

To be published in Part-I Section I of the Gazette of India Extraordinary

**F. No. 7/6/2021-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: 31st March, 2021

INITIATION NOTIFICATION

Case No.AD (SSR)-06/2021

Subject: Initiation of sunset review investigation concerning imports of “Cold Rolled/cold reduced flat steel products of iron or Non-Alloy Steel, or other Alloy Steel, of all width and thickness, not clad, plated or coated” originating in or exported from China PR, Japan, Korea RP and Ukraine

1. Indian Steel Association (hereinafter also referred to as the "Applicant" or "Petitioner") has filed an application before the Designated Authority (hereinafter also referred to as the "Authority") on behalf of Steel Authority of India Limited, JSW Steel Limited, JSW Steel Coated Products Limited and ArcelorMittal Nippon Steel India Limited (hereinafter also referred to as the "Applicant producers") in accordance with the Customs Tariff Act, 1975 as amended from time to time (hereinafter also 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 also referred to as the "Rules") for initiation of sunset review investigation concerning imports of “Cold Rolled/cold reduced flat steel products of iron or Non-Alloy Steel, or other Alloy Steel, of all width and thickness, not clad, plated or coated,” (hereinafter referred to as the "subject goods" or "product under consideration"), originating in or exported from China PR, Japan, Korea RP and Ukraine (hereinafter also referred to as "subject countries"). The domestic producers namely, Steel Authority of

India Limited, JSW Steel Limited, JSW Steel Coated Products Limited and ArcelorMittal Nippon Steel India Limited (hereinafter referred to as “Applicant producers”) have provided the prescribed information in the Application.

2. The Applicant has alleged that dumping from the subject countries has continued even after the imposition of anti-dumping duty and that there is likelihood of continuation / recurrence of dumping and injury in case of cessation of duties. The Applicant has requested for extension of duties on imports of subject goods, originating in or exported from the subject countries.

Background

3. The original anti-dumping investigation concerning imports of subject goods from subject countries was initiated on 11th April 2016 by the Designated Authority. The Designated Authority recommended for imposition of provisional anti-dumping duty vide preliminary findings dated 3rd August 2016, which was imposed on 17th August 2016 vide Notification No. 45/2016-Customs (ADD). Pursuant to detailed investigation, the Designated Authority recommended imposition of definitive anti-dumping duties on imports of the subject goods from the subject countries vide final findings Notification No. 14/12/2016-DGAD dated 10th April 2017. The recommendations of the Designated Authority were implemented vide Notification No. 18/2017-Customs (ADD) dated 12th May 2017. The definitive anti-dumping duty will remain in force till 16th August 2021.

Product under consideration

4. The product under consideration in the present sunset review investigation is “Cold rolled / cold reduced flat steel products of iron or non-alloy steel, or other alloy steel, of all widths and thickness, not clad, plated or coated.”

The following are excluded from the scope of product under consideration.

- a) Stainless Steel.
- b) High Speed Steel, i.e., alloy steels containing, with or without other elements, at least two of the three elements Molybdenum (Mo), Tungsten (W) and Vanadium (V) with a

combined content by weight of 7% or more, 0.6% or more of Carbon and 3 to 6% of Chromium.

- c) Silicon Electrical Steels conforming to Grain Oriented and Non- Grain Oriented Steels i.e. alloy steels containing by weight, at least 0.6% but not more than 6% of Silicon and not more than 0.08% of Carbon. This steel may also contain by weight not more than 1% of Aluminium but no other element in a proportion that would give the steel the characteristics of other alloy steel.
5. The scope of the product under consideration in the present sunset review investigation is the same as in the original investigation.
6. The PUC includes cold rolled / cold reduced flat steel products in coils or not in coils including slit coils or sheets, blanks whether or not annealed or box annealed or batch annealed or continuously annealed or any other annealing process or full hard or partially hard. The product concerned covers cold-rolled / cold-reduced flat steel products conforming to prime or non-prime quality whether or not rolled from 4-high reversible mill, 6-high reversible mill, Sendzimir mill, 20-high cold rolling mill, Pickling Lines and Tandem Cold Rolling Mills (PLTCM), Continuous Annealing Line (CAL) or any other cold rolling / cold reducing processes. These products may be oiled or supplied without oil of any type, standard, specification and grade. These products may be conforming to various qualities of steel including but not limited to full hard, partially hard, commercial quality, drawing, deep drawing, extra deep drawing, interstitial free steel, high strength low alloy steels, advance high strength steels, ultra high strength steels, alloy steels, microalloyed steel, TRIP steel (Transformation Induced Plasticity), tin mill black plates (TMBP), and many more qualities, whether or not vacuum degassed through any vacuum degassing process. These steels may be produced and supplied with or without skin pass / temper rolling, whether or not aluminium killed / non-ageing quality and whether or not containing Boron and / or Titanium and/or Vanadium or any other suitable elements of any level by weight.
7. These steels may find applications spread across various end-usages including but not limited to automotive industry, tractors, bicycles, appliances, furniture, electrical panels, packaging, drums, barrels, general engineering, substrate for coating, color coating galvanizing, metal-coating / plating, tin plate etc. and many more applications.

8. The PUC is classified under Custom Tariff Headings 7209, 7211, 7225 and 7226 of the Customs Tariff Act, 1975. The customs classification is indicative only and is in no way binding on the scope of the present review investigation.
9. It is noted that the domestic industry has not proposed PCN methodology in the sunset review petition. However, it is noted that in the original investigation, PCN methodology was proposed by the domestic industry, and the Authority determined Product Control Numbers (PCNs) in order to make a PCN to PCN comparison for computing the dumping margin. The PCNs prescribed in the original investigation are given below, and the same is proposed to be used **for the present sunset review.**

S. No.	No. of Digits	Description	Code
1	1	CRFH - Cold Rolled Full Hard including Partially Hard	F
		Annealed - Cold Rolled Annealed	A
2	1	"Coil" including slit coil	X
		"Not-In-Coil" including sheets and blanks of various shapes and sizes	Y
3	1	Alloy	L
		Non Alloy	N
4	4	Plain Carbon steels with Carbon $\leq 0.15\%$ and maximum UTS ≤ 410 MPa - conforming to : a. Commercial quality; b. Drawing / Deep Drawing quality (D/DD) c. Extra Deep Drawing quality (EDD)	Q01Q
		Plain Carbon steels with Carbon $\leq 0.06\%$ and maximum UTS ≤ 350 MPa - conforming to	Q02Q

S. No.	No. of Digits	Description	Code
		Interstitial Free - Extra Deep Drawing quality (IF-EDD)	
		Plain Carbon High Strength steels whether or not Interstitial Free, with UTS \geq 350MPa - IF-HS or HS	Q03Q
		Plain Carbon and / or Micro-alloyed steels of Advanced High Strength Quality (AHSS) with minimum UTS \geq 440MPa	Q04Q
		Micro-alloyed steels of Advanced High Strength Quality (AHSS) with minimum UTS \geq 590MPa	Q05Q
		Micro-alloyed steels of Advanced High Strength Quality (AHSS) with minimum UTS \geq 780MPa	Q06Q
		Micro-alloyed steels of Advanced High Strength Quality (AHSS) with minimum UTS \geq 980MPa	Q07Q
		Bake-Hardening Steel with minimum UTS \geq 370MPa (BH)	Q08Q
		Dual-Phase Steel with minimum UTS \geq 370MPa (DP)	Q09Q
		Corrosion Resistant Steel (CORTEN)	Q10Q
		Medium and High Carbon steels with Carbon $>0.15\%$	Q11Q
		Any other grades / quality	Q12Q
5	1	$\leq 0.50\text{mm}$	G
		$> 0.50 \leq 0.80\text{mm}$	H
		$> 0.80 \leq 1.20\text{mm}$	I
		$> 1.20\text{mm}$	J

S. No.	No. of Digits	Description	Code
6	1	=< 600mm	1
		> 600mm =< 900mm	2
		> 900mm	3
7	1	As Rolled edges / mill edges	R
		Trimmed edges	S
8	1	Oiled	O
		Unoiled	U

10. Interested parties may offer their comments, if any, on the PCN methodology within 10 days from the date of the initiation notice.

Like article

11. The applicant has claimed that the goods produced by the domestic industry are identical to the subject goods exported from the subject countries to India. Subject goods produced by the domestic industry are comparable to the imported goods from subject countries in terms of technical specifications, manufacturing process & technology, functions & uses, pricing, distribution & marketing and tariff classification of the goods. The two are technically and commercially substitutable and should be treated as 'like article' under the Rules. Therefore, for the purpose of the present investigation, the subject goods produced by the domestic industry are being treated as 'Like Article' to the subject goods being imported from the subject countries.

Domestic industry

12. The application has been filed by Indian Steel Association (Applicant) on behalf of the domestic producers. The following applicant producers have provided their injury information for the purposes of the sunset review investigation:
- a. Steel Authority of India Limited
 - b. JSW Steel Limited
 - c. JSW Steel Coated Products Limited

- d. ArcelorMittal Nippon Steel India Limited.
13. The application is supported by (i) Tata Steel Limited and (ii) Tata Steel BSL Limited (erstwhile Bhushan Steel Limited).
14. Steel Authority of India Limited, JSW Steel Limited and JSW Steel Coated Products Limited have neither imported the subject goods from the subject countries nor they are related to any exporter or importer of the subject goods.
15. Essar Steel India Ltd. was admitted to corporate insolvency resolution process by way of an Order dated 02.08.2017 passed by the National Company Law Tribunal, Ahmedabad. Pursuant to the procedure established by the Insolvency and Bankruptcy Code, 2016, ArcelorMittal India Pvt. Ltd. became the successful resolution applicant and with effect from 16.12.2019 took over the entire shareholding of the company. Pursuant to issuance of a fresh certificate of incorporation by the Registrar of Companies, the name of Essar Steel India Ltd. was changed to ArcelorMittal Nippon Steel India Ltd. with effect from 08.01.2020. The Company is incorporated in India under the Companies Act, 1956. It is a domestic producer of Hot Rolled Products (both in coil and not-in coil) and Cold Rolled Products and has significant production capacities in India and is in the process of further expansion. M/s. Nippon Steel & Sumitomo Metal Corporation, Japan has no direct shareholding in ArcelorMittal Nippon Steel India Limited but is a minority stakeholder in an intermediate holding company separated by several intervening independent corporate enterprises. ArcelorMittal Nippon Steel India Limited has not imported the subject goods from Nippon Steel & Sumitomo Metal Corporation, Japan during the POI. ArcelorMittal Nippon Steel India Limited is an independent, professionally managed company and does not reflect the individual interests of its shareholders. As a domestic producer, the very fact that it has come together with other domestic producers to seek the present sunset review evidences that it is not acting in a manner different from other domestic producers. ArcelorMittal Nippon Steel India Limited has not imported the subject goods from the subject countries.
16. Therefore, the Authority has considered that the relationship has not affected the basic character of the ArcelorMittal Nippon Steel India Limited as producer of the like product in India. The Authority, therefore, considers ArcelorMittal Nippon Steel India Limited as eligible constituent of domestic industry under Rule 2(b) of the Rules.

17. As per evidence available on record, the applicant producers account for a major proportion in the domestic production of the like article in India. On the basis of information available, the Authority has considered the applicant producers as domestic industry within the meaning of the Rule 2(b) of the Rules.
18. It is noted that the Applicant Producers, along with the supporters, account for more than 50% of the total domestic production. In view of the above and after due examination, the Authority notes that the Applicant Producers constitute eligible domestic industry in terms of Rule 2 (b), and the application satisfies the criteria of standing in terms of Rule 5(3), of the Rules supra.

Basis of alleged dumping

Normal value

China PR

19. The applicant has cited and relied upon Article 15(a) (i) of China's Accession Protocol. The applicant has 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 applicant 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- 1 to Rules.
20. The applicant has 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 applicant has claimed that PUC has various grades and is classified under multiple HS codes, and because of these reasons it becomes difficult to get accurate reliable information regarding the same.

21. Therefore, the applicant has determined normal value for China PR on the basis of “any other reasonable basis” as per Para 7 of Annexure 1 to the Rules. In this regard, the applicant has claimed the normal value for China PR based on (a) International price of raw material, (b) Consumption norms, conversion costs and SGA costs on the basis of experience of the domestic industry, and (c) a reasonable profit. There is sufficient evidence of normal value to justify initiation of investigation.

Japan, Korea RP and Ukraine

22. The applicant has claimed that they were unable to get any documentary evidence or reliable information with regard to domestic prices of the subject goods in Japan, Korea RP and Ukraine. Accordingly, normal value for Japan, Korea RP and Ukraine has been constructed based on (a) International price of raw material, (b) Consumption norms, conversion costs and SGA costs on the basis of experience of the domestic industry, and (c) a reasonable profit.
23. For the purpose of initiation, the Authority has considered the normal value claimed by the applicant.

Export price

24. The export price for subject goods from the subject countries has been computed based on the Directorate General of Commercial Intelligence and Statistics (DGCI&S) transaction-wise import data. Price adjustments have been claimed on account of ocean freight, inland freight, ocean insurance, bank charges, commission/trader’s profit and non-refundable VAT (only for China PR).

Dumping margin

25. Considering the normal value and export price determined as above, dumping margin determined is not only above de-minimis level but also significant. There is prima facie evidence that normal value of the subject goods in the subject countries is significantly higher than the net export price, thereby indicating that the subject goods originating in or exported from the subject countries have continued to be exported at dumped prices, in spite of antidumping duty in force.

Likelihood of continuation / recurrence of dumping and injury

26. There is *prima facie* evidence of likelihood of continuation/recurrence of dumping and injury to the domestic industry in the event of cessation of duty, considering the volume and price of imports of subject goods from subject countries, positive dumping margin, the performance of the domestic industry, significant unutilized capacities in subject countries, existence of trade remedial measures imposed by other countries against the subject countries, excess capacities, potential trade diversion, price attractiveness of Indian market and reduction of basic custom duties by India on imports of PUC. It is *prima facie* noted that there is likelihood of continuation/recurrence of dumping and injury to the domestic industry in the event of cessation of the anti-dumping duty.

Initiation of sunset review investigation

27. 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.

Subject Countries

28. The subject countries for the present sunset review investigation are China PR, Japan, Korea RP and Ukraine.

Period of Investigation (POI)

29. Petitioner has proposed the period from 1st April 2019 to 30th September 2020 (18 months) as the period of investigation (POI). The injury investigation period is 2016-17, 2017-18, 2018-19 and POI.
30. A longer period of investigation is appropriate in the present sunset review since trade in the first and second quarter of 2020-21 was impacted by Covid-19. A longer period would be more appropriate to assess the current injury and likelihood of injury to the domestic industry caused due to the alleged dumped imports. In view of the above, period of investigation (POI) of 18 months from 1st April 2019 to 30th September 2020 is considered appropriate. The injury investigation period will cover the periods April 2016 - March 2017, April 2017 - March 2018, April 2018 - March 2019 and the period of investigation i.e., 1st April 2019 to 30th September 2020.

Procedure

31. The sunset review investigation will undertake likelihood analysis of dumping and injury.
32. The provisions of Rules 6, 7, 8, 9, 10, 11, 16, 17, 18, 19 and 20 of the Rules shall be mutatis mutandis applicable in this review.

Submission of Information

33. 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, adv12-dgtr@gov.in, dd18-dgtr@gov.in, dd13-dgtr@gov.in, dd19-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.
34. 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.

35. 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.
36. Any party making any confidential submission before the Authority is required to make a nonconfidential version of the same available to the other parties.
37. 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.

Time Limit

38. Any information relating to the present investigation should be sent to the Designated Authority via email at the email addresses adg13-dgtr@gov.in, adv12-dgtr@gov.in, dd18-dgtr@gov.in, dd13-dgtr@gov.in, dd19-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.
39. 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.

Submission of information on confidential basis

40. 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.

41. 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.
42. 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.
43. 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.
44. 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.
45. 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.

46. 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.
47. 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

48. 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.

Non-cooperation

49. 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)

Joint Secretary & Designated Authority