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**F.No.7/6/2020-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 28.02.2020

INITIATION NOTIFICATION

(Case No. SSR- 05/2020)

Subject: - Initiation of Second Sunset Review investigation concerning imports of Plain Medium Density Fibre Board” originating in or exported from China PR, Malaysia, Thailand & Sri Lanka.

1. M/s Greenply Industries Limited/ M/s Greenpanel Industries Limited, M/s Century Plyboards (India) Ltd. and M/s Rushil Decor Limited (hereinafter referred to as the “Applicants”) have filed an application before the Designated Authority (hereinafter also 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 also referred 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 as the “Rules”), for Sunset Review anti-dumping investigation concerning imports of Plain Medium Density Fibre Board having thickness of 6mm or more (hereinafter also referred to as “product under consideration” or “PUC” or “subject goods”), originating in or exported from China PR, Malaysia, Sri Lanka & Thailand (hereinafter also referred to as the “subject countries”).
2. The Applicants have alleged likelihood of continuation or recurrence of dumping of subject goods, originating in or exported from the subject countries and consequent injury to the domestic industry and have requested for sunset review and continuation of the anti-dumping duty imposed on the imports of subject goods, originating in or exported from the subject countries.

Background

3. The original investigation concerning imports of the subject goods from China PR, Malaysia, New Zealand, Sri Lanka & Thailand was initiated by the Authority vide Notification No.14/12/2007-DGAD dated 6th June 2008. Preliminary anti-dumping duties were recommended vide Notification No. No.14/12/2007-DGAD dated 2nd February 2009 and imposed vide Notification No. 21/2009-Customs (ADD) dated 27th February 2009.

Thereafter, definitive anti-dumping duties were recommended for imposition on China PR, Malaysia, Sri Lanka & Thailand vide Notification No. No. 14/12/2007-DGAD dated 26th August 2009 and the same were imposed vide Notification No. 116/2009-Customs (ADD) dated 8th October 2009.

4. A Sunset Review (SSR) investigation was initiated vide Notification No. 15/28/2013-DGAD dated 18th February, 2014. The extension of anti-dumping duties was recommended vide Notification No. 15/28/2013-DGAD dated 17th August, 2015 and the same was imposed vide Notification No. 48/2015-Customs (ADD) dated 21st of October, 2015. The current Anti-dumping duty is valid up to 20th October 2020.

Product under Consideration

5. The product under consideration as in the original investigation is “Plain Medium Density Fibre board having thickness of 6mm or more”. As per the original investigation & first Sunset review investigation carried out by the Designated Authority earlier, the product has been defined as under.

The product under consideration is Plain Medium Density Fibre Board, also known as Plain MDF Board. It is a composite wood product made out of wood waste fibres glued together with urea formaldehyde resin or melamine resin by applying heat and pressure. It is widely used for partitions, Modular furniture, cabinets etc, due to its smooth and uniform finish. MDF Board is produced in plain form and lamination is additional processing which is carried out after production of Plain MDF Board.

The laminated Medium Density Fibre Board (laminated MDF Board) is beyond the scope of product under consideration. The Plain Medium Density Fibre Board below 6MM thickness is excluded from the product scope. The product under consideration accordingly is, “Plain Medium Density Fibre Board having thickness of 6 MM or more.

6. The present investigation being a sunset review investigation, product under consideration remains the same as in the previously conducted investigation. The subject goods are classifiable under Chapter 4 of the Customs Tariff Act, 1975 under sub-headings 44111300 & 44111400. However, the subject goods are being imported under other tariff sub-heading i.e. 44111200, 44111292, 44111293 and 44111294 as well. These custom classifications are indicative only and in no way binding on the scope of this investigation.

Like Article

7. 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 are no differences either in the technical specifications, quality, functions or end-uses of the dumped imports and

the domestically produced subject goods. 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 Applicants in India are being treated as 'Like Article' to the subject goods being imported from the subject countries.

Domestic Industry

8. The application has been filed by M/s Greenply Industries Limited/ M/s Greenpanel Industries Limited, Century Plyboards (India) Ltd. and Rushil Decor Limited. The Applicants have claimed that they neither imported the subject goods from the subject countries nor are related to any exporter or producer of subject goods in the subject country or any importer of the PUC in India. Considering the information on record, Applicants account for "a major proportion" of the Indian production. The Authority has, therefore, considered the Applicants as Domestic Industry within the meaning of the Rule 2 (b) and also satisfying the criteria of standing in terms of Rule 5 (3) of the Rules.

Likelihood of continuation or recurrence of dumping

i. Normal Value for China PR

9. The Applicants have claimed that China PR should be treated as a non-market economy and the normal value should be determined in terms of paragraph-7 of Annexure I of the Rules. The Applicants have cited Para 8(2) of Annexure I of the Rules and have stated that the Chinese producers should be directed to show that market economy conditions prevail in the industry producing the subject goods in terms Para 8(3) of Annexure I of the Rules. The Applicants have stated that for China, normal value should be determined in accordance with para-7 and 8 of Annexure I of the Rules. In view of the above, subject to rebuttal by the responding exporters from China PR, a presumption has been made regarding non-market economy for China PR and normal value of the subject goods in China PR has been estimated in terms of Para 7 of Annexure 1 to the Rules.
10. The Applicants have claimed that New Zealand may be taken as an appropriate market economy third country for the construction of normal value for China PR. All interested parties are advised to offer their comments on this issue within 30 days from the date of issuance of initiation notification. Pending detailed examination of the claim of New Zealand as surrogate country for China PR for this investigation, the Authority, for the purpose of initiation of the present investigation, has taken the option of the price payable in India for constructing normal value for the China PR. The claim of the petitioner for choosing New Zealand as an appropriate market economy third country in this investigation would, however, be examined during the course of investigation on receipt of the comments from interested parties on this issue.
11. Accordingly, for the purpose of initiation, normal value has been constructed for China PR, on the basis of cost of production in India, based on the cost of most efficient domestic producer with selling, general and administrative expenses, duly adjusted.

ii. Normal Value for Malaysia, Thailand & Sri Lanka

12. In case of Malaysia, Thailand & Sri Lanka, the Applicants have claimed normal value on the basis of prices prevailing in respective countries, based on prices reported in a Market Research Report.

iii. Export Price

13. The Authority has computed the export price for subject goods for the subject countries based on Directorate General of Commercial Intelligence and Statistics (DGCI&S) transaction-wise import data. Adjustments have been made for ocean freight, marine insurance, commission, inland freight expenses, port expenses and bank charges.

iv. Dumping Margin

14. 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 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 are significantly higher than the net export prices, indicating that the subject goods originating in or exported from the subject countries are being exported at dumped prices.

Likelihood of continuation or recurrence of Injury

15. The Applicants have claimed continued injury to the domestic industry, on the basis of volume of dumped imports, price undercutting and underselling, depressing and suppressing effect on prices of the domestic industry and consequent deterioration in performance of the domestic industry in respect of capacity utilization, profits, return on capital employed and cash profits. There is prima facie evidence of continued injury to the domestic industry by dumped imports from Malaysia and Sri Lanka. However, the Applicants have furnished evidence with regard to significant installed production capacities, inventories, export orientation of the producers in the subject countries, along with information on unutilized and freely disposable capacities in the subject countries to substantiate their arguments of likelihood of recurrence of injury on cessation of the anti-dumping duty.

Initiation of Sunset Review

16. Therefore, in view of above, the Authority hereby initiates a sunset review investigation, in terms of Rule 23 of the Rules, to review the need for continued imposition of the duties in force in respect of the subject goods, originating in or exported from subject countries to examine whether the expiry of existing anti-dumping duty is likely to lead to continuation or recurrence of dumping and injury to the Domestic Industry.

Period of investigation

17. The Authority proposes the period of investigation (POI) for the present investigation as 1st April 2018 to 30th September 2019 (18 Months). The injury investigation period will cover the periods 1st April 2015- 31st March 2016, 1st April 2016- 31st March 2017, 1st April 2017- 31st March 2018, and the POI.

Subject Countries

18. The subject countries for the present investigation are China PR, Malaysia, Thailand & Sri Lanka.

Procedure

19. The review investigation will cover all aspects of the final findings published vide Notification No. 15/28/2013-DGAD dated 17th August 2015 recommending extension of anti-dumping duty on imports of Plain Medium Density Fibre board from China PR, Malaysia, Thailand & Sri Lanka.
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.

Submission of Information

21. The exporters in the subject countries, their governments 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.
22. 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.
23. The information/ submission may be submitted to:

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

24. 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

25. Any information relating to the present investigation should be sent in writing so as to reach the Authority at the address mentioned above within thirty days from the date of receipt of the notice as per Rule 6(4) of the Rules. It may, however, be noted that in terms of explanation of the said sub rule, the notice calling for information and other documents shall be deemed to have been received one week from the date on which it was sent by the Designated Authority or transmitted to the appropriate diplomatic representative of the exporting countries. 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.
26. 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

27. 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 and the Trade Notices issued in this regard. Failure to adhere to the above may lead to rejection of the response / submissions.
28. The parties making any submission (including Appendices/Annexures 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:
 - i. one set marked as Confidential (with title, number of pages, index, etc.), and
 - ii. the other set marked as Non-Confidential (with title, number of pages, index, etc.).
29. 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.
30. 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.

31. 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, 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.
32. 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 summary form, it may disregard such information.
33. 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.
34. 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

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

Non-cooperation

36. 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.

(Bhupinder S. Bhalla)
Additional Secretary & Designated Authority