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**No. 7/20/2021-DGTR  
Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
(Directorate General of Trade Remedies)  
4<sup>th</sup> Floor, Jeevan Tara Building, 5 Parliament Street, New Delhi – 110001**

Dated 31<sup>st</sup> August 2021

**INITIATION NOTIFICATION**

**Case No. AD (SSR)- 17/2021**

**Subject: Initiation of Sunset Review Investigation concerning imports of “Ceramic Tableware and Kitchenware, excluding Knives and Toilet items” originating in or exported from China PR.**

M/s Clay Craft (I) Pvt. Ltd. and M/s Ceramic Tableware Pvt. Ltd. (hereinafter referred to as the ‘applicants’) have 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”) for Sunset Review Anti-dumping Investigation concerning imports of “Ceramic Tableware and Kitchenware, excluding Knives and Toilet Items” (hereinafter referred to as “subject goods” or specifically as “product under consideration” or “PUC”), originating in or exported from China PR (hereinafter referred to as the “subject country”).

2. The Applicants have alleged continued injury on volume parameters and likelihood of continuation or recurrence of dumping of subject goods, originating in or exported from the subject country and have requested for initiation of Sunset review and continuation of the Anti-dumping duty imposed on the imports of subject goods, originating in, or exported from the subject country.

**A. Background**

3. The original investigation concerning imports of the subject goods from China PR was initiated by the Authority vide Notification No. 14/05/2016-DGAD, dated 13.10.2016. Provisional anti-dumping duties were recommended for imposition on China PR vide Notification No. 14/05/2016-DGAD, dated 04.05.2017 and was imposed vide Customs

Notification No. 27/2017-Cus (ADD), dated 12.06.2017. Subsequently, Definitive Anti-dumping duties were recommended for imposition on China PR vide Notification No. 14/05/2016-DGAD, dated 08.12.2017. The definitive anti-dumping duty was imposed vide Customs Notification No. 04/2018-Customs (ADD) dated 21.02.2018.

4. An Anti-circumvention investigation concerning imports of “Ceramic Tableware and Kitchenware, excluding Knives and Toilet Items”, from Malaysia was initiated by the Authority vide Notification No. 7/33/2020-DGTR, dated 25.09.2020, wherein the Authority vide Final Findings dated 3<sup>rd</sup> August 2021, recommended extension of the existing Anti-dumping duty on subject goods originating or exported from China PR, imposed vide Custom Notification No. 4/2018-Customs (ADD) dated 21<sup>st</sup> February 2018, to “Ceramic Tableware and Kitchenware, excluding knives and toilet items” originating in or exported from Malaysia. This recommendation as proposed by the Authority is pending for consideration in the Ministry of Finance.

#### **B. Product Under Consideration**

5. The product under consideration as in the original investigation is “Ceramic Tableware and Kitchenware, excluding Knives and Toilet Items”. As per the original anti-dumping investigation carried out by the Designated Authority earlier, the product has been defined as under:

*“7. The product under consideration in the present investigation is defined as “Ceramic table wares and kitchen wares, excluding knives and toilet items” (hereinafter referred to as ‘subject goods or PUC).*

*8. It is noted that bone china, stoneware and porcelain-ware all constitute ceramic products and therefore the product under consideration includes kitchenware and tableware of bone china, stone and porcelain. Ceramic tableware and kitchenware products are used for the purpose of eating, drinking, and serving food and beverages in homes and hotels.*

*19. Subject goods are classified under Chapter 69 of Customs Tariff Act, 1975. It is imported under various subheadings under HS code 6911 and 6912. However, the HS codes are indicative only and product description is the determining factor for the purpose of present investigation.”*

6. The present investigation being a Sunset Review investigation, product under consideration remains the same as defined in the original investigation, and no significant developments have taken place over the period.
7. The Product under consideration is classified under Chapter 69 of the Customs Tariff Act, 1975, under Customs sub-headings 6911 and 6912. However, the customs classification is only indicative and is not binding on the scope of the investigation.

### **C. Like article**

8. The applicants have claimed that the subject goods, which are being dumped into India, are identical to the goods produced by the domestic industry. There is no difference in the technology employed by the applicants and foreign producers. There is no significant difference in production process of various producers. However, every manufacturer fine-tunes its production process on the basis of necessities and available facilities. Both products are comparable in terms of characteristics such as physical & technical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing, and tariff classification of the goods. The two are technically and commercially substitutable, and are used by consumers interchangeably and, hence, should be treated as 'Like Article' under the Rules. The subject goods produced by the applicants in India are, therefore being treated as 'Like Article' to the subject goods being imported from the subject countries.

### **D. Domestic Industry**

9. The application has been filed by Clay Craft (I) Pvt. Limited and Ceramic Tableware Pvt. Limited. Further, the application has been supported by M/s Raghuvar (India) Limited., M/s U.P. Ceramics & Potteries Pvt. Ltd., M/s Umberto Ceramics International Pvt. Ltd., and M/s Oasis Ceramics Pvt. Ltd. The applicants have neither imported the subject goods from the subject country nor are related to any exporter or producer of subject goods in the subject country or any importer of the Product under Consideration in India during the POI. It is noted that M/s Clay Craft (I) Pvt. Ltd.'s affiliated company had imported subject goods prior to the POI of this investigation, however, the same was in miniscule quantities. Considering the information on record, the production of the applicants account for "a major proportion" in the total Indian production of the like article, and the Authority is satisfied that the application has been made 'by or on behalf of the domestic industry' in terms of the provisions contained in Rule 2 (b) and Rule 5 (3) of the Rules.

### **E. Likelihood of Continuation or recurrence of Dumping**

#### **i. Normal Value for China PR**

10. The applicants have cited and relied upon Article 15(a) (i) of China's Accession Protocol. The applicants have claimed that producers in China PR must be asked to demonstrate that market economy conditions prevail in their industry producing the like product with regard to the manufacture, production and sale of the product under consideration. It has been stated by the applicants that in case the responding Chinese producers are not able to demonstrate that their costs and price information are market-driven, the normal value should be calculated in terms of provisions of Para 7 and 8 of Annexure- I to the Rules.

11. The applicants have submitted that efforts were made to determine normal value on the basis of price or constructed value in a market economy third country, price from such a third country to other countries, including India. However, the applicant could not get reliable information regarding the same. The applicants have claimed that PUC does not have a dedicated code, and because of this reason it becomes difficult to get accurate reliable information regarding the same. As regards price from market economy third country to India, it is seen that imports from other countries are *de minimis* and at dumped price. Accordingly, the applicants have therefore, claimed Normal Value in China on the basis of cost of production in India, based on the cost of the domestic industry duly adjusted with selling, general and administrative expenses. There is sufficient evidence of the normal value claimed by the applicants in their application.

ii. Export Price

12. The Authority has computed the export price from the subject country as per the latest available DGCI&S transaction wise import data. Adjustments have been made for ocean freight, marine insurance, port expenses, commission, inland freight expenses, commission and bank charges to arrive at CIF export price.

iii. Dumping Margin

13. Considering the normal value and export price determined as above, dumping margin has been determined, in accordance with Section 9 A(1)(a) of the Act. It is noted that dumping margin continues to be positive and quite significant.

**F. Likelihood of continuation or recurrence of Injury**

14. The Applicants have claimed that the domestic industry has suffered continued injury in terms of volume parameters, and was prevented full recovery and continued to suffer adverse impact of imports. The Applicants have also furnished evidence with regard to likelihood of continuation or recurrence of dumping from the subject country in the form of: the continued dumping of subject goods from China PR, persistent presence of subject goods from China PR in Indian market, extension of duties by European Commission on the subject goods from China PR in their expiry review, price attractiveness of Indian market, price undercutting, and vulnerability of the domestic industry. There is *prima facie* evidence of likelihood of continuation or recurrence of injury on account of continued dumping of subject goods from China PR.

**G. Initiation of Sunset Review Investigation**

15. On the basis of the duly substantiated written application by or on behalf of the domestic industry, and having satisfied itself, on the basis of the *prima facie* evidence submitted by the domestic industry, substantiating likelihood of continuation/recurrence of dumping of product under consideration originating in or exported from the subject countries and

injury to the domestic industry, and in accordance with Section 9A of the Act read with Rule 23 of the Rules, the Authority, hereby, initiates a sunset review investigation to review the need for continued imposition of duties in force in respect of the subject goods, originating in or exported from the subject countries and to examine whether the expiry of such duty is likely to lead to continuation or recurrence of dumping and injury to the domestic industry.

#### **H. Subject Country**

16. The subject country in the present investigation is China PR.

#### **I. Period of Investigation**

17. The Authority proposes the period of investigation (POI) for the present investigation as 1<sup>st</sup> April 2020 – 31<sup>st</sup> March 2021 (12 Months). However, the injury investigation period will cover the three preceding years i.e. 2017 – 18, 2018 – 19, 2019 – 20 and the POI.

#### **J. Procedure**

18. The review investigation will cover all aspects of the final findings published vide Notification No. 14/05/2016-DGAD, dated 08.12.2017 recommending imposition of Anti-dumping duty on imports of 'Ceramic Tableware and Kitchenware, excluding Knives and Toilet Items' from China PR.
19. Since, the Authority has also recommended extension of existing anti-dumping duty vide its Final Findings No. 7/33/2020-DGTR dated 03.08.2021 to "Ceramic Tableware and Kitchenware, excluding knives and toilet items" originating in or exported from Malaysia, which is pending consideration by the Ministry of Finance, it is further recommended that upon confirmation by the Ministry of Finance of the extended duty, the same shall be applicable within the scope of present investigation as well.
20. The provisions of Rules 6, 7, 8, 9, 10, 11, 16, 17, 18, 19, and 20 of the Rules supra shall be mutatis mutandis applicable in this review.

#### **K. Submission of information**

21. In view of the special circumstances arising out of COVID-19 pandemic, all communication should be sent to the Designated Authority via email at the email addresses [adg13-dgtr@gov.in](mailto:adg13-dgtr@gov.in), [adv12-dgtr@gov.in](mailto:adv12-dgtr@gov.in), [dd13-dgtr@gov.in](mailto:dd13-dgtr@gov.in) and [ad12-dgtr@gov.in](mailto:ad12-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.
22. The known producers/exporters in the subject countries, Government of the subject countries through their Embassies in India, the 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 the relevant information in the form and manner prescribed within the time-limit set out below.

23. 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.
24. Any party making any confidential submission before the Authority is required to make a nonconfidential version of the same available to the other parties.
25. Interested parties are further advised to keep a regular watch on the official website of the Designated Authority <http://www.dgtr.gov.in/> for any updated information with respect to this investigation.

**L. Time Limit**

26. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses [adg13-dgtr@gov.in](mailto:adg13-dgtr@gov.in) , [adv12-dgtr@gov.in](mailto:adv12-dgtr@gov.in) , [dd13-dgtr@gov.in](mailto:dd13-dgtr@gov.in) and [ad12-dgtr@gov.in](mailto:ad12-dgtr@gov.in) within 30 days from the date of receipt of the notice as per as Rule 6(4) of the 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
27. 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.

**M. Submission of information on confidential basis**

28. 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. Failure to adhere to the above may lead to rejection of the response / submissions.
29. 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.
30. 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.

31. 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.
32. 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 nonconfidential 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.
33. The Authority may accept or reject the request for confidentiality on examination of the nature of the information submitted. If the Authority is satisfied 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 in summary form, it may disregard such information.
34. 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.
35. 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**

36. A list of 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 submissions to all interested parties since the public file will not be accessible physically due to ongoing global pandemic.

**O. Non-cooperation**

37. 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**