form and manner (downloadable from the website of the authority at www.dgtr.gov.in) within the time limit set out below.

L. Time limit

17. Any information relating to the present investigation 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 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 Anti-Dumping Rules.

18. 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 regarding the need to impose the Antidumping measures within 40 days from the date of initiation of this investigation

M. Submission of Information on Confidential/Non-Confidential basis

19. In case confidentiality is claimed on any part of the questionnaire's response/submissions, the same must be submitted in two separate sets (a) marked as Confidential (with title, index, number of pages, etc.) and (b) other set marked as Non Confidential (with title, index, number of pages, etc.). All the information supplied must be clearly marked as either "confidential" or "non-confidential" at the top of each page.
20. Information supplied without any confidential marking shall be treated as non-confidential and the Authority shall be at liberty to allow the other interested parties to inspect any such non-confidential information. Two (2) copies of the confidential version and of the non-confidential version must be submitted by all the interested parties.
21. For information claimed as confidential, 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 and/or why summarization of such information is not possible.
22. The non-confidential version is required to be a replica of the confidential version with the confidential information preferably indexed or blanked out /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, parties submitting the confidential information may indicate that such information is not susceptible to summarization; a statement of reasons why summarization is not possible must be provided to the satisfaction of the Authority.
23. 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 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.

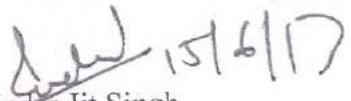
24. Any submission made without a meaningful non-confidential version thereof or without a good cause statement on the confidentiality claim may not be taken on record by the Authority. The Authority on being satisfied and accepting the need for confidentiality of the information provided; shall not disclose it to any party without specific authorization of the party providing such information.

N. Inspection of Public File

25. In terms of rule 6(7) any interested party may inspect the public file containing non-confidential versions of the evidence submitted by other interested parties.

O. Non-cooperation

26. In case any interested party refuses access to and 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.


Dr. Inder Jit Singh
Additional Secretary & Designated Authority